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HARVESTING A LAWSUIT: CHALLENGING THE ENFORCEMENT AND VALIDITY OF MONSANTO'S TRANSGENIC SEED PATENTS

KELLY E. CALDER*

I. INTRODUCTION

The majority of U.S. farmers use genetically modified seeds to eliminate weed growth in their crops.¹ Approximately 90% of all genetically-modified seeds planted in the world are patented and controlled by Monsanto.² Through exercise of its patent rights, Monsanto requires farmers using genetically modified seed to comply with strict requirements, and Monsanto is very active in enforcing its agreements against individuals accused of patent infringement.³ Individuals and organizations choosing not to use Monsanto's genetically modified seed are subject to the risk of cross-contamination between transgenic and non-transgenic seeds, and therefore, the must take precautions to avoid cross-contamination and potential Monsanto initiated patent infringement suits.⁴ Declaratory judgments and petitions for injunctive relief present potential solutions for farmers who choose not to use Monsanto's transgenic seed and wish to avoid patent infringement claims for inadvertently growing transgenic seed. Generally, this Note argues that these farmers should have standing to bring these claims.

In the landmark *Monsanto Co. v. Geertson Seed Farms* decision, the United States Supreme Court found that the plaintiff-respondent alfalfa farmers had standing to challenge an administrative order deregulating genetically modified alfalfa seeds.⁵ The respondents were likely to "suffer a constitutionally cognizable injury absent injunctive relief;"⁶ namely, "a significant risk of gene flow [from the genetically modified seeds] to non-genetically-engineered varieties of alfalfa."⁷ This threat contained both an "environmental as well as an economic component."⁸ Although the farmers

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¹ Tiffany Kaiser, *U.S. Farmers Realize Disadvantages of Genetically Engineered Seed*, DAILYTECH (Oct. 5, 2010, 3:41 PM), <http://www.dailytech.com/US+Farmers+Realize+Disadvantages+of+Genetically+Engineered+Seed/article19802.htm>.

² See *infra* note 22 and accompanying text.

³ See *infra* notes 35-37 and accompanying text.

⁴ See *infra* notes 39-40 and accompanying text.

⁵ *Monsanto Co. v. Geertson Seed Farms*, 130 S. Ct. 2743, 2754 (2010).

⁶ *Id.*

⁷ *Id.* at 2755.

⁸ *Id.* at 2756.

in *Geertson Seed Farms* did not receive the injunctive relief they sought, the case opened the door for other challenges against Monsanto and similarly situated companies. Some of these challenges relate to administrative decisions regarding the regulation of genetically modified seed.⁹ Other challenges extend to the validity of these patents and the respective companies' enforcement of them.¹⁰

In *Organic Seed Growers & Trade Ass'n v. Monsanto*, (hereinafter *OSGATA*), the plaintiffs (various organic farmers and related organizations) sought declaratory relief stating that they did not need to fear being sued by the defendant for patent infringement for inadvertently growing transgenic seed.¹¹ The *OSGATA* plaintiffs challenged the validity of Monsanto's patents, claiming, among other things, that Monsanto's "patents on transgenic seed fail to satisfy the requirement of both the Constitution and the Patent Act that only technology with a beneficial societal use may be patented."¹²

At the time of writing, the *OSGATA* plaintiffs currently have an appeal pending in the United States Court of Appeals for the Federal Circuit,¹³ resulting from the district court granting Monsanto's Motion to Dismiss for lack of subject matter jurisdiction.¹⁴ In summarizing its position, the district court stated that "[t]aken together, it is clear that these circumstances do not amount to a substantial controversy and *that there has been no injury traceable to defendants.*"¹⁵

Although the plaintiff-respondents sought injunctive relief in *Geertson Seed Farms*, as opposed to the declaratory relief desired in *OSGATA*, in some situations "there is little practical difference between injunctive and declaratory relief,"¹⁶ and in others declaratory relief is considered a milder remedy than injunctive relief.¹⁷ *MedImmune, Inc. v. Genentech, Inc.* sets the standard for declaratory judgment actions and

⁹ *Ctr. for Food Safety v. Vilsack*, 636 F.3d 1166, 1169-70 (9th Cir. 2011) (examining *Geertson Seed Farms*, 130 S. Ct. 1743, in its decision regarding genetically modified sugar beet deregulation).

¹⁰ Complaint, *Organic Seed Growers & Trade Ass'n v. Monsanto Co.*, 851 F. Supp. 2d 544 (S.D.N.Y. 2012) (No. 11-cv-2163-NRB), 2011 WL 1126563.

¹¹ First Amended Complaint at 2, *Organic Seed Growers & Trade Ass'n v. Monsanto Co.*, 851 F. Supp. 2d 544 (S.D.N.Y. 2012) (No. 11-cv-2163-NRB), available at <http://www.pubpat.org/assets/files/seed/OSGATA-v-Monsanto-Complaint.pdf>.

¹² *Id.*

¹³ *America's Farmers Fight Monsanto's Scorched Earth Legal Campaign of Threats and Intimidation*, OSGATA (July 5, 2012), <http://archive.constantcontact.com/fs074/1104248386985/archive/1110411137266.html>.

¹⁴ *Judge Sides With Monsanto: Ridicules Farmers' Right to Grow Food Without Fear, Contamination and Economic Harm*, OSGATA (Feb. 27, 2012), <http://archive.constantcontact.com/fs074/1104248386985/archive/1109394550381.html>.

¹⁵ *Organic Seed Growers & Trade Ass'n v. Monsanto Co.*, 851 F. Supp. 2d 544, 556 (S.D.N.Y. 2012) (emphasis added).

¹⁶ *Cal. v. Grace Brethren Church*, 457 U.S. 393, 408 (1982).

¹⁷ *Alli v. Decker*, 650 F.3d 1007, 1014-15 (3d Cir. 2011).

jurisdiction in these types of cases.¹⁸ Once the likelihood of cross-contamination was recognized as a cognizable environmental and economic injury in *Geertson Seed Farms*, it seems logical to conclude that lower courts must acknowledge plaintiffs' standing in cases seeking either injunctive or declaratory relief where the plaintiffs are asserting injury through the possibility of contamination by genetically modified seeds. The Federal Circuit should recognize this assertion when it rules on the pending *OSGATA* appeal.

II. WHO IS MONSANTO? A BRIEF DESCRIPTION OF THE COMPANY AND ITS PATENTED PRODUCTS¹⁹

Monsanto describes itself as a “relatively new company” concerned primarily with agriculture.²⁰ However, this characterization downplays Monsanto's history as a chemical manufacturer. Monsanto was founded in 1901 as a chemical company, and even before the controversy surrounding its patents for transgenic seed and other products,²¹ the company was responsible for manufacturing known carcinogens such as Agent Orange and PCBs.²²

Currently, Monsanto markets transgenic seed to the public under the Roundup Ready family brand name.²³ Roundup Ready products include corn, canola, soybean, sugar beet, alfalfa and cotton.²⁴ Approximately

¹⁸ *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007).

¹⁹ The purpose of this section is to identify Monsanto and the type of products that are protected by its patents. This is by no means exhaustive, nor is it meant to be. It is only meant to aid the reader in his or her understanding of the later points of this article.

²⁰ *Company History*, MONSANTO, <http://www.monsanto.com/whowere/Pages/monsanto-history.aspx> (last visited January 13, 2012) (“Monsanto is a relatively new company. While we share the name and history of a company that was founded in 1901, the Monsanto of today is focused on agriculture and supporting farmers around the world in their mission to produce more while conserving more. We're an agricultural company.”).

²¹ *Definition of Transgenic*, MERRIAM-WEBSTER, <http://www.merriam-webster.com/dictionary/transgenic?show=0&t=1325973340> (last visited Oct., 22 2012) (“Definition of TRANSGENIC: being used to produce an organism or cell of one species into which one or more genes of another species have been incorporated.”).

