IP Protection and Commercialization of Innovative Seeds in Vietnam:
Situation and Challenges

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Background

- Seeds are considered as the most important factor of growth in agricultural production in Vietnam.
- As a large exporter of agricultural products in the world, it requires Vietnam to self-control the types of plant seeds.
- Rice is the sector that the State prioritizes investment in Vietnam.
- For rice, the local centers and institutes have bred 260 inbred rice varieties and 70 hybrid rice varieties.
- In 2013, Vietnam imported approximately 800,000 tons of rice seeds of all kinds, in which about 11,000 tons of hybrid rice seeds.
**Background**

- Seed of other crops: Vietnam have to import with value 500 million USD/year (2013)
  - Vegetables and flowers seed: 80 % - 95 %
  - Maize seed: 90%
  - Hybrid rice seed: 70-80%
Policy and institutional environment for Vietnam plant seeds

- Plan strategic on Development of Agricultural and Forest Plant Varieties, Livestock Breeds and Aquatic Strains up to 2020 (2009)
- The new Seed Law is discussing
Research and use of rice varieties in Vietnam

• Low state investment: about 15 millions USD/year for agricultural research system (about 0.2% of GDP), in which 40% for all crops research, focusing on varieties selection

• In 2015, there are 379 rice varieties in the Ministry’s authorized list for production, including 270 inbred rice varieties, 88 hybrid rice varieties and 21 glutinous rice varieties

• But, there are only 66 major rice varieties, including 66 inbred rice varieties, 5 glutinous rice varieties and 15 hybrid rice varieties, accounting for 91% of the total production area
In which 8 inbred rice varieties of Vietnam are the IR50404, OM5451, OM4900, OM6976, OM4218, OM5954, BC15 and TH3-3 (hybrid rice).

17 major selection and breeding organizations in Vietnam, including 6 enterprises, 11 Institutes and Universities.

263 seed production and trading enterprises, in which 5 large enterprises hold more than 30 percent of the rice seed market.

2006-2010: 170 new rice varieties, 80% of cultivated area.
In 2005, Vietnam has 575 new plant varieties (Department of Crop Production, 2006) used in production in all regions of Vietnam,

But in which there are only 37 varieties protected brevet according to IP Law

Now, there were 8 rice varieties sold for 13 billions VND (about 600 000 usd) from Institutes & Universities funded by government to business
The issue of plant variety copyright protection is new and less developed in Vietnam. Before 2005, the plant seed has been supplied by state free of charge.

Now with the socialization of seed industry and reducing state investment, the seed commercialization is promoting.

The State allows the varieties, which are created by using investment from the State budget, to be able to be registered their Brevet under the Intellectual Property Law, and according to UPOV regulation.

The breeders, who are invested by the State, have a duty to create new plant varieties and a breeder with a protection certificate will have the transfer right.

The financial source from variety IP commercialization will return mostly to breeder (about 30%) and organization for reinvestment (60%) and **the breeders must pay 10% of total amount from copyright selling to the State**.
Transition of seed intellectual property right and commercialization in Vietnam

• Before the variety breeder has to multiply and to commercialize their seed, but with new system these roles will be transferred to business
• The seed industry became more specialized and efficient
• But current mechanize of added value allocation for breeder was not enough incentive
• The varieties IP should follow the market rule: “negociated price” if transferred, but mostly low price, due to:
  – Small seed business has limited capacity of marketing
  – The control mechanize of IP Law is still limited, so violation is popular
Some difficulties in the protection of plant variety copyright in Mekong

• Cuu Long Delta Rice Research Institute is the unit supplying 70 percent of rice seed market share in whole country, but all of them are not protected in copyright, due to
  – Small farm need to access to cheap price seed, while the protection will raise the seed price
  – The inbred rice seed was easily copied, no business want to invest, but farmer seed club more appropriated
  – The new variety evaluation was still limited capacity, so too much new varieties

• Solution is the apply of copyright fees mechanism can be collected in only the first year for seed companies
VAAS:
- 18 institutes
- 3500 staffs
Varieties researches and commercialization results of the Vietnam Academy of Agricultural Sciences (VAAS)

• In 2013-2015 period, the VAAS had:
  – 50 plant varieties officially recognized for production
  – 70 varieties recognized for trial production

• The copyright and trading authorization of 34 plant varieties with the total value of over 90 billion VND, were transferred to 12 enterprises
  – 26 rice varieties;
  – 8 maize varieties
VAAS’s transferred result in 2015

- 8,105 tons of rice varieties,
- 3,437 tons of maize varieties;
- 1,500 tons of potatoes;
- 1,000 tons of edible cannas;
- 1,200 tons of batata branches for breeding;
- 1,000 tons of bean seeds;
- 01 ton of vegetable seeds of all kinds; millions of grafted tomato seedlings;
- 2.0 million lily bulbs; 15 million flower seedlings (chrysanthemum, phaleanopsis, gerbera); hundreds of thousands of tulips bulbs;
- 10 million tea seedlings of all kinds;
- 2.0 million fruit plant seedlings;
- 2.8 million industrial plant seedlings of all kinds (rubber, cashew, cocoa, grafted coffee, sowed robusta coffee, pepper, grafted avocado, sugarcane).
- 14,836 kg of robusta coffee seeds,
- 300,000 strawberry beards to Central Highlands; provided hybrid strawberry seeds F1-VH15 and GQ2 enough for planting in 55 hectares to the Northern provinces.
4 forms of plant varieties IP transfer

– The transfer of variety copyright or protection certificate ownership for large enterprises that have capacities of a large seed production and of supplying a large volume of seeds

– The authorizing the seed exclusive production and trading by specific geographic regions to smaller enterprises who mainly supply the seeds in local level.

– The Research institutes contribution the share by their copyrights in seed production and trading with joint-stock businesses to promote new varieties

– The copyright fees mechanism for seed production
Conclusion and recommendation

- New plant varieties are the key to success of Vietnam's agriculture for decades.
- The proportion of protected varieties is still small
- The variety protection issues are very urgent and need to be promoted stronger
- The protected varieties show their better capabilities of expansion and commercialization
- The State should complete legal documents on IP for plant varieties, including the Law on Plant Varieties, and promote capacity of the seed control system
- The State should promote international exchanges and cooperation on the plant variety protection in order to promote the international trade of agricultural products
Thank you very much for your attention !!!