

No. \_\_\_\_\_

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**In the  
Supreme Court of the United States**

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**ORGANIC SEED GROWERS AND  
TRADE ASSOCIATION, *ET AL.*,**  
*Petitioners,*

v.

**MONSANTO COMPANY AND  
MONSANTO TECHNOLOGY LLC.,**  
*Respondents.*

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**ON PETITION FOR WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT**

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**PETITION FOR WRIT OF CERTIORARI**

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## QUESTION PRESENTED

Petitioners are farmers and seed dealers who wish to avoid using or selling genetically engineered (GE) seed but are at an immediate and real risk of being contaminated by Respondents' patented GE seed and then accused of patent infringement by Respondents. This risk of being sued for patent infringement has compelled Petitioners to forgo full use of their land and adopt burdensome genetic testing in order to avoid being contaminated. To alleviate the need to undertake those precautions, Petitioners filed this action seeking a declaration that being contaminated by Respondents' GE seed does not render them liable for patent infringement. Petitioners also requested, but Respondents refused to grant, a covenant not to sue. The District Court dismissed, believing Petitioners must be at risk of suit to have standing. The Court of Appeals affirmed after finding Respondents mooted the case by making "binding assurances" to not make patent infringement claims against Petitioners contaminated up to 1%. However, Petitioners risk being contaminated in amounts much greater than 1%, and thus remain compelled to forgo full use of their land and adopt genetic testing of their seed supplies in order to avoid being accused of patent infringement by Respondents.

1. Given that non-GE farmers and seed dealers will inevitably be contaminated by Respondents' GE seed, and given Respondents' aggressive assertion of its patents on GE seed and refusal to grant Petitioners a covenant not to sue, do Petitioners have standing to seek a declaratory judgment that they will not be liable as infringers of Respondents' patents when contaminated?

## **PARTIES TO THE PROCEEDINGS**

Petitioners are Organic Seed Growers and Trade Association, Organic Crop Improvement Association International, Inc., The Cornucopia Institute, Demeter Association, Inc., Center for Food Safety, Beyond Pesticides, Navdanya International, Maine Organic Farmers and Gardeners Association, Northeast Organic Farming Association of New York, Northeast Organic Farming Association/Massachusetts Chapter, Inc., Northeast Organic Farming Association of New Hampshire, Northeast Organic Farming Association of Rhode Island, CT NOFA, Northeast Organic Farming Association of Vermont, Rural Vermont, Ohio Ecological Food & Farm Association, Florida Certified Organic Growers and Consumers Inc., Southeast Iowa Organic Association, Mendocino Organic Network, Northeast Organic Dairy Producers Alliance, Midwest Organic Dairy Producers Alliance, Western Organic Dairy Producers Alliance, Canadian Organic Growers, Peace River Organic Producers Association, Sustainable Living Systems, Global Organic Alliance, Food Democracy Now!, Farm-to-Consumer Legal Defense Fund, Weston A. Price Foundation, Michael Fields Agricultural Institute, Fedco Seeds Inc., Adaptive Seeds, LLC, Sow True Seed, Southern Exposure Seed Exchange, Mumm's Sprouting Seeds, Baker Creek Heirloom Seed co., LLC, Comstock, Ferre & Co., LLC, Seedkeepers, LLC, Siskiyou Seeds, Countryside Organics, Wild Garden Seed, Cuatro Puertas, Seed We Need, Alba Ranch, Wild Plum Farm, Gratitude Gardens, Richard Everett Farm, LLC, Philadelphia Community Farm, Inc, Genesis Farm, Chispas Farms LLC, Midheaven

Farms, Koskan Farms, California Cloverleaf Farms, North Outback Farm, Taylor Farms, Inc., Ron Gargas Organic Farms, Abundant Acres, T & D Willey Farms, Full Moon Farm, Inc., Common Good Farm, LLC, American Buffalo Company, Radiance Dairy, Quinella Ranch, Nature's Way Farm Ltd., Levke and Peter Eggers Farm, Frey Vineyards, Ltd., Chuck Noble, LaRhea Pepper, Paul Romero, Brian Wickert, Bruce Drinkman, Murray Bast, and Donald Wright Patterson, Jr.. Respondents are Monsanto Company and Monsanto Technology LLC.

