= Bowman v. Monsanto Co . =

Bowman v. Monsanto Co . , 569 U.S. _ _ _ (2013) was a United States Supreme Court patent decision in which the Court unanimously affirmed the decision of the Federal Circuit that the patent exhaustion doctrine does not permit a farmer to plant and grow saved , patented seeds without the patent owner 's permission . The case arose after Vernon Hugh Bowman , an Indiana farmer , bought transgenic soybean seeds from a local grain elevator for his second crop of the season . Monsanto originally sold the soybeans to farmers under a limited use license that prohibited the farmer @-@ buyer from using the seeds for more than a single season or from saving any seed produced from the crop for replanting . The farmers sold their soybean crops (also seeds) to the local grain elevator , from which Bowman then bought them . After Bowman replanted seeds for his second harvest , Monsanto filed a lawsuit claiming that he infringed on their patents by replanting soybeans without a license . In response , Bowman argued that Monsanto 's claims were barred under the doctrine of patent exhaustion , because all future generations of soybeans were embodied in the first generation that was originally sold .

In a unanimous opinion written by Justice Elena Kagan , the Supreme Court ruled that Bowman 's conduct infringed upon Monsanto 's patent rights and that the doctrine of patent exhaustion does not permit a farmer to reproduce patented seeds through planting and harvesting without the patent holder 's permission . The Court held that , when a farmer plants a harvested and saved seed , thereby growing another soybean crop , that action constitutes an unauthorized " making " of the patented product .

The case garnered attention in part due to its potential impact on policy about genetically modified crops and self @-@ replicating technologies , and due to the involvement of Justice Clarence Thomas , who previously served as a lawyer for Monsanto . Commentators noted , however , that the Court 's ruling was narrow in scope , and did not set a broad legal precedent with respect to the applicability of the doctrine of patent exhaustion to self @-@ replicating technologies .

= = Background = =

= = = Factual setting = = =

Monsanto developed patents for genetically modified soybeans that were resistant to glyphosate @-@ based herbicides . When farmers sprayed the modified soybeans with the glyphosate herbicide Roundup , the modified soybeans would survive while competing plants (weeds) would be killed . Monsanto sold these soybeans under a limited @-@ use license that prohibited the farmer @-@ buyer from using the seeds for more than a single season or from saving any seed produced from the crop for replanting .

In 1999 , Indiana farmer Vernon Hugh Bowman bought soybean seeds from a local grain elevator for his second crop of the season . He then saved seeds from his second crop to replant additional crops in later years . Bowman purchased these soybean seeds from the same elevator where he and neighbors sold their soybean crops , many of which were transgenic , and the elevator sold soybeans as commodities , not as seeds for planting . He tested the new seeds , and found that as he had expected , some were transgenic and thus were resistant to glyphosate . He replanted seeds from the original second harvest in subsequent years for his second seasonal planting , supplementing them with more soybeans he bought at the elevator . He informed Monsanto of his activities .

Monsanto stated that he was infringing its patents because the soybeans he bought from the elevator were products that he purchased for use as seeds without a license from Monsanto ; Bowman stated that he had not infringed due to patent exhaustion on the first sale of seed to whatever farmers had produced the crops that he bought from the elevator , on the grounds that for seed , all future generations are embodied in the first generation that was originally sold . Bowman had previously purchased and planted Monsanto seeds under a license agreement promising not to

save seeds from the resulting crop , but that agreement was not relevant to his purchase of soybean seed from the grain elevator nor to the litigation . In 2007 , Monsanto sued Bowman for patent infringement in the United States District Court for the Southern District of Indiana .

= = = Lower court rulings = = =

After filing suit , Monsanto moved for summary judgment . In response , Bowman argued that if Monsanto was allowed to continue its license past exhaustion , it would be able to dominate the market . Although the district court found Bowman 's arguments compelling , it found that it was bound by previous appellate court decisions in Monsanto Co. v. Scruggs and Monsanto Co. v. McFarling to control , and in 2009 , the district court ruled in favor of Monsanto . The court held that since the original farmers could not use the later generation seeds without a license , they could not make an unrestricted sale and therefore the patent rights were not exhausted . The court entered judgment for Monsanto in the amount of $ 84 @,@ 456 @.@ 30 and enjoined Bowman from making , using , selling or offering to sell any of the seeds from Monsanto 's patent .

