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Key Supreme Court ruling on plant patents

Roger A. McEown

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A late 2001 U.S. Supreme Court ruling that newly developed plant breeds are patentable under the general utility patent laws of the United States has important implications for farmers, plant breeders and consumers.

Facts of the Case

Pioneer held seventeen general utility patents covering the manufacture, use, sale, and offer for sale of its inbred and hybrid corn seed products, and sold the protected seeds under a limited label license that allowed only the production of grain and/or forage, and prohibited the use of the seed for propagation or seed multiplication or the development of a hybrid or different seed variety. J.E.M Ag Supply (J.E.M.) bought patented seeds in bags bearing the license agreement. When J.E.M resold the bags, Pioneer sued for patent infringement. J.E.M. moved for summary judgment on the basis that Pioneer’s patents were invalid because plants are not patentable subject matter within the scope of 35 U.S.C. § 101, and that the Plant Patent Act (PPA) and the Plant Variety Protection Act (PVPA) set forth the only statutory protection for intellectual property rights in plants. J.E.M.’s motion was denied and the trial court ruled for Pioneer, the Federal Circuit affirmed, and the Supreme Court granted certiorari.

Scope of 35 U.S.C. §101 – the Patentability of Plants

The crux of J.E.M.’s position was that the Congress, in enacting the PPA and the PVPA, provided the exclusive statutory means for protecting plant life because both Acts are more specific than 35 U.S.C. §101 and thereby carve out plants from utility patent law for special treatment. However, the Court noted that the PPA did not contain any statutory language indicating that the Congress intended the PPA to serve as sole means of protection for asexually reproduced plants. J.E.M. also maintained that the Congress intended the PPA as the sole means of protection for intellectual property rights in plants because existing general utility patent laws (as of 1930) did not allow for patents on plants, and that there would have been no reason to enact the PPA at all. The Court disagreed, reasoning instead that J.E.M.’s argument failed to account for the state of patent law and plant breeding as of 1930, which involved a general presumption that plants were products of nature and were not amenable to the written description requirement of utility patent law. Thus, when the PPA was enacted, the Congress believed that plants were not patentable under utility patent law because they were viewed as living things not amenable to a written description, and not because they could not have been patentable subject matter under 35 U.S.C. §101.

The Court also rejected J.E.M.,’s argument that the PVPA was the exclusive mechanism for protecting intellectual property rights in plants. The Court noted that the language of the PVPA did not restrict the scope of patentable subject matter under 35 U.S.C. §101, and did not contain any statement of exclusivity. The Court took particular note that, at the time of the PVPA’s enactment in 1970, the PTO issued nearly 2,000 utility patents for plants, plant parts, and seeds under 35 U.S.C. §101. Consequently, the Pioneer Court had no trouble holding that newly developed plant breeds fall within the scope of 35 U.S.C. §101.

Exclusivity of PPA and PVPA

In Diamond v. Chakrabarty, the Supreme Court concluded that the Congress drafted 35 U.S.C. §101 broadly with the intent that the patent laws be given wide scope, and held that a manmade microorganism fell within the statute’s scope. The Court noted that the Congress made a statutory distinction between products of nature and manmade inventions, rather than between living and inanimate things.

The Court’s language in Diamond v. Chakrabarty was generally believed to be sufficiently broad to suggest that even plants that could be protected under the PPA or the PVPA could be the object of a general utility patent. Indeed, this position was confirmed in a 1985 case involving genetically engineered corn, and since that time the U.S. Patent and Trademark Office has issued nearly 2,000 utility patents for plants, plant parts, and seeds under 35 U.S.C. §101. Consequently, the Pioneer Court had no trouble holding that newly developed plant breeds fall within the scope of 35 U.S.C. §101.

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had already issued numerous utility patents for hybrid plant processes, and had assigned utility patents for plants since 1985 with no indication from the Congress that such action was inconsistent with the PVPA or the PPA.

Implications of the Court’s Opinion

In recent years, seed companies have been taking legal action against farmers for saving seed protected by a utility patent. Much of that litigation was on hold pending the Supreme Court’s opinion. It is now expected that the litigation will resume and intensify. An important point is that conventional seed as well as genetically modified seed may be patented. Farmers using such seed do not have the right to save any of the seed for replanting.

The opinion is also anticipated to further accelerate the amount of germplasm that is held privately rather than in the public domain as seed companies devote additional resources to patent any seed that is economically worth planting, whether genetically modified or conventional. That could have serious ramifications for the breeding programs of public plant breeders. Relatedly, the opinion clears the way for inbred and hybrid seed products developed by public research institutions to be patented consistent with the Bayh-Dole Act of 1980. This could result in public research being directed to a greater extent towards satisfying the desires of the firms that purchase the rights to the patents or otherwise exert pressure on public research, and to a lesser extent towards the desires of farmers and consumers. The opinion could also lead to increased concentration, now approaching monopoly in some areas, of germplasm in private hands, reduced competition and innovation in plant breeding (including that from public breeding), increased concentration due to small seed companies being unable to find new breeding material, and greater control by the firm holding the patent over the crops grown from patented seed. Consumers may ultimately be negatively impacted by such events.

Clearly, the Congress bears the burden to modify the existing statutory language of 35 U.S.C.§101, the PPA or the PVPA if it is desired that plants not be patentable, or the projected impacts of the Court’s opinion be avoided.