**RULE 29.6**  
**CORPORATE DISCLOSURE STATEMENT**

None of Petitioners has parent corporations, and no publicly held company owns 10 percent or more of the stock of any Petitioner.

**TABLE OF CONTENTS**

	<b><u>Page:</u></b>
QUESTION PRESENTED .....	i
PARTIES TO THE PROCEEDINGS .....	ii
RULE 29.6 CORPORATE DISCLOSURE STATEMENT .....	iii
TABLE OF CONTENTS .....	iv
TABLE OF AUTHORITIES .....	vi
OPINIONS BELOW .....	1
JURISDICTIONAL STATEMENT .....	1
CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED .....	1
STATEMENT .....	2
REASONS FOR GRANTING THE WRIT .....	8
I. THE FEDERAL CIRCUIT HAS NARROWED DECLARATORY JUDGMENT STANDING IN A WAY THAT IS CAUSING SUBSTANTIAL ECONOMIC HARM.....	8
II. PETITIONERS HAVE STANDING.....	10
A. Declaratory Judgment Claimants Need Not Put Themselves At Risk Of Suit To Have Standing So Long As Risk Of Suit Would Be “Certainly Impending” But For Coerced Precautions.....	12

B. Petitioners Have Standing Because  
Their Acts To Avoid Suit Are  
Coerced ..... 14

C. Monsanto's "Assurances" Did Not  
Moot The Controversy..... 19

CONCLUSION ..... 21

APPENDIX

Opinion,  
United States Court of Appeals  
for the Federal Circuit  
entered June 10, 2013..... 1a

Errata,  
United States Court of Appeals  
for the Federal Circuit  
entered June 14, 2013..... 25a

Memorandum and Order,  
United States District Court  
for the Southern District of New York  
entered February 24, 2012 ..... 29a

**TABLE OF AUTHORITIES****PAGE(S):****CASES:**

<i>Already, LLC v. Nike, Inc.</i> , 133 S. Ct. 721 (2013) .....	8, 9, 20, 21
<i>Ass'n for Molecular Pathology v. USPTO</i> , 689 F. 3d 1303 (Fed. Cir. 2012) .....	9
<i>Bresnick v. United States Vitamin Corp.</i> , 139 F.2d 239 (2d Cir. 1943).....	11
<i>Cardinal Chem. Co. v. Morton Int'l, Inc.</i> , 508 U.S. 83 (1993) .....	11
<i>Clapper v. Amnesty Int'l USA</i> , 133 S. Ct. 1138 (2013) .....	<i>passim</i>
<i>Cisco Systems, Inc. v. Alberta Tel.</i> , __ F.3d __ (Fed. Cir. August 29, 2013) .....	10
<i>Creative Compounds, LLC v. Starmark Labs.</i> , 651 F.3d 1303 (Fed. Cir. 2011) .....	6
<i>Lujan v. Defenders of Wildlife</i> , 504 U.S. 555 (1992) .....	11
<i>Matthews Int'l Corp. v. Biosafe Eng'g, LLC</i> , 695 F.3d 1322 (Fed. Cir. 2012) .....	9
<i>MedImmune v. Genentech, Inc.</i> , 549 U.S. 118 (2007) .....	<i>passim</i>
<i>Monsanto Co. v. Geertson Seed Farms</i> , 130 S. Ct. 2743 (2010) .....	15
<i>Steffel v. Thompson</i> , 415 U.S. 452 (1974) .....	17

**CONSTITUTION & STATUTES:**

U.S. Const. Article III.....	1, 8, 12
28 U.S.C. § 1254(1) .....	1
28 U.S.C. § 1295(a)(1).....	6
28 U.S.C. § 1331.....	5
28 U.S.C. § 1338(a) .....	5
28 U.S.C. § 2201(a), Declaratory Judgment Act ...	2, 8

