Client Alert.

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Patent Exhaustion and Self-Replicating Technologies
The Solicitor General Asks the Supreme Court to Decline Review in *Bowman v. Monsanto*

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In *Bowman v. Monsanto*, the Supreme Court requested the opinion of the Solicitor General on whether to grant review on two questions: "Whether the Federal Circuit erred by (1) refusing to find patent exhaustion in patented seeds even after an authorized sale and by (2) creating an exception to the doctrine of patent exhaustion for self-replicating technologies?" In a well-reasoned *amicus* brief, the Solicitor General suggested that the Supreme Court should decline to hear the case.

BACKGROUND

The *Bowman* case involves a seed-purchasing customer's use of a transgenic "Roundup Ready®" seed variety first invented and developed by Monsanto.[1] Vernan H. Bowman, an Indiana farmer, routinely purchased Roundup Ready® seeds for his first yearly soybean planting. However, starting in 1999, he also began purchasing commodity soybean seeds from a grain elevator for a second yearly planting. Because more than 90% of soybeans grown in Indiana contain Monsanto's patented technology, the soybean plants grown from Mr. Bowman's second yearly planting showed the same herbicide resistance as Roundup Ready® soybean seeds. Monsanto investigated and then sued for patent infringement. The district court granted summary judgment of infringement for Monsanto, awarding $84,456.20 in damages.[2]

Mr. Bowman appealed, arguing that Monsanto's patent rights were "exhausted" as to commodity seeds after the authorized sale of those seeds in secondary markets. Thus, he contended he was free to use them in his second yearly planting.[3] The Federal Circuit disagreed, noting that "[a]pplying the first sale doctrine to subsequent generations of self-replicating technology would eviscerate the rights of the patent holder."[4] The Court explained that "[e]ven if Monsanto's patent rights in the commodity seeds are exhausted, such a conclusion would be of no consequence because once a grower, like Bowman, plants the commodity seeds containing Monsanto's Roundup Ready® technology and the next generation of seed develops, the grower has created a newly infringing article" that Monsanto never authorized the grower to sell.[5] Accordingly, the Federal Circuit affirmed the district court.

MR. BOWMAN'S PETITION FOR CERTIORARI

Faced with the Federal Circuit's affirmance, Mr. Bowman filed a petition for *certiorari* in the Supreme Court. The Court has yet to decide the petition, but it did invite the opinion of the Solicitor General on whether to grant review. Such requests are widely regarded to be an indication that the Supreme Court has taken an interest in the case. In a well-

[1] *Monsanto Co. v. Bowman*, 657 F.3d 1341, 1343 (Fed. Cir. 2011).

[2] *Id.*

[3] *Id.* (citing *Quanta Computer, Inc. v. LG Electronics, Inc.*, 553 U.S. 617 (2008)).

[4] *Id.* at 1348.

[5] *Id.*

reasoned *amicus* brief, the Solicitor General recently suggested the Supreme Court should not grant review. Analogizing the case to the law of unlicensed reproduction under copyright law and the repair or reconstruction doctrine under patent law, the Solicitor General explained that planting soybean seeds in order to produce additional soybean seeds constitutes not only the permissible "using" of a thing sold but also impermissible "making" of a newly infringing article. Moreover, the Solicitor General cautioned that a finding in favor of Mr. Bowman could have unforeseen consequences affecting the enforcement of patents for other "self-replicating" technologies besides seeds, including "man-made cell lines, DNA molecules, nanotechnologies, [and] organic computers."

To be sure, the opinion of the Solicitor General is not the final say on whether the Supreme Court will review the *Bowman* case. The Supreme Court is light on cases for the upcoming term, so it may grant *certiorari* despite the Solicitor General's recommendation not to do so. Thus, until Mr. Bowman's petition is decided, clients with patents covering novel self-replicating technologies that are (or could be) subject to commercial sales will want to watch this case closely, and consider how to protect their inventions should the Supreme Court expand the scope of patent exhaustion in this area. Even if the Court does not take this case, clients should be on notice that the Court may eventually consider the issue, given the interest it has expressed in *Bowman* and in previous cases involving herbicide resistant plants.

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