²² *New Movie Damns Monsanto's Deadly Sins*, GREENPEACE (Mar. 7, 2008), http://www.greenpeace.org/international/en/news/features/monsanto_movie080307/; *Agent Orange*, U.S. DEPT. VETERANS AFFS., <http://www.publichealth.va.gov/exposures/agentorange/> (last visited January 13, 2012) (explaining that the “military sprayed millions of gallons of Agent Orange and other herbicides on trees and vegetation during the Vietnam War. Several decades later, concerns about the health effects from these chemicals continue.”); *Polychlorinated Biphenyls (PCBs) Basic Information*, U.S. ENVTL. PROTECTION AGENCY, <http://www.epa.gov/epawaste/hazard/tsd/pcbs/pubs/about.htm> (last visited January 13, 2012) (describing that Polychlorinated Biphenyls “were domestically manufactured from 1929 until their manufacture was banned in 1979” and that “PCB's have been determined to cause cancer.”).

²³ First Amended Complaint, *supra* note 11, at 35.

²⁴ *Id.*

“[n]inety percent of all [genetically engineered] seeds planted in the world are patented by Monsanto and, hence controlled by them.”²⁵

The Food and Drug Administration does not mandate that foods derived from transgenic seed be labeled as containing genetically modified material.²⁶ Instead, foods derived from transgenic seed are labeled the same as their non-transgenic counterparts, but if the product was altered in any material way from the original, this must be indicated on the label.²⁷ Such a material alteration may include: when the modified product contains an allergen that is not found in an unmodified version, or if the nutritional content is significantly different from the original.²⁸ If a product is currently labeled as being free from transgenic product, it is because the manufacturer has done so voluntarily. The same is true for any labeling indicating whether the product contains genetically modified traits. Monsanto supports the FDA’s current stance against labeling transgenic foods.²⁹

Before creating Roundup Ready seed, Monsanto created glyphosate, an herbicide, which is primarily marketed as Roundup. Monsanto had exclusive rights to produce glyphosate until its patent expired in 2000.³⁰ Roundup Ready crops are resistant to glyphosate.³¹ Farmers who purchase Roundup Ready seed can spray their crops with Roundup (or another glyphosate-based herbicide) and those crops will not be destroyed.³² Non-glyphosate tolerant crops suffer severe injury or are ruined when sprayed with the product.³³

All of Monsanto’s Roundup Ready seeds are patented.³⁴ Therefore, farmers who wish to grow Roundup Ready crops must enter into an agreement with Monsanto.³⁵ The agreements limit how a farmer may use the patented seed, including the primary prohibition that a farmer may not save any received seed for future planting.³⁶ Monsanto does not hesitate in

²⁵ *New Movie Damns Monsanto’s Deadly Sins*, *supra* note 22.

²⁶ *Guidance for Industry: Voluntary Labeling Indicating Whether Foods Have or Have Not Been Developed Using Bioengineering; Draft Guidance*, U.S. FOOD & DRUG ADMIN., <http://www.fda.gov/food/guidancecomplianceregulatoryinformation/guidancedocuments/foodlabelingnutrition/ucm059098.htm> (last visited Jan. 13, 2012).

²⁷ *Id.*

²⁸ *Id.*

²⁹ *What’s the Problem with Labeling Genetically-Modified (GM/GMO) Foods?*, MONSANTO, <http://www.monsanto.com/newsviews/Pages/food-labeling.aspx> (last visited Jan. 13, 2012).

³⁰ M.TU ET AL., *Glyphosate*, in WEED CONTROL METHODS HANDBOOK 7e.1 (2001) available at http://www.sumnermaine.us/IWOC_Docs/Herbicide_glyphogen.pdf.

³¹ *Agriculture Seeds*, MONSANTO, <http://www.monsanto.com/products/Pages/monsanto-agricultural-seeds.aspx> (last visited Jan. 13, 2012).

³² First Amended Complaint, *supra* note 11, at 35.

³³ *Id.*

³⁴ *Id.* at 43-44.

³⁵ *Id.* at 64-67.

³⁶ *2008 Monsanto Technology/Stewardship Agreement*, MONSANTO, http://www.monsanto.com/SiteCollectionDocuments/tug_sample.pdf (last visited January 13, 2012).

enforcing its patents if it believes that they have been infringed, with some cases making it all the way to trial.³⁷

Additionally, Monsanto's seeds are self-replicating.³⁸ As acknowledged in *Geertson Seed Farms*, the risk of cross-contamination between transgenic and non-transgenic seeds is very real.³⁹ Farmers who choose not to grow transgenic seed must take precautions to prevent their seeds from becoming contaminated.⁴⁰ Since there is no way to examine seed with the naked eye to determine if it possesses Monsanto's patented traits, testing for contamination is a mandatory expense for any farmer who does not want to grow transgenic crops or does not want to be accused of patent infringement.⁴¹ Monsanto does state on its website that it will not sue farmers for "trace contamination," but Monsanto fails to define what this means.⁴²

Suspected patent infringement comes to Monsanto's attention in a variety of ways, but usually Monsanto receives its information from private reporting.⁴³ This occurs through Monsanto's anonymous tip line, where an individual may call if they suspect a grower is illegally saving seed.⁴⁴ Upon receipt of a tip, Monsanto's legal team investigates the allegation. This may include the hiring of a private investigator.⁴⁵ A third party will conduct a field sampling to test a farmer's crop for the patented technology.⁴⁶ If transgenic seed is found on a farmer's property, and the seed is not properly accounted for, that farmer will be open to liability for patent infringement and may be sued.

³⁷ *Why Does Monsanto Sue Farmers Who Save Seeds?*, MONSANTO, <http://www.monsanto.com/newsviews/Pages/why-does-monsanto-sue-farmers-who-save-seeds.aspx> (last visited January 13, 2012).

³⁸ Brief for Amici Curiae: In Support of Plaintiffs' Opposition to Defendants' Motion to Dismiss at 14, *Organic Seed Growers & Trade Ass'n v. Monsanto Co.*, 851 F. Supp. 2d 544 (S.D.N.Y. 2012) (No. 11-cv-2163-NRB) [hereinafter Brief for Amici Curiae].

³⁹ *Monsanto Co. v. Geertson Seed Farms*, 130 S. Ct. 2743, 2754 n.3 (2010).

⁴⁰ Brief for Amici Curiae, *supra* note 38, at 16. ("To minimize contamination, a farmer must undertake expensive and burdensome measures at every step of production: 1) having the seed tested; 2) implementing buffer zones to avoid cross-pollination; 3) paying for extra time and equipment to ensure that the harvester and cleaner do not contaminate the crop from previous jobs; 4) testing after harvest to check for contamination from events such as seed blowing from a passing truck (a frequent occurrence in an agricultural area); 5) paying to have the truck cleaned prior to hauling non-GM grain to market; 6) paying extra for special storage or storing the grain on the farm after harvest.").

⁴¹ *Id.* at 11.

⁴² *Monsanto's Commitment: Farmers & Patents*, MONSANTO, <http://www.monsanto.com/newsviews/Pages/commitment-farmers-patents.aspx> (last visited Jan. 13, 2012).

⁴³ *Saved Seed & Farmer Lawsuits*, MONSANTO, <http://www.monsanto.com/newsviews/Pages/saved-seed-farmer-lawsuits.aspx> (last visited Jan. 13, 2012).

⁴⁴ *Farmers Reporting Farmers- Part 2*, MONSANTO (Oct. 10, 2008) <http://www.monsanto.com/newsviews/Pages/Farmers-Reporting-Farmers-Part-2.aspx>.

⁴⁵ *2008 Monsanto Technology/Stewardship Agreement*, *supra* note 36.

⁴⁶ *Monsanto Co. v. Geertson Seed Farms*, 130 S. Ct. 2743, 2755 (2010).

III. MONSANTO AND ITS PRIVATE ENFORCEMENT OF ITS PATENTS: AN OVERVIEW

*A. Lawsuits and Other Actions Initiated Against Farmers Suspected of Patent Infringement*⁴⁷

The *OSGATA* plaintiffs are a unique class, and their assertions raise several issues of first impression. In contrast, many of the defendants in the cases referenced herein often argue against the validity of Monsanto's patents. Findings from these cases will influence multiple aspects of the *OSGATA* plaintiffs' action, including determination of how the court will rule if the merits are presented for debate.