**OTHER AUTHORITIES:**

L.F. Friesen <i>et al.</i> , <i>Evidence of Contamination of Pedigreed Canola (Brassica napus) Seedlots in Western Canada with Genetically Engineered Herbicide Resistance Traits</i> , 95 <i>Agronomy J.</i> 1342 (2003) .....	3, 15
National Organic Program, 65 <i>Fed. Reg.</i> 80548 (Dec. 21, 2000).....	4



## **OPINIONS BELOW**

The opinion of the United States Court of Appeals for the Federal Circuit is reported at 718 F.3d 1350 (Fed. Cir. June 10, 2013). App. at 1a. The Court of Appeals issued an Errata to its opinion on June 14, 2013. App. at 25a. The district court Memorandum & Order is reported at 851 F. Supp. 2d 544 (S.D.N.Y. 2012). App. at 29a.

## **JURISDICTIONAL STATEMENT**

The Federal Circuit's order issued on June 10, 2013. This petition is thus timely. Jurisdiction is conferred by 28 U.S.C. § 1254(1).

## **CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED**

Article III, Section 2 of the United States Constitution provides in relevant part as follows:

The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority;-- to all Cases affecting Ambassadors, other public Ministers and Consuls;-- to all Cases of admiralty and maritime Jurisdiction;-- to Controversies to which the United States shall be a Party;-- to Controversies between two or more States;-- between a State and Citizens of another State;-- between Citizens of different States;-- between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects.

The Declaratory Judgment Act, 28 U.S.C. 2201(a), provides as follows:

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.

### **STATEMENT**

Petitioners are farmers and seed distributors who wish to avoid using or dealing in transgenic seed, i.e. seed that has had DNA of foreign organisms inserted into its DNA through human-engineered processes. App. at 6a-7a. Petitioners wish to only use and sell non-transgenic seed, commonly referred to as organic, heirloom or conventional seed. App. at 7a. Respondents Monsanto Company and Monsanto Technology LLC (collectively "Monsanto") are a chemical and agricultural firm that has engineered and patented numerous transgenic seed varieties, including the ones at issue in this case, which have

had their DNA altered so as to be resistant to a particular herbicide, glyphosate. App. at 6a.

Farmers and seed distributors like Petitioners who do not wish to use Monsanto's seed are nonetheless at grave risk of doing so unintentionally because their crops are extremely vulnerable to contamination. App. at 15a-16a. In fact, contamination of Petitioners' fields and seed supplies by Monsanto's seed is, to use the district court's word, "inevitable." App. at 15a-16a. Contamination is difficult to detect, however, because Petitioners' seed and Monsanto's seed, and the plants they produce, are indistinguishable to the human eye. The only way Petitioners can proactively know their fields or seed supplies have been contaminated by Monsanto's seed is to perform expensive genetic testing. App. at 7a. Otherwise, Petitioners could be contaminated for months or even years before they have any knowledge that they are using and dealing Monsanto seed. And the amount of contamination can be quite high, as at least one study found that over one tenth of incidents of undesired contamination had levels that exceeded 2%. L.F. Friesen et al., *Evidence of Contamination of Pedigreed Canola (Brassica napus) Seedlots in Western Canada with Genetically Engineered Herbicide Resistance Traits*, 95 *Agronomy J.* 1342-1347 (2003).

To purge contamination, a farmer must completely destroy the affected crop and forgo using the contaminated land for several years. Such a draconian measure is not required to maintain organic certification, however, as even the USDA-administered National Organic Program standards

recognize the inevitability of contamination and permit it to occur. National Organic Program, 65 Fed. Reg. 80548, 80556 (Dec. 21, 2000); *Id.* at 80632 (“these regulations do not establish a ‘zero tolerance’ standard” for the presence of transgenic seed contamination). Thus, none of Petitioners need destroy their crops and abandon use of their land after contamination in order to maintain any particular status, as many of Petitioners are not even certified organic. However, every Petitioner must take these steps if they wish to avoid being accused of patent infringement by Monsanto, who has a well documented history of aggressively asserting its patents against any farmer using or distributing its seed. App. at 6a, 11a-12a (“Between 1997 and 2010, Monsanto brought some 144 infringement suits for unauthorized use of its seed. Approximately 700 other cases were settled without litigation.”).

