
Supreme Court Holds That Exhaustion Doctrine Does Not Permit Purchasers of Patented Biotechnology to Make New Copies of the Invention

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In a unanimous decision, the United States Supreme Court held that purchasers of soybeans containing patented biotechnology cannot plant them to produce a new crop without the permission of the patent holder. See *Bowman v. Monsanto Co.*, No. 11-796 (U.S. May 13, 2013). The Court held that the patent exhaustion doctrine extends only to the article sold and does not permit purchasers to “make” new copies of the patented invention.

Monsanto’s patented Roundup Ready® trait enables soybean and other plants to tolerate exposure to glyphosate-based herbicides like Roundup. Farmers who plant Roundup Ready seed can therefore use glyphosate-based herbicides to kill weeds without damaging their crop. Slip Op. at 1. To purchase Roundup Ready soybean seed, growers must sign a licensing agreement. The agreement authorizes the purchaser to plant only a single commercial crop and bars the purchaser from saving or selling the harvested soybeans for replanting. *Id.* at 2.

Vernon Hugh Bowman purchased and planted “commodity soybeans” from a grain distributor. Because most farmers who sold soybeans to that distributor had planted Roundup Ready seed, most of the soybeans Bowman

purchased contained Monsanto's patented trait. Bowman confirmed this fact by spraying glyphosate-based herbicide on his crop, thereby killing any soybean plants without the trait. *Id.* at 3. When Bowman harvested his crop at the end of the season, he saved some soybeans and replanted them the next year, a process he repeated for several more seasons. Monsanto learned of Bowman's practice and sued him for patent infringement.

In an opinion written by Justice Kagan, the Court agreed with the district court and Federal Circuit that patent exhaustion applies only to the "particular article" sold and does not permit a buyer to "mak[e] new copies of the patented item." *Id.* at 4-5. Were the rule otherwise, Justice Kagan stated, a person who bought a single article could "make and sell endless copies" without compensating the patent owner, *id.* at 5, "depriving [the inventor] of its monopoly" after a single sale, *id.* at 6. Therefore, although Bowman could resell or consume the soybeans he purchased from the grain elevator, he did not have the right to plant them to make new soybeans containing Monsanto's patented trait. *Id.* at 5.

The Court rejected Bowman's argument that exhaustion doctrine permitted him to grow new crops because planting is a "use" of the soybean he purchased. Even after an authorized sale, "the patentee retains an undiminished right to prohibit others from making the thing his patent protects." *Id.* at 8. The Court also rejected Bowman's arguments that growing a new crop is not an infringing "making" of the invention, *see* Slip Op. at 4, and that Bowman was not responsible for making the new crop because soybeans can reproduce on their own, Slip Op. at 9. The Court stated that its decision may not address other cases in which "the article's self-replication might occur outside the purchaser's control" or is "a necessary but incidental step in using the item for another purpose." Slip Op. at 10.

[Read the opinion here.](#)

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