Monsanto appears to be quite aggressive in enforcing its patents, often seeking treble damages and attorneys' fees from those it sues.⁴⁸ Typically, Monsanto will sue farmers who violate terms of the mandatory agreement signed when the farmers acquire Monsanto's seed.⁴⁹ There are several conditions, but the most prominent violation appears to be replanting seed from a previous crop to grow for the next one, which the agreement specifically prohibits.⁵⁰ After it is determined that the defendant was growing replanted seed, Monsanto often files a motion for summary judgment on the defendant's liability for breaching its Technology Agreement. The motion is nearly always granted.⁵¹

Once the defendant's liability is determined, the only real issue becomes the amount of damages to which Monsanto is entitled.⁵² "By statute, damages for patent infringement are to be 'adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs

⁴⁷ This section focuses on Monsanto initiated lawsuits against farmers, and discusses the different variables in each, including several unsuccessful defenses the farmers raised. This sampling was chosen to reflect the typical defendant and scenario present in these types of actions.

⁴⁸ *Monsanto Co. v. Strickland*, 604 F. Supp. 2d 805, 821 (D.S.C. 2009) (explaining that although Monsanto sought treble damages, that a "finding of willful infringement does not mandate that damages be enhanced, much less mandate treble damages."). Treble damages are provided by statute. See 35 U.S.C. § 284 (2011). Language to this effect is also on the back of the licensing agreement. *Monsanto Co. v. David*, 448 F. Supp. 2d 1095, 1100 (E.D. Mo. 2006) (explaining that farmer could not assert lack of knowledge of attorney fee collection even though the language was not on side of the agreement that he had signed).

⁴⁹ *Monsanto Co. v. McFarling*, 488 F.3d 973, 976 (Fed. Cir. 2007) ("Monsanto distributed the patented seeds by authorizing various companies to produce the seeds and sell them to farmers. Monsanto required those seed companies to obtain a signed 'Technology Agreement' from purchasers. The Technology Agreement licensed the . . . patents to farmers on several conditions and required that farmers promise not to violate those conditions.").

⁵⁰ *Strickland*, 604 F. Supp. 2d at 809; *McFarling*, 488 F.3d at 976; *David*, 448 F. Supp. 2d at 1099; *Monsanto Co. v. Swann*, 308 F. Supp. 2d 937, 939 (E.D. Mo. 2003).

⁵¹ *Swann*, 308 F. Supp. 2d at 946.

⁵² *McFarling*, 488 F.3d at 978-79.

as fixed by the court.”⁵³ This reasonable royalty is not limited to the cost of the license per the licensing agreement, but also includes other intangibles.⁵⁴ While the financial condition of the defendant may be considered, it is not the deciding factor in determining the amount of damages, or whether any enhancement is applied.⁵⁵

The farmer-defendants have asserted numerous defenses to Monsanto’s patent infringement claims, but for the most part these have proved unsuccessful.⁵⁶ Along with claims of lack of knowledge of certain aspects of the licensing agreements,⁵⁷ other claims,

(1) that the Technology Agreements violate the doctrine of patent exhaustion or first sale; (2) that the right of the farmers to save seeds of plants registered under the Plant Variety Protection Act (PVPA) . . . permits defendants to save seeds subject to the plaintiff’s utility patents; (3) that the doctrine of patent misuse precludes plaintiff from asserting its patent infringement claims

have also been asserted and denied.⁵⁸ The court in *Monsanto v. Swann* disposed of the first sale doctrine and the PVPA defenses, explaining that the earlier *Monsanto Co. v. McFarling* decision precluded those defenses.⁵⁹ The patent misuse defense was also deemed inapplicable, as the court found

⁵³ *Id.* (quoting 35 U.S.C. § 284 (2011)).

⁵⁴ *Id.* at 980 (explaining that these include the benefits of the license to Monsanto as well as to McFarling).

⁵⁵ The defendant’s financial condition is considered along with several other factors in determining enhanced damages. These factors concern the culpability of the defendant but may include other ameliorating factors as well. These are: “(1) whether the infringer deliberately copied the ideas or design of another;(2) whether the infringer, when he knew of the other’s patent protection, investigated the scope of the patent and formed a good-faith belief that it was invalid or that it was not infringed;(3) the infringer’s behavior as a party to the litigation;(4) defendant’s size and financial condition;(5) closeness of the case;(6) duration of the defendant’s misconduct;(7) remedial action by the defendant;(8) defendant’s motivation for harm; and (9) whether defendant attempted to conceal its misconduct.” *David*, 448 F. Supp. 2d at 1097.

⁵⁶ CTR. FOR FOOD SAFETY, MONSANTO VS. U.S. FARMERS 32-33 (2005), available at <http://www.centerforfoodsafety.org/pubs/CFSMonsantovsFarmerReport1.13.05.pdf> (indicating that a majority of the data concerning settlements paid to Monsanto is confidential, but provides a listing of several Monsanto judgments, the largest (at that time) being over three million dollars).

⁵⁷ *Monsanto Co. v. Strickland*, 604 F. Supp. 2d 805, 821 (D.S.C. 2009).

⁵⁸ *Monsanto Co. v. Swann*, 308 F. Supp. 2d 937, 940 (E.D. Mo. 2003). The defense of patent exhaustion (or the first sale doctrine) is triggered by an unconditional sale. “An unconditional sale of a patented device exhausts the patentee’s right to control the purchaser’s use of the device thereafter. The theory behind this rule is that in such a transaction, the patentee has bargained for, and received, an amount equal to the full value of the goods. The exhaustion doctrine, however, does not apply to an expressly conditional sale or license.” 4 JOHN GLADSTONE MILLS III, ET AL., PATENT LAW FUNDAMENTALS § 20:40.50 (2012). The Plant Variety Protection Act (PVPA) is found at 7 U.S.C.A. §§ 2321 – 2583 (West 2012).

⁵⁹ *Swann*, 308 F. Supp. 2d at 941-42.

the defendant's claim that the plaintiff implemented a tying arrangement to be invalid.⁶⁰

While the previously discussed cases dealt exclusively with farmers who had replanted Monsanto seed, another case pertains to a farmer who did not save seed purchased pursuant to an agreement with Monsanto, or a licensed third party, but replanted seed purchased from an outside third party.⁶¹ In *Monsanto Co. v. Bowman*, the defendant-farmer Bowman purchased seed from both a Monsanto licensed seed producer, and a local grain elevator.⁶² He did not save the seed from the Monsanto licensed seed producer but did save the seed purchased from the local grain elevator.⁶³ When he planted the seed purchased from the local grain elevator, he noticed the plants exhibited similar herbicide resistance as the Roundup Ready Seeds from Monsanto.⁶⁴ Although the saved seed did not originate from Monsanto or from a Monsanto licensed dealer, Monsanto initiated a successful lawsuit against Bowman for patent infringement.⁶⁵

The court denied Bowman's assertion that the doctrine of patent exhaustion applied as other courts had done in earlier decisions.⁶⁶ The court explained, "[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."⁶⁷ The court seemed to find that public policy pertaining to patents,⁶⁸ along with the limited definition of use rights⁶⁹ weighed heavily in Monsanto's favor.

Many of Monsanto's patent infringement claims are not litigated because the majority of farmer-defendants choose to settle.⁷⁰ Some of these

⁶⁰ *Id.* at 942-43 (explaining that defendant's analogy that "Plaintiff's practices in effect require a car owner to buy a new car every year and, therefore, destroy the secondary market and the sale of used cars" was flawed, and that they were more "in the position of a car-lessor crying foul upon discovering he cannot retain the car after his lease expires."). The court defined a "tying arrangement" as "an arrangement in which the patentee conditions a license to use its patent on a separate purchase" and that it "is a per se patent misuse." *Id.* at 942.

⁶¹ *Monsanto Co. v. Bowman*, 657 F.3d 1341, 1345-46 (Fed. Cir. 2011).

⁶² *Id.* at 1345.

⁶³ *Id.*

⁶⁴ *Id.* at 1346.

⁶⁵ *Id.*

⁶⁶ *Id.* at 1347-48 (citing *Monsanto Co. v. Scruggs*, 459 F.3d 1328, 1334 (Fed. Cir. 2006) and *McFarling*, 302 F.3d at 1299).

⁶⁷ *Bowman*, 657 F.3d at 1348.