In order to minimize or eliminate the risk of being accused of patent infringement by Monsanto upon being contaminated by Monsanto's seed, Petitioners have taken the preemptive steps of forgoing full use of their land and adopting expensive genetic testing. App. at 7a-8a. For example, Petitioner Don Patterson comes from an extended family of farmers in Virginia, but is currently forgoing farming alfalfa because he will certainly become contaminated by Monsanto's transgenic alfalfa seed and then accused of patent infringement by Monsanto. Petitioner Chuck Noble, a farmer in South Dakota, and Petitioner Fedco Seeds, a cooperative seed company in Maine, regularly test the seed being offered to them by others in order to avoid infringing Monsanto's

patents. Highlighting the risk Petitioners face of being contaminated, both Mr. Noble and Fedco Seeds have discovered transgenic contamination in the seed they tested in the past.

Because Petitioners claim the right to conduct their businesses without taking the expensive precautions that lessen their risk of contamination, they brought this action seeking a declaration that they cannot be held liable for patent infringement after being contaminated by Monsanto's transgenic seed. App. at 7a. Upon receipt of declaratory judgment in their favor, Petitioners will be free to resume full use of their land and cease the expensive genetic testing they have been forced to adopt. The district court had jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

To save the courts the burden of resolving this matter, Petitioners asked Monsanto to provide a covenant not to sue, assuring them in a legally binding way that they need not abandon full use of their property or adopt expensive genetic testing in order to avoid being accused of patent infringement. App. at 8a. Monsanto repeatedly refused to provide such assurances, instead referring Petitioners to an ambiguous and legally unenforceable “commitment” posted on Monsanto's website that states, “Monsanto’s policy never has been, nor will be, to exercise its patent rights where trace amounts of its patented seed or traits are present in a farmer’s fields as a result of inadvertent means.” App. at 8a-9a. Monsanto has repeatedly refused to define what it means by “trace amounts” or “inadvertent means” or to even put the website “commitment” in a legally binding form.

Rather than grant the covenant not to sue requested by Petitioners, Monsanto moved to dismiss for lack of subject-matter jurisdiction. Despite finding that “some unlicensed – and unintended – use of transgenic seed [by Petitioners] is inevitable”, the district court granted the motion to dismiss because it believed “there must be ‘an underlying cause of action that the declaratory defendant could have brought or threatened to bring, if not for the fact that the declaratory plaintiff had preempted it.’” App. at 39a (quoting the Federal Circuit's decision in *Creative Compounds, LLC v. Starmark Labs.*, 651 F.3d 1303, 1316 (Fed. Cir. 2011)). According to the district court, because Petitioners were not yet contaminated (although contamination is “inevitable”), Monsanto could not yet bring any patent infringement claim against Petitioners, and thus there *per se* could be no declaratory judgment standing. It did not matter to the district court that Petitioners were taking steps to avoid being accused of infringement, including forgoing full use of their own land and adopting expensive genetic testing, because the district court believed Petitioners had to put themselves at risk of a patent infringement suit before they could have declaratory judgment standing.

Petitioners timely appealed the district court's dismissal to the Court of Appeals for the Federal Circuit, which had appellate jurisdiction under 28 U.S.C. § 1295(a)(1). App. at 10a. The Federal Circuit confirmed that any amount of transgenic seed contamination makes Petitioners potentially liable for infringing Monsanto's patents on the seed, saying, “[t]here is, moreover, a substantial risk that at least some of the appellants could be liable for

infringement if they harvested and replanted or sold contaminated seed,” and “our cases suggest that one who, within the meaning of the Patent Act, uses (replants) or sells even very small quantities of patented transgenic seeds without authorization may infringe any patents covering those seeds.” App. at 13a-14a

The Court of Appeals also noted Monsanto's aggressive enforcement of its patents (App. at 6a, 11a-12a) and that with respect to the anonymous and unenforceable website “commitment” to not assert patents against “inadvertent infringers,” “Monsanto at oral argument made clear that its view of what constitutes an 'inadvertent infringer' is quite narrow, excluding those growers whose crops become accidentally contaminated, and who do not treat their fields with Roundup, but who, knowing of the contamination, harvest and replant or sell the seeds.” App. