

No Case or Controversy if Patent-Holder Promises Not to Sue

On June 10, 2013, the Federal Circuit issued its opinion in *Organic Seed Growers & Trade Association v. Monsanto Company*, No. 2012-1298. In that case, approximately 300,000 farmers who did not use genetically engineered crops sued Monsanto, seeking a declaratory judgment that if their crops were inadvertently contaminated with the biotech firm's patented seed (which represent up to 90% of the seeds sown for some crops) then Monsanto could not sue them for patent infringement. The farmers also sought to have all of Monsanto's seed patents declared invalid. But because Monsanto's policy is that it does not sue for inadvertent use of its patented seeds, the Federal Circuit held that there was no case or controversy.

At oral argument, Monsanto's attorney, former Solicitor General Seth Waxman, explained that Monsanto had provided assurances to both the plaintiffs in the case and the public at large that it would not sue unless a farmer was making deliberate use of Monsanto's technology without paying a licensing fee. Monsanto also state that if the Federal Circuit were to base its opinion on that promise, that promise was legally binding:

MONSANTO: [M]onsanto has said . . . that assuming the representations of their complaint are true, which is that [the plaintiffs] have no intention of making use of Monsanto's technology, they have nothing to fear and any fear that they have of patent infringement litigation is baseless. Among other things, that is because . . . there is no instance in which Monsanto has ever brought a lawsuit against any farmer who was not making deliberate use of the technology without paying the license fee. Period.

. . .

JUDGE DYK: Is your representation here about what Monsanto would do in the nature of bringing a suit binding if you win this case as judicial estoppel?

MONSANTO: If the court writes an opinion that relies on the representations that I made in my letter in response to their letter then I think it would be binding as a matter of judicial estoppel.

The Federal Circuit accepted this argument and dismissed the case, holding that "Monsanto's representations unequivocally disclaim any intent to sue appellant growers, seed sellers, or organizations for inadvertently using or selling 'trace amounts' of genetically modified seeds. . . . While Monsanto's representations are not a covenant not to sue, they have a similar effect. If we rely on Monsanto's representations . . . (as we do), those representations are binding as a matter of judicial estoppel."

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