Bowman then appealed the decision to the United States Court of Appeals for the Federal Circuit . Bowman argued that the Monsanto license agreement allowed the sale of second @-@ generation soybeans to both grain elevators and subsequent buyers and that this caused the patent rights to be exhausted per the United States Supreme Court 's ruling in Quanta Computer , Inc. v. LG Electronics , Inc . Monsanto argued that the license agreement specifically prohibited the use of second @-@ generation seeds for planting . The Federal Circuit upheld the lower court 's decision in favor of Monsanto .

= = = Petition to the Supreme Court = = =

Bowman sought review in the United States Supreme Court . Bowman argued that the Federal Circuit 's decision conflicted with existing Supreme Court precedent on patent exhaustion . Bowman said that United States v. Univis Lens Co. showed that patent exhaustion applied even when the patent holder created post @-@ sale restrictions . He claimed that the Federal Circuit had created a judicial exception to patent exhaustion for Monsanto , allowing it to dominate the soybean seed market . Finally , Bowman argued that he was not " making " infringing new seeds merely by planting and reaping crops .

Monsanto argued that the Federal Circuit 's decision was correct because Bowman had created a new product that infringed on their patent . They further argued that this was not an appropriate case to hear , as the decision was not decided on patent exhaustion via a conditional sale . The Supreme Court requested the United States to brief the Court , and the Solicitor General filed a brief generally in support of the Monsanto position . The United States asked the Court to deny certiorari . The Supreme Court granted certiorari on October 5 , 2012 .

= = Supreme Court = =

= = = Arguments = = =

Bowman was represented by Mark P. Walters of Frommer , Lawrence , & Haug , LLP . Walters argued that the authorized sale of the seeds extinguished the patent , and that Bowman merely used seeds legitimately purchased from the silo . He claimed that the Federal Circuit had created an exception to the exhaustion doctrine , and that this decision was properly for Congress to decide . Seth P. Waxman , a former Solicitor General , represented Monsanto and argued that the second @-@ generation seeds were not subject to exhaustion because they had not existed until Bowman created them and had not been sold at the time of infringement . He noted that even when exhaustion applied , it did not allow one to create new copies of the patented product , which the second @-@ generation seeds were .

A number of Amici Curiae also filed briefs on behalf of the parties . For example , the American Intellectual Property Law Association , arguing on behalf of Monsanto , wrote that " [e] xhaustion of the right to control propagation of patented seed would disrupt the balance created by Congress between the Patent Act and the Plant Variety Protection Act . " The American Seed Trade Association , also arguing on behalf of Monsanto , wrote that " [p] atented seed technology benefits farmers , consumers and the environment " . The National Farmers Union , arguing on behalf of Bowman , wrote that " [a] patent exhaustion exception for self @-@ replicating technologies is inconsistent with this Court ? s precedent and the competition policies reflected in the first @-@ sale doctrine " , and the Center for Food Safety wrote that " [f] arming is not genetic engineering " .

= = = Commentary prior to the Supreme Court 's ruling = = =

In the months leading up to the decision , commentators weighed in on several issues relating to the case . Because Justice Clarence Thomas had served as a lawyer for the Monsanto Company 34 years earlier , some critics questioned whether he would remain impartial . Other commentators noted that the case raised the " important question " of whether the exhaustion doctrine should include an exception for self @-@ replicating technologies , which may one day include self @-@ replicating robots . In SCOTUSblog , Ronald Mann wrote the case 's " practical ramifications are substantial " , and that the case was " one of the highest @-@ stakes cases of the Term " . However , Mann also predicted that " it seems most unlikely the Court will rule against Monsanto " , and in his coverage of the case 's oral arguments , he observed that " none of the Justices expressed any sympathy for [Bowman ? s] position " .