⁶⁸ *Id.* at 1348 ("The fact that a patented technology can replicate itself does not give a purchaser the right to use replicated copies of the technology. Applying the first sale doctrine to subsequent generations of self-replicating technology would eviscerate the rights of the patent holder.") (quoting *Scruggs*, 459 F.3d at 1336).

⁶⁹ *Bowman*, 657 F.3d at 1348 ("The right to use 'do[es]' not include the right to construct an essentially new article on the template of the original, for the right to make the article remains with the patentee.") (quoting *Jazz Photo Corp. v. Int'l Trade Comm'n*, 264 F.3d 1094, 1102 (Fed. Cir. 2001)).

⁷⁰ CTR. FOR FOOD SAFETY, *supra* note 56, at 32.

settlements involve farmers who inadvertently grew Monsanto seed on their properties.⁷¹ Due to the confidential nature of settlement agreements, the exact amount of farmers named as defendants is unknown.⁷² Monsanto provides some information concerning its patent cases on its website, and although the *OSGATA* complaint also offers additional statistics, there is little access to information regarding the amount of farmers who have been investigated or the number of settlements reached.⁷³

B. Monsanto's Lawsuits and Other Actions Initiated Against Non-Grower Entities

In addition to farmers, Monsanto has also filed suit against numerous other entities for patent infringement,⁷⁴ including competitors in the genetically modified seed market.⁷⁵ The primary focus of this section is *Monsanto Co. v. Parr* because the defendant in this case, Parr, is the most similarly situated (with respect to financial and legal resources) to the farmer-defendants mentioned above.

In *Parr*, Monsanto initiated a lawsuit requesting a permanent injunction against Parr alleging that he induced others to commit patent infringement.⁷⁶ Unlike farmers, who infringe if the seed is found on their property without the proper licenses, Parr's infringement occurred when he advocated that the Roundup Ready seed could be saved for future replanting.⁷⁷ Whether or not Parr actually planted any of the seed was

⁷¹ *Id.* at 40-41. (discussing the effect of "volunteer plants: plants [that] grow from seed that has not been deliberately sown; typically seeds that failed to germinate in the previous season or that fall from a plant prior to harvest."). These plants can contaminate a farmer's field, subjecting him to liability for patent infringement.

⁷² *Id.* at 38.

⁷³ First Amended Complaint, *supra* note 11, at 46 ("Between 1997 and April 2010, Monsanto filed 144 lawsuits against farmers in at least 27 different states for alleged infringement of its transgenic seed patents and/or breach of its license to those patents."). According to Monsanto, it has filed suit against farmers 145 times in the United States. Monsanto states that it has only made it to trial eleven times—all eleven it has won. *Saved Seed & Farmer Lawsuits*, *supra* note 43.

⁷⁴ *Monsanto Co. v. Parr*, 545 F. Supp. 2d 836 (N.D. Ind. 2008) (indicating Monsanto filed suit against a seed processor for patent infringement).

⁷⁵ *Monsanto Co. v. Syngenta Seeds, Inc.*, 431 F. Supp. 2d 482 (D. Del. 2006) (initiating an unsuccessful lawsuit against a competitor alleging the competitor infringed a patent concerning a transgenic corn product).

⁷⁶ *Parr*, 545 F. Supp. 2d at 840. ("[S]eed cleaning is a process where a harvested crop is run through a mechanical cleaner that sifts trash such as stems, leaves, dirt, and broken/split seed from the whole seed. The primary reason . . . for cleaning soybean seed is to have it prepared for replanting: by removing this trash from the harvested crop, it is conditioned for planting so that it does not impair the planting equipment and ensures that viable seed is placed in the ground.").

⁷⁷ According to the court (and Monsanto in earlier letters to Parr) Parr's invoice for his services included this disclaimer: "As of the date this ticket was printed, the U.S. Congress, through federal seed laws, has expressly protected the rights of farmers to save grain that they have produced for use to seed land that they own, lease or rent. Some seed/chemical companies attempt to circumvent those rights by requiring farmers to sign agreements giving up those rights in order to purchase certain brands/types of seed. Custom seed cleaning is not a party to such agreements and will, in no way, hold itself responsible for compliance or enforcement of said agreements." *Id.* at 839. Along with the

irrelevant. He gave instructions to his customers that they could do so, and his instruction could be used to prove his customers followed his advice.⁷⁸

Once the court found that Parr had infringed, it then determined that public policy warranted granting Monsanto's injunction.⁷⁹ Interestingly, the court determined the public interest weighed in favor of both farmers and Monsanto: the farmers who do not pay Monsanto's licensing fee every year gain an unfair advantage over those that do, and "it is not in the public's best interest to have patented technology pirated in that such would discourage future investment in innovative technology."⁸⁰

Parr might consider himself fortunate Monsanto asked for a permanent injunction – since the \$40,000 judgment Monsanto received, along with any other damages, was forgone in its place.⁸¹ But, considering "the likelihood that any particular soybean crop that Parr cleans contains the Roundup Ready trait is substantial" because "approximately 87.3% to 94.3% of the soybeans planted in Indiana contain Monsanto's Roundup Ready trait," it is very likely that the injunction severely limited his potential client base or put him out of business.⁸²

There have been numerous petitions to the Supreme Court for certiorari from farmers in these and other cases and all have been denied.⁸³ The Supreme Court appears reluctant to rule on the validity of Monsanto's patents – an opinion supported by the fact that *Geertson Seed Farms* did not challenge the validity of Monsanto's patents, and instead challenged a regulatory agency's role in the investigation of Monsanto's product and its statutory requirements.⁸⁴ It is unlikely that Monsanto will stop suing farmers for patent infringement. Apparently recognizing this, the U.S. Supreme Court recently granted certiorari for *Bowman v. Monsanto*.^{85 86} However, *Bowman's* petition for certiorari does not include the question of whether Monsanto's agricultural patents are valid, and instead is limited to

disclaimer, several of Parr's customers testified Parr told them they could save the Roundup Ready seeds. *Id.* at 840.

⁷⁸ *Id.* at 842. ("Instructions that teach an infringing use of a patented device may be used to establish that end-users followed the instructions and commit direct infringement.") (citing *Golden Blount, Inc. v. Robert H. Peterson Co.*, 438 F.3d 1354, 1363 (Fed. Cir. 2006)).

⁷⁹ *Id.* at 844.

⁸⁰ *Id.* (quoting *Monsanto Co. v. Scruggs*, 249 F. Supp. 2d 746, 760-61 (N.D. Miss. 2001)).

⁸¹ *Parr*, 545 F. Supp. 2d at 845.

⁸² *Id.* at 840. Mr. Parr has appeared in or interviewed for several programs and articles speaking out against Monsanto. These include a CBS program, *Agriculture Giant Battles Small Farmers*, CBS NEWS (Jan. 4, 2011), <http://www.cbsnews.com/stories/2008/04/26/eveningnews/main4048288.shtml>, and a documentary, *FOOD INC.* (Magnolia Pictures 2008).

⁸³ *See Monsanto Co. v. David*, 488 F. Supp. 2d 1095 (E.D. Mo. 2006), *cert. denied*, 555 U.S. 888 (2008); *Monsanto Co. v. Scruggs*, 459 F.3d 1328 (Fed. Cir. 2006), *cert. denied*, 549 U.S. 1342 (2007); *Monsanto Co. v. Ralph*, 382 F.3d 1374 (Fed. Cir. 2004), *cert. denied*, 546 U.S. 816 (2005); *see also Monsanto Co. v. McFarling*, 488 F.3d 973 (Fed. Cir. 2007), *cert. denied*, 345 U.S. 1139 (2005).

⁸⁴ *Monsanto Co. v. Geertson Seed Farms*, 130 S. Ct. 2743, 2749-50 (2010).

⁸⁵ *Bowman v. Monsanto Co.*, 2012 WL 4748082, 80 USLW 3380, 81 USLW 3028 (U.S. Oct 05, 2012) (No. 11-796)

⁸⁶ *Monsanto Co. v. Bowman*, 657 F.3d 1341, 1343 (Fed. Cir. 2011)

deciding whether the doctrine of patent exhaustion was properly applied.⁸⁷ If *Bowman* is positively resolved, it could provide a defense for individuals who purchased seed from a third party, but it would not address the issues facing the OSGATA plaintiffs, nor those accused of patent infringement due to cross contamination. The Supreme Court must eventually determine the legitimacy of Monsanto's many patents – whether it wants to or not. Although the *OSGATA* case is in its infancy, it may present a viable vehicle for this form of challenge as it develops.

