



PepsiCo Sues Potato Farmers

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PepsiCo, a multi-million dollar conglomerate, has sued Gujarati farmers asking them to pay ₹1.05 crore each for alleged violation of Intellectual Property Rights.

- The company has said that farmers **infringed its patent rights by growing the potato variety used in its product called as Lays chips.**
- However, facing boycott calls after it sued Gujarati potato farmers PepsiCo has offered to settle the case if the farmers stop growing the registered potato variety used in its Lays chips.

Pepsico's Point of View

- PepsiCo has invoked **Section 64 of the Protection of Plant Varieties and Farmers' Rights (PPV&FR) Act, 2001** to claim infringement of its rights.
- The section **prohibits anyone other than the breeder of seeds or a registered licensee of that variety to sell, export, import or produces such variety.**
- The farmers were allegedly growing a variety of potato namely FL 2027, also called FC5, on which PepsiCo claimed exclusive rights by virtue of a Plant Variety Certificate (PVC).

Farmers Point Of View

- However, farmers groups have said that **section 39 of the Protection of Plant Varieties and Farmers' Rights (PPV&FR) Act, 2001** allows farmers to grow and sell any variety of crop or even seed as long as they don't sell branded seed of registered varieties.
- The farmers have requested the government to interfere on their behalf and ask Protection of Plant Varieties and Farmers' Rights Authority (PPV&FRA) to make a submission in court and fund legal costs through the National Gene Fund.

Protection of Plant Varieties and Farmers' Rights (PPV&FR) Act, 2001

- The aim of the act is the **establishment of an effective system for the protection of plant varieties, the rights of farmers and plant breeders** and to encourage the development of new varieties of plant.
- The act also **establishes Protection of Plant Varieties and Farmers' Rights Authority under the Ministry of Agriculture and Farmers Welfare.**
 - The major function of Authority includes **Registration** of new plant varieties; **documentation** of varieties registered; **Preservation of plant genetic resource**; Maintenance of the **National Register of Plant Varieties** and Maintenance of **National Gene Bank (for conserving seeds of registered varieties).**
- **Rights under the Act**
 - **Breeders' Rights:** Breeders (Seed Producers) will have **exclusive rights to produce, sell, market, distribute, import or export the protected variety.**
 - A breeder can exercise for **civil remedy** in case of infringement of rights
 - **Researchers' Rights:** Researcher can **use any** of the **registered variety under the Act** for conducting an experiment or research.
 - Researchers can use the initial source of variety for the purpose of developing another variety but **repeated use needs the prior permission of the registered breeder.**
 - **Farmers' Rights:** A farmer **who has evolved or developed a new variety is entitled to registration** and protection in like manner as a breeder of a variety.
 - A farmer **can save, use, sow, re-sow, exchange, share or sell his farm produce including seed of a variety protected under the PPV&FR Act, 2001**
 - However, the farmer **shall not be entitled to sell branded seed of a variety protected under the PPV&FR Act, 2001.**
 - There is also a provision for **compensation to the farmers for non-performance of variety.**
 - The farmer shall **not be liable to pay any fee in any proceeding before the Authority or Registrar or the Tribunal or the High Court** under the Act.

National Gene Fund

- In 2007, the **National Gene Fund was constituted under the PPV&FR Act 2001.**
- It started with an initial amount of Rs 50 lakh from the Central government and gets a contribution from the money paid by plant breeders as registration and annual fee.

Contract Farming

- Contract farming can be defined as **agricultural production carried out according to an agreement between a buyer and farmers**, which establishes conditions for

the production and marketing of a farm product or products.

- In contract farming, the farmer agrees to provide agreed quantities of a specific agricultural product which meet the quality standards of the purchaser and be supplied at the time determined by the purchaser.
- On the other hand, the buyer commits to purchase the product and, in some cases, to support production through the supply of farm inputs, land preparation and the provision of technical advice.