= = = Opinion of the Court = = =

On May 13 , 2013 , Justice Elena Kagan delivered the Court 's unanimous opinion , which affirmed the judgment of the Federal Circuit . Justice Kagan stated that while an authorized sale of a patented item terminates all patent rights to that item , that exhaustion does not permit a farmer to reproduce patented seeds through planting and harvesting without the patent holder 's permission . Justice Kagan stated that when a farmer plants a harvested and saved seed , thereby growing a further soybean crop , that action constitutes an unauthorized " making " of the patented product , in violation of section 271 (a) of the patent code . Justice Kagan concluded that Bowman could resell the patented seeds he obtained from the elevator , or use them as feed , but that he could not produce additional seeds (that is , crops) .

= = Commentary and analysis = =

After the Court published its decision , analysts offered a range of opinions about the impact of the Court 's ruling . An academic co @-@ author of an amicus brief on behalf of Bowman filed by the American Antitrust Institute expressed relief that the loss was on a narrow basis rather than providing a broad affirmation of the lack of patent exhaustion for self @-@ replicating technologies . Kevin Rodkey argued that an analysis under Quanta Computer leads to the conclusion that patent rights covering self @-@ replicating seeds are exhausted on the first authorized sale , including subsequent generations , and that seed companies can only exclude subsequent replantings with carefully written license restrictions . Ronald Mann writing in SCOTUSblog noted : " The tenor of the Court came through most clearly when the Court ridiculed what it called Bowman ? s ' blame @-@ the @-@ bean defense ' ? the argument that Bowman did not make new seeds , because it was the seeds themselves that replicated . "

Another academic , Richard H. Stern , did not take issue with the Court 's refusal to shelter Bowman 's conduct under the exhaustion doctrine , but criticized the Court 's classification of the act of planting seeds and growing crops from them as an act of " making " a new patented article . Rochelle C. Dreyfus is also reported to have criticized the decision , noting that Bowman was attempting to obtain the benefit of the genetic modifications , while others , such as organic growers

, fear being sued for inadvertent cross @-@ contamination . Additionally , the Harvard Law Review wrote that " [t] he Court reached the correct outcome but via the wrong route " because its ruling " obfuscates the role of the licensing agreement " and because the " exhaustion doctrine is ill suited to address the challenges posed by self @-@ replicating technologies " .

Other commentators suggested the case will have broad @-@ ranging impacts for other self @-@ replicating technologies . Tabetha Marie Peavey suggested that the Court " appeared to be alert to the consequences of its ruling , not just for the value of Monsanto ? s soybean patents , but also for technologies like cell lines , software , and vaccines " . Likewise , Christopher M. Holman wrote that the case " should be viewed as a bellwether for an oncoming wave of controversy around the patenting of self @-@ replicating technologies that will challenge the ability of the patent system to respond effectively " . William J. Simmons also wrote that " more cases like this will probably be appealed to [the Supreme Court] as these technologies become more prevalent in society " .

= = Subsequent developments = =

In a similar case , Organic Seed Growers & Trade Ass 'n v. Monsanto Co . , a coalition of farmers filed suit to challenge twenty @-@ three of Monsanto 's patents for glyphosate @-@ resistant crops . The plaintiffs argued that if their crops became " contaminated by transgenic seed , which may very well be inevitable given the proliferation of transgenic seed today , they could quite perversely also be accused of patent infringement " . The plaintiffs sued to declare Monsanto 's patents invalid and asked Monsanto to " expressly waive any claim for patent infringement [Monsanto] may ever have " against the farmers and to " memorialize that waiver by providing a written covenant not to sue " . However , the case was dismissed for lack of a controversy . The suit did not demonstrate instances of current harm or future risk . Monsanto also gave assurances that it did not plan to sue in cases of inadvertent infringement when a grower was not also using glyphosate on their crop . Monsanto 's patent for the soybeans at issue in this case expired in 2014 , prior to which Monsanto announced that it will no longer enforce the licenses associated with the soybeans .