IV. DOES THE SUPREME COURT'S RECOGNITION THAT RISK OF CROP
CONTAMINATION IS A CONSTITUTIONALLY COGNIZABLE INJURY WHEN
SEEKING INJUNCTIVE RELIEF IN *MONSANTO CO. V. GEERTSON SEED FARMS*
MEAN THAT THE RISK OF CROP CONTAMINATION CAN SATISFY THE
SUBSTANTIAL CONTROVERSY REQUIREMENT FOR DECLARATORY
JUDGMENT ACTIONS?

This section will explain whether the Supreme Court's language identifying the risk of crop contamination as a constitutionally cognizable injury absent injunctive relief in *Monsanto Co. v. Geertson Seed Farms* can be used to satisfy the requirements for declaratory judgment found in *MedImmune, Inc. v. Genentech, Inc.*⁸⁸ Undertaking an analysis using *OSGATA*'s First Amended Complaint, the discussion will focus on why the district court likely erred in granting Monsanto's Motion to Dismiss for lack of subject matter jurisdiction using *Geertson Seed Farms* and its definition of "injury in fact."⁸⁹

Although the *OSGATA* plaintiffs are seeking a declaratory judgment, the Supreme Court's recognition that the high cost of crop testing, along with the higher costs of finding and maintaining uncontaminated product were "sufficiently concrete to satisfy the injury-in-fact prong of the constitutional standing analysis" suggests that these preventative measures could suffice in other standing contexts.⁹⁰

Several authors have recognized this, explaining "it can be presumed from the results of this case . . . where a district court finds a 'reasonable probability' of harm, even without an evidentiary hearing, their costs to mitigate that risk are enough to constitute injury-in-fact for the purposes of standing."⁹¹ Another law review article author devoted his

⁸⁷ Petition for Writ of Certiorari, at 3, *Bowman*, 2012 WL 4748082 (No. 11-796) ("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?").

⁸⁸ *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007).

⁸⁹ See First Amended Complaint, *supra* note 11.

⁹⁰ *Monsanto Co. v. Geertson Seed Farms*, 130 S. Ct. 2743, 2755 (2010).

⁹¹ Lisa A. Cutts, Case Comment, *What's the Big Deal? The Let-Down that is the Landmark Monsanto v. Geertson Case*, 20 San Joaquin Agric. L. Rev. 117, 139 (2011).

entire piece to the Supreme Court's discussion of standing in *Geertson Seed Farms* and ultimately concluded "the Monsanto decision may be cited as precedent granting standing to environmental plaintiffs who can make a plausible showing of economic injury even in cases where it may be difficult to prove an actual environmental harm to the plaintiffs."⁹²

The *OSGATA* plaintiffs claim expenses similar to those of the alfalfa farmers in *Geertson Seed Farms*,⁹³ including for certified organic farmers, the loss of USDA NOP Organic Certification if their crops are contaminated with transgenic seed.⁹⁴ And, as the Supreme Court in *Geertson Seed Farms* established, "such harms, which respondents will suffer even if their crops are not actually infected with the Roundup Ready gene, are sufficiently concrete to satisfy the injury-in-fact prong of the constitutional standing analysis."⁹⁵

Since *Geertson Seed Farms* established that this risk was adequate to maintain standing in a case for injunctive relief, could recognition of this particular risk suffice for the case-or-controversy requirement in an action for declaratory judgment? Finding standing for an action seeking injunctive relief under Article III requires: 1) a concrete injury; 2) that the injury be actual, particularized, and imminent; 3) fairly traceable to the challenged action; and 4) be redressable by a favorable ruling.⁹⁶ However, to satisfy the case-or-controversy requirement for a declaratory judgment action, "the question in each case is whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment."⁹⁷

⁹² Bradford Mank, *Standing in Monsanto Co. v. Geertson Seed Farms: Using Economic Injury as a Basis for Standing when Environmental Harm is Difficult to Prove*, 115 Penn. St. L. Rev. 307, 310 (2010).

⁹³ *Geertson Seed Farms*, 130 S. Ct. at 2754-55. ("A substantial risk of gene flow injures respondents in several ways. For example, respondents represent that, in order to continue marketing their product to consumers who wish to buy non-genetically-engineered alfalfa, respondents would have to conduct testing to find out whether and to what extent their crops have been contaminated. . . . Respondents also allege that the risk of gene flow will cause them to take certain measures to minimize the likelihood of potential contamination and to ensure an adequate supply of non-genetically-engineered alfalfa.").

⁹⁴ First Amended Complaint, *supra* note 11, at 36-37 ("To minimize risks, farmers of non-transgenic crops expend effort and expense to ensure that their products are free of contamination. Certified organic farmers must follow strict standards to avoid transgenic contamination. Additionally, testing for transgenic contamination may also be part of any non-transgenic farmer's risk management system. The cost of such testing can be expensive. Another cost by the threat of transgenic seed contamination that organic farmers must absorb is that of devoting part of their own land to be a buffer between themselves and neighboring farms that use transgenic seed. This is a substantial cost in terms of removing land from their organic production.").

⁹⁵ *Geertson Seed Farms*, 130 S. Ct. at 2755 (emphasis added).

⁹⁶ *Id.* at 2752 (citing *Horne v. Flores*, 557 U.S. 433, 445 (2009)).

⁹⁷ *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 (2007) (quoting *Maryland Cas. Co. v. Pac. Coal & Oil Co.*, 312 U.S. 270, 273 (1941)).

Some courts have referred to declaratory relief, under certain circumstances, as being “functionally equivalent” to injunctive relief.⁹⁸ Other courts have been quick to point out “[t]he express purpose of the Federal Declaratory Judgment Act was to provide a milder alternative to the injunction remedy.”⁹⁹ Very broadly, if declaratory relief is functionally equivalent to injunctive relief, then it is possible, if the same factors are introduced, that what would establish standing in one context could establish standing for the other. A similar line of thought applies if declaratory judgment is in fact a milder remedy than injunctive relief (in a patent context). A milder remedy suggests a more relaxed standard for establishing standing, and anything that would establish standing for a more severe remedy would be adequate to establish it for a moderate one.¹⁰⁰

A. MedImmune, Inc. v. Genentech, Inc.: The Current Standard for Meeting the Case-or-Controversy Requirement

MedImmune established the criteria for the subject matter jurisdiction requirement for declaratory judgment in a case for patent infringement.¹⁰¹ In *MedImmune*, the petitioner, a pharmaceuticals manufacturer, entered into a patent license agreement with respondent, Genentech, Inc.¹⁰² *MedImmune*, per the license agreement, had the right to make, use, or sell Genentech’s “medical product” in exchange for paying Genentech royalties it made from its manufacture.¹⁰³ Genentech, after its patent application was approved (the Cabilly II patent), sent *MedImmune* a letter stating that the Cabilly II patent covered the Synagis drug (the drug *MedImmune* primarily manufactures).¹⁰⁴ Genentech demanded that *MedImmune* pay royalties, and *MedImmune* perceived this demand as a threat to enforce the patent, either through an injunction or other means.¹⁰⁵

⁹⁸ *Alli v. Decker*, 650 F.3d 1007, 1014 (3d Cir. 2011) (citing *California v. Grace Brethren Church*, 457 U.S. 393, 408 (1982)).

⁹⁹ *Id.* at 1014-15 (quoting *Steffel v. Thompson*, 415 U.S. 452, 467 (1974)). The Declaratory Judgment Act is found in 28 U.S.C. § 2201(a) (2011) (“In a case of actual controversy within its jurisdiction, except with respect to Federal taxes other than actions brought under section 7428 of the Internal Revenue Code of 1986, a proceeding under section 505 or 1146 of title 11, or in any civil action involving an antidumping or countervailing duty proceeding regarding a class or kind of merchandise of a free trade area country (as defined in section 516A(f)(10) of the Tariff Act of 1930), as determined by the administering authority, any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.”).

¹⁰⁰ *Alli*, 650 F.3d at 1015. (“The distinct purpose and effect of a declaration, as compared to an injunction, presents an entirely plausible basis upon which Congress might choose to bar one form of relief but not the other.”).

¹⁰¹ *MedImmune*, 549 U.S. 118.

¹⁰² *Id.* at 121.

¹⁰³ *Id.*

¹⁰⁴ *Id.* at 121-22.

¹⁰⁵ *Id.* at 122.

MedImmune, fearful of losing the ability to manufacture Synagis, which represented over eighty percent of its sales revenue, paid the royalties under reservation of rights, and initiated a lawsuit for a declaratory judgment finding the patent invalid and unenforceable.¹⁰⁶

MedImmune's complaint was dismissed because MedImmune did not refuse to pay the royalty payments, which lead the lower court to determine there was no justiciable issue.¹⁰⁷ Since the Petitioners continued to make royalty payments, there was little risk Genentech would sue for infringement, thereby invalidating the threat of harm necessary for subject matter jurisdiction.¹⁰⁸

The Supreme Court found that MedImmune did not have to stop making royalty payments for there to be a justiciable issue – explaining that “[l]ower federal courts . . . have long accepted jurisdiction in situations where plaintiff's self-avoidance of imminent injury is coerced by threatened enforcement action of a private party rather than the government.”¹⁰⁹ A plaintiff does not have to actually be sued for patent infringement for there to be a justiciable issue; the threat of suit appears to be enough.¹¹⁰

Comparing *MedImmune* to *Geertson Seed Farms* leads to the same conclusion: if the plaintiffs in *Geertson Seed Farms* were seeking declaratory judgment, instead of injunctive relief, the testing and other preventative crop measures, along with the threat of a patent infringement lawsuit, should be viewed as adequate coercion to mandate subject matter jurisdiction. After all,

[A]n actual or threatened serious injury to business or employment by a private party can be as coercive as other forms of coercion supporting restitution actions at common law; and that [t]o imperil a man's livelihood, his business enterprises, or his solvency, [was] ordinarily quite as coercive as, for example, detaining his property.¹¹¹

¹⁰⁶ *Id.*

¹⁰⁷ *Id.* at 127-28 (“There is no doubt that these standards would have been satisfied if petitioner had taken the final step of refusing to make royalty payments under the 1997 licensing agreement. . . . [t]he factual and legal dimensions of the dispute are well defined, and, but for petitioner's continuing to make royalty payments, nothing about the dispute would render it unfit for judicial resolution.”).

¹⁰⁸ *Id.* at 128.

¹⁰⁹ *Id.* at 130.

¹¹⁰ *Id.* at 134 (“The rule that a plaintiff must destroy a large building, bet the farm, or (as here) risk treble damages and the loss of 80 percent of its business before seeking a declaration of its actively contested rights finds no support in Article III.”).

¹¹¹ *Id.* at 132 (quoting *Altwater v. Freeman*, 319 U.S. 359, 365 (1943)).

The threat of a lawsuit or of cross-contamination, especially when found sufficient to maintain standing for injunctive relief, should more than suffice to retain subject matter jurisdiction in a declaratory judgment action.

B. Analyzing the OSGATA complaint employing Geertson Seed Farms and MedImmune

In their first amended complaint, the *OSGATA* plaintiffs have asserted preventative measures similar to the plaintiffs in *Geertson Seed Farms* to guard against risk¹¹² and the threat of lawsuit, as described in *MedImmune*.¹¹³

At first glance, it seems that alleging fear of suit is enough to obtain subject matter jurisdiction for a declaratory judgment action, even if the plaintiffs' actions are preventing that threat from being realized.¹¹⁴ The *OSGATA* complaint clarifies that "Monsanto's aggressive patent assertion behavior is widely known and has been the subject of substantial media coverage"¹¹⁵ In addition, the complaint identifies "accusations of patent infringement against those who never wished to possess its transgenic seed."¹¹⁶ The complaint cites a CBS news story that highlights a couple that was heavily investigated for suspected patent infringement, even though the couple maintained they "never intended to use transgenic seed."¹¹⁷ The complaint also references other farmers who have been investigated and sued due to patent infringement – farmers who insist they did not wish to use transgenic seed.¹¹⁸

Along with describing various instances of crop contamination leading to litigation, the complaint includes a letter the plaintiffs sent to Monsanto's counsel, asking Monsanto to "expressly waive any claim for patent infringement it may ever have against our clients and memorialize that waiver by providing a written covenant not to sue."¹¹⁹ Monsanto, in its response, replied that "[y]ou represent that 'none of [your] clients intend to possess, use or sell any transgenic seed, including any transgenic seed potentially covered by Monsanto's patents.' Taking your representation as

¹¹² First Amended Complaint, *supra* note 11, at 37.

¹¹³ *Id.* at 47-53.

¹¹⁴ *MedImmune*, 549 U.S. at 134.

¹¹⁵ First Amended Complaint, *supra* note 11, at 46.

¹¹⁶ *Id.* at 46-47.

¹¹⁷ *Id.* (citing *Agriculture Giant Battles Small Farmers*, *supra* note 83).

¹¹⁸ First Amended Complaint, *supra* note 11, at 47 ("Monsanto's investigation, accusation and litigation of patent infringement claims against other farmers who did not want to be contaminated by transgenic seed, including Roger, Rodney and Greg Nelson, Troy Roush, Percy Schmeiser, and others, are widely known and contribute to Plaintiff's reasonable fear that they, too, could be sued for patent infringement by Monsanto if they were to become contaminated by Monsanto's transgenic seed.").

¹¹⁹ *Id.* at 73-74.

true, any fear of suit or other action is unreasonable.”¹²⁰ Monsanto, in its letter, has a similar response to the plaintiffs’ argument as Genentech did to the plaintiff in *MedImmune*: that the plaintiffs’ own actions eliminated any threat of suit.

Although Monsanto maintains on its website that “[w]e do not exercise our patent rights where trace amounts of our patented seeds or traits are present in a farmer’s fields as a result of inadvertent means,” the website does not define ‘trace amounts.’¹²¹ As the *OSGATA* amici brief identifies, this commitment “provides no enforceable protection for plaintiffs.”¹²² These examples and allegations, along with others, permeate the *OSGATA* complaint.¹²³ The fear of suit, which is based upon Monsanto’s past conduct and aggressive stance in defending its patents, appears reasonable. However, as acknowledged in the district court’s order granting Monsanto’s Motion to Dismiss, the *OSGATA* plaintiffs encounter difficulty when their situation is further compared to that in *MedImmune*.¹²⁴

In *MedImmune*, the plaintiff had a preexisting contractual relationship with the defendant, and had also received correspondence from the defendant requesting to commence paying royalties by a certain date.¹²⁵ The threat of lawsuit was implicit in the request, and Genentech did not deny this assumption.¹²⁶ In contrast, the plaintiffs in *OSGATA* have not received any correspondence from Monsanto stating they are being threatened with suit.¹²⁷ The fear they are claiming stems from actions Monsanto has taken against others.¹²⁸

Later decisions interpreting *MedImmune* shine light on declaratory judgment actions absent a license agreement.¹²⁹ Explaining that a “declaratory judgment jurisdiction generally will not arise merely on the basis that a party learns of the existence of a patent owned by another or even perceives such a patent to pose a risk of infringement, without some

¹²⁰ *Id.* at 76.

¹²¹ *Monsanto’s Commitment: Farmers & Patents*, MONSANTO, <http://www.monsanto.com/SiteCollectionDocuments/MonsantoCommitmentFarmersAndPatents.pdf> (last visited Jan. 14, 2012).

¹²² Brief for Amici Curiae, *supra* note 38, at 5.

¹²³ First Amended Complaint, *supra* note 11 *passim*.

¹²⁴ *Organic Seed Growers & Trade Ass’n v. Monsanto Co.*, 851 F. Supp. 2d 544 (S.D.N.Y. 2012).

¹²⁵ *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 121-22 (2007).

¹²⁶ *Id.* at 128. (“Petitioner asserts that no royalties are owing because the Cabilly II patent is invalid and not infringed; and alleges (without contradiction) a threat by respondents to enjoin sales if royalties are not forthcoming.”)

¹²⁷ *Organic Seed Growers & Trade Ass’n*, 851 F. Supp. 2d at 553.

¹²⁸ This was a large point in the district court’s order. “Thus there is no evidence that defendants have commenced litigation against anyone standing in similar stead to plaintiffs. The suits against dissimilar defendants are insufficient on their own to satisfy the affirmative acts element, and, at best, are only minimal evidence of any objective threat of injury to plaintiffs. Plaintiffs’ allegations that defendants have threatened, though not sued, inadvertent users of patented seed, are equally lame.” *Id.* at 553.

¹²⁹ *SanDisk Corp. v. STMicroelectronics, Inc.*, 480 F.3d 1372, 1380-81 (C.A. Fed. 2007).

affirmative act by the patentee” the *SanDisk Corp.* court elaborated that “Article III jurisdiction may [still] be met.”¹³⁰

Article III jurisdiction may be met where the patentee takes a position that puts the declaratory judgment plaintiff in the position of either pursuing arguably illegal behavior or *abandoning that which he claims a right to do*. We need not define the outer boundaries of declaratory judgment jurisdiction, which will depend on the application of the principles of declaratory judgment jurisdiction to the facts and circumstances of each case.¹³¹

In the first amended *OSGATA* complaint, the plaintiffs revisited the previously referenced letter to Monsanto, explaining the “*in terrorem* choice they currently face of either abandoning conduct they believe they have the right to pursue (e.g. growing crops they wish to grow on their land) and risk being accused of patent infringement (should they become contaminated by Monsanto’s transgenic seed).”¹³² The *OSGATA* plaintiffs are essentially alleging that they are “abandoning that which [they] claim a right to do.”¹³³

This allegation should have survived greater scrutiny under the *MedImmune* analysis, as it also overlaps with the acknowledged risk in *Geertson Seed Farms* – that risk of contamination, even if it does not actually take place, is enough to maintain a cause of action.¹³⁴ This is a stronger argument than the threat of lawsuit, which, despite being acknowledged as a legitimate foundation in the context of a preexisting licensing arrangement, appears to be an issue of first impression here.¹³⁵

The risk of transgenic crops contaminating non-transgenic crops has already been identified, and the costs farmers undertake in preventing that occurrence have been validated. It is especially important when identifying the non-organic farmers who are members of the *OSGATA* class.¹³⁶ These farmers are making the conscious decision to not grow transgenic seed, but are not certified organic under the FDA’s National Organic Program (NOP).¹³⁷ They are not gaining any possible commercial benefit that could be attributed to that certification, but are still subject to all

¹³⁰ *Id.* at 1381.

¹³¹ *Id.* at 1380-81.

¹³² First Amended Complaint, *supra* note 11, at 51.

¹³³ *SanDisk Corp.*, 480 F.3d at 1381.

¹³⁴ *Monsanto Co. v. Geertson Seed Farms*, 130 S. Ct. 2743, 2755 (2010); *Organic Seed Growers & Trade Ass’n v. Monsanto Co.*, 851 F. Supp. 2d 544, 549 (S.D.N.Y. 2012).

¹³⁵ *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 118 (2007).

¹³⁶ First Amended Complaint, *supra* note 11, at 4.

¹³⁷ See *Organic Certification*, U.S. DEPT. OF AGRIC., http://www.usda.gov/wps/portal/usda/usdahome?navid=ORGANIC_CERTIFICATIO (last visited Jan. 14, 2012).

of the financial burdens necessary in keeping their product free from transgenic seed. Compound these expenses with the likelihood of contamination and a possible lawsuit flowing from any contamination, and one may find that a conventional farmer is less protected than an organic one.¹³⁸ Monsanto has never sued a certified organic farmer, and as the OSGATA amicus brief identifies:

certified organic farmers must already answer to their certifiers. While the organic regulations technically require only that certified organic farmers not knowingly plant GM seed, certifiers may spot-check crops and, if GM contamination is found, require the farmer to take steps to reduce contamination. Moreover, certified organic farmers face significant economic losses if they cannot sell their crops as certified organic, or have to pull land out of the program. So they would have a potentially expensive counter-claim against Monsanto for the loss of organic markets from contamination, making it logical that Monsanto has so far hesitated to sue a certified organic producer.¹³⁹

Certification appears to function as a type of shield which makes it unlikely that an organic farmer would be sued, but does nothing to diminish the likelihood that a conventional, non-transgenic farmer could suffer suit. This creates a quandary for conventional farmers who choose to not use transgenic crop; should they seek organic certification to prevent litigation resulting from undesired contamination? Organic certification may function to protect against accusations of patent infringement, but it also forces a farmer to revamp his entire operation to meet a new set of requirements.¹⁴⁰ This type of “forced” decision should meet the necessary coercion requirement under *MedImmune* to merit subject matter jurisdiction for a declaratory judgment.¹⁴¹

Additionally, an implied reluctance from a particular party to sue a specified group does not guarantee this group will never be sued. Furthermore, as in *MedImmune*, it does not matter if any potential lawsuit is only being prevented because of a party’s own remedial actions.¹⁴² The ideal plaintiff would be the farmer who sought organic certification to function as protection from a patent infringement suit, but a current organic

¹³⁸ Brief for Amici Curiae, *supra* note 38, at 16.

¹³⁹ *Id.* at 12.

¹⁴⁰ 7 C.F.R. § 205.200-290 (2011).

¹⁴¹ *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 130 (2007).

¹⁴² *Id.*

farmer could persuasively argue that Monsanto's aggressive enforcement of its patents pushed them in to seeking certification.

In summary, the *OSGATA* plaintiffs should have been able to maintain subject matter jurisdiction, as they meet the case-or-controversy requirements listed in *MedImmune*.¹⁴³ It was incorrect for the district court to grant Monsanto's Motion to Dismiss on that basis. While a generalized fear of lawsuit is most likely inadequate, the recognition of the risk of cross-contamination, and the economic damages that farmers suffer in trying to prevent cross-contamination in *Geertson Seed Farms* bolstered the plaintiffs' position.¹⁴⁴ Once the costs inherent in testing, along with creating crop buffer zones, were acknowledged in the context of standing for purposes of injunctive relief, it necessarily follows that this recognition should extend to declaratory judgment actions.

The plaintiffs, in describing all of the methods they use to prevent cross-contamination of their crops, pled facts sufficient to maintain standing for this type of action. The fact that the majority of the plaintiffs are organic farmers or organic producers should not have hindered the action, as their organic certification could be interpreted as a preventative measure, sought after in part to guard against a potential lawsuit for patent infringement. A conventional farmer has an even better procedural "leg" to stand on, since he does not enjoy the protections against patent infringement accusations a certified organic farmer may theoretically have.

V. THE RIPENESS REQUIREMENT: ARE THE LEGAL ISSUES IN *OSGATA* WELL ENOUGH DEFINED THAT A DECLARATORY JUDGMENT ACTION SHOULD STILL BE ABLE TO PROCEED IF THE PLAINTIFFS' SUCCEED IN REVERSING THE DISTRICT COURT'S ORDER DISMISSING THE CASE?

The *OSGATA* plaintiffs uniquely are the first group to challenge the validity of Monsanto's patents without either having an existing agreement with Monsanto or having been accused of patent infringement by Monsanto.¹⁴⁵ Although the complaint asserts the plaintiffs, based upon Monsanto's policy statements and past actions, have good reason to fear a lawsuit if Monsanto's crops are found on their land or they are merely suspected of having Monsanto's transgenic crops on their land, there is still

¹⁴³ See *Id.*

¹⁴⁴ See *Monsanto Co. v. Geertson Seed Farms*, 130 S.Ct. 2743 (2010).

¹⁴⁵ During my research I have been unable to find any cases where the plaintiffs are similarly situated to any others who have challenged Monsanto's patents. The context where this has most often previously occurred is when a farmer-defendant is presenting a defense to Monsanto's accusations of patent infringement, as discussed in Section III. The district court also notes this in its order stating, "there is no evidence that defendants have commenced litigation against anyone standing in similar stead to plaintiffs." *Organic Seed Growers & Trade Ass'n v. Monsanto Co.*, 851 F. Supp. 2d 544, 553 (S.D.N.Y. 2012).

the problem of ripeness.¹⁴⁶ Are the legal issues in *OSGATA* well enough defined that a declaratory judgment action should be allowed to proceed?

Even though Monsanto has not sued an organic farmer, and this particular class of plaintiffs has never initiated a lawsuit against Monsanto before, or been named as a defendant in a Monsanto initiated suit, it does not render this issue not ripe. Broadly defined, “ripeness requires the parties to suffer a sufficient hardship that can be redressed through the court’s consideration.”¹⁴⁷ The legitimacy of Monsanto’s patents has been challenged before, with numerous petitions to the Supreme Court for certiorari.¹⁴⁸ It is clear this is not an issue that will simply disappear.

“Whether an action is ripe requires an evaluation of ‘both the fitness of the issues for judicial decision and the hardship to the parties of withholding court consideration.’”¹⁴⁹ The first prong is met when “further factual development would not ‘significantly advance [a court’s ability] to deal with the legal issues presented.’”¹⁵⁰ Hardship is defined as “having an immediate and substantial impact on the plaintiff.”¹⁵¹

If the *OSGATA* plaintiffs succeed upon appeal, another difficulty they may encounter is overcoming any challenges pertaining to the ripeness requirement. Monsanto’s patents have been unsuccessfully challenged several times, although the plaintiffs’ attack on the “usefulness” of the defendant’s patents is a more rare assertion.¹⁵² “Useful” is used in the patent context: “[a]n invention is ‘useful’ under section 101 if it is capable of providing some identifiable benefit.”¹⁵³

Due to the amount of litigation and research surrounding Monsanto’s patents, there should be sufficient information to ascertain whether or not Monsanto’s patents are useful in the legal sense.¹⁵⁴ Monsanto’s Roundup Ready soybean seeds have been marketed to the public since 1996,¹⁵⁵ and were likely being researched and developed long before then. The *OSGATA* plaintiffs note Monsanto’s patents allow it to

¹⁴⁶ *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 n.7 (2007) (“The dissent asserts. . . that ‘the declaratory judgment procedure cannot be used to obtain advanced rulings on matters that would be addressed in a future case of actual controversy.’ As our preceding discussion shows, that is not so. If the dissent’s point is simply that a defense cannot be raised by means of a declaratory judgment action where there is no ‘actual controversy’ or where it would be ‘premature,’ phrasing that argument as the dissent has done begs the question: whether this is an actual, ripe, controversy.”).

¹⁴⁷ Greg Halsey, *There is a Pink Elephant at Our Patent Negotiation, and His Name is Declaratory Judgment*, 46 San Diego L. Rev. 247, 251 (2009).

¹⁴⁸ See, e.g., *Monsanto Co. v. Bowman*, 657 F.3d 1341 (Fed. Cir. 2011), cert. granted, 80 U.S.L.W. 3380, 81 U.S.L.W. 3028 (U.S. Oct. 5, 2012) (No. 11-796).

¹⁴⁹ *Caraco Pharm. Labs, Ltd. v. Forest Labs, Inc.*, 527 F.3d 1278, 1294-95 (C.A. Fed. 2008).

¹⁵⁰ *Id.* at 1295.

¹⁵¹ *Id.*

¹⁵² See, e.g., First Amended Complaint, *supra* note 11, at 54.

¹⁵³ See *id.*

¹⁵⁴ *Id.*

¹⁵⁵ *Soybean Seeds*, MONSANTO, <http://www.monsanto.com/products/Pages/soybean-seeds.aspx> (last visited Jan. 14, 2012).

prevent third parties from performing research on its seed without its permission, which has prevented some researchers from studying Monsanto seeds.¹⁵⁶ Even accounting for these acknowledged restrictions, the amount of current research regarding transgenic seed is likely enough for a court to consider whether transgenic seed meets the requirement of “usefulness,” as defined in patent law.

The *OSGATA* plaintiffs encounter additional difficulty when considering the second prong of the ripeness standard. Whether the “complained-of conduct has an ‘immediate and substantial impact’ on the plaintiff” is difficult to discern in this case.¹⁵⁷ The *OSGATA* plaintiffs argue that the Court should: “A. Declare that each claim of each patent in the suit is invalid; B. Declare that Plaintiffs cannot be held to infringe any claim of any patent in suit; C. Declare that each patent in suit is unenforceable.”¹⁵⁸ Monsanto has not approached any of the plaintiffs in the suit with allegations of patent infringement or filed any suits against them. The plaintiffs have been very open about their refusal to grow transgenic crops, as demonstrated by their assertions that they would view the presence of transgenic crops on their property as trespass.¹⁵⁹ Would failing to rule on the validity of Monsanto’s patents have an immediate and substantial impact on the plaintiffs?

The documents filed in this case do not adequately describe how the plaintiffs in *OSGATA* would be affected by a decision rendering Monsanto’s patents invalid. Some of the plaintiffs have stated they would grow different crops if they were not under the threat of suit.¹⁶⁰ This arguably hampers how they would run their respective farming operations because something outside of their control is negatively impacting the profitability of their business. Seed is also more expensive. The complaint cites a USDA report explaining “corn seed prices have risen 135 percent since 2001, while soybean prices went up 108 percent over that same period.”¹⁶¹ If this increase in seed pricing is readily attributable to the influx of transgenic seed, then declaring Monsanto’s patents invalid may remedy that concern. At this stage in the litigation, it is difficult to form an opinion on whether or not the *OSGATA* plaintiffs would succeed if they were challenged on the issue of ripeness, but their chances of success would be

¹⁵⁶ First Amended Complaint, *supra* note 11, at 42.

¹⁵⁷ *Caraco Pharm. Labs, Ltd. v. Forest Labs, Inc.*, 527 F.3d 1278, 1295 (C.A. Fed. 2008).

¹⁵⁸ First Amended Complaint, *supra* note 11, at 61.

¹⁵⁹ *Id.* at 59.

¹⁶⁰ *Id.* at 33 (“This fear [of lawsuit for patent infringement] causes some of the farming plaintiffs to forgo growing certain crops, including specifically corn, cotton, canola, sugar beets, soybeans and alfalfa.”).

¹⁶¹ *Id.* at 56.

improved if they produced examples of Monsanto initiated lawsuits where the defendants were similarly situated.¹⁶²

VI. CONCLUSION

Looking to *Geertson Seed Farms*, a plaintiff seeking to maintain an action for declaratory or injunctive relief should have standing if they assert, and sufficiently plead, that they are subject to the risk of cross-contamination between transgenic and non-transgenic crops, all to their detriment. Any precautions a farmer takes in preventing cross-contamination (such as testing his crops for traces of transgenic seed) can be used in proving that injury; actual contamination is not necessary.

The *OSGATA* plaintiffs should have maintained subject matter jurisdiction for their declaratory judgment action through their assertion of the risks of cross-contamination and legal action, as each farmer-plaintiff has alleged a valid harm as identified in *MedImmune* (the risk of suit) and *Geertson Seed Farms* (the risk of cross-contamination and the precautions taken to prevent it). The costs associated with testing, coupled with the vigilance with which Monsanto enforces its patents, should have sufficed to satisfy the case-or-controversy requirement in a declaratory judgment action. If the plaintiffs succeed in reversing the district court's decision granting Monsanto's Motion to Dismiss, subsequent challenges the plaintiffs may encounter are likely to pertain to the ripeness of their action, unless those arguments are adequately addressed upon hearing the appeal.

Extrapolating *Geertson Seed Farms* to encompass declaratory judgment actions covered under the *MedImmune* line of cases is not so extreme, and makes perfect sense when considering the role of private patent enforcement, and the nature of self-replicating products. Although *Geertson Seed Farms* did not apply to testing the validity of Monsanto's patents, a farmer who, but for his own actions, is not contaminated by Monsanto's seed should not have to wait to get a statement regarding his liability, especially if he is under similar pressure.

¹⁶² The district court's decision discusses some of the points this Note raises in its ripeness argument when explaining why it granted Monsanto's Motion to Dismiss. These arguments may be discussed upon appeal, since they are referenced in part in the decision. *Organic Seed Growers & Trade Ass'n v. Monsanto Co.*, 851 F. Supp. 2d 544 *passim* (S.D.N.Y. 2012).