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Reaping What You Sow? - Not After *Bowman v. Monsanto*

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A Key Doctrine of Patent Law

If you are familiar with patents and the laws that apply to them, you may have heard of the term, "patent exhaustion." But what does this term mean? No, it is not a characterization of the burnout that patent practitioners may experience after years of preparing, filing, and prosecuting patent applications in the USPTO.

Before defining patent exhaustion, recalling the definition of a patent itself is helpful. A patent is a property right granted by a government entity, such as the United States government. Federal statute 35 U.S.C. §154 states, "Every patent shall contain… a grant to the patentee… of the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States…" This grant is provided to the patentee in exchange for a complete written disclosure to the public of how to make and use the invention.

Patent infringement is the act of violating this right, as set forth in 35 U.S.C §271: "Whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States, or imports into the United States any patented invention during the term of the patent therefor, infringes the patent." However, the grant of a patent and the act of infringement have certain limitations. One limitation falls under a common law doctrine known as patent exhaustion, which holds that that the first unrestricted sale of a patented product exhausts the patent owner's right to further control the particular item.

In other words, the act of paying money to buy a patented product provides the authority to the buyer to use the product and to resell the product (separately, or incorporated into another product as is commonly done) without infringing the patent. However, there are also limitations to how a purchased patented product can be used. The purchased product cannot be used by the buyer to make copies of the patented product for further use or sale. Such an action would infringe the patent.

"Every problem has in it the seeds of its own solution. If you don't have any problems, you don't get any seeds."

– Norman Vincent Peale

The "Self-Replicating" Patented Product

Given the above definitions, now consider the following question: What if it is not the buyer of the patented product that reproduces it, but rather the product itself that engages in the replication? In other words, the product is self-replicating – it makes copies of itself. Under the doctrine of patent exhaustion, can the buyer of the original product use or sell the replicated copies of the patented product, since he himself did not make them?

At this point, you may be wondering what sort of product replicates itself. The obvious answer (once you know it) is… seeds. Plant seeds are self-replicating. They are also patentable subject matter, particularly in view of recent major advances in genetic engineering of living organisms.

The Case of *Bowman v. Monsanto*

This past May, the Supreme Court ruled on a patent case[1] having this type of fact pattern. The parties in the litigation were Frank Bowman, an Indiana soybean farmer, and Monsanto Company, a large U.S. agricultural and biotechnology corporation. The Syllabus of the decision[2] summarizes the facts of the case succinctly as follows:

"Respondent Monsanto invented and patented Roundup Ready soybean seeds, which contain a genetic alteration that allows them to survive exposure to the herbicide glyphosate. It sells the seeds subject to a licensing agreement that permits farmers to plant the purchased seed in one, and only one, growing season. Growers may consume or sell the resulting crops, but may not save any of the harvested soybeans for replanting. Petitioner Bowman purchased Roundup Ready soybean seed for his first crop of each growing season from a company associated with Monsanto and followed the terms of the licensing agreement. But to reduce costs for his riskier late-season planting, Bowman purchased soybeans intended for consumption from a grain elevator; planted them; treated the plants with glyphosate, killing all plants without the Roundup Ready trait; harvested the resulting soybeans that contained that trait; and saved some of these harvested seeds to use in his late-season planting the next season. After discovering this practice, Monsanto sued Bowman for patent infringement. Bowman raised the defense of patent exhaustion, which gives the purchaser of a patented article, or any subsequent owner, the right to use or resell that article."

In a 9-0 ruling, the court held in favor of Monsanto, finding that patent exhaustion does not permit a farmer to reproduce patented seeds through planting and harvesting without the patent holder's permission. Bowman argued that patent exhaustion should apply in this case because "seeds are meant to be planted." He further argued that soybeans naturally "self-replicate or 'sprout' unless stored in a controlled manner," and thus it was the planted soybean, and not he, that made replicas of Monsanto's patented invention. The court characterized this argument cryptically as the "blame the bean defense" and gave it no credence, stating, "In all this, the bean surely figured. But it was Bowman, and not the bean, who controlled the reproduction (unto the eighth generation) of Monsanto's patented invention."

Technology Outruns the Law

Bowman v. Monsanto serves as an example of a case where a technology evolves at such a fast pace that it creates new and unforeseen conflicts not clearly covered by existing laws. In a sense, a rapidly emerging technology may sometimes "outrun" the applicable statutes and established case law. In those situations, the matter is often settled in court, and new case law emerges.

Indeed, in *Bowman v. Monsanto,* the court expressly stated that their holding was limited to the case at hand, and acknowledged that self-replicating product inventions "are becoming ever more prevalent, complex, and diverse." With today's frenetic pace of invention and technology development, you can expect more of these interesting cases in the future.

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1. *Bowman v. Monsanto Co. et al.*, No. 11–796, slip op. (S.Ct. May 13, 2013).
2. Complete decision available at **http://www.supremecourt.gov/opinions/12pdf/11-796_c07d.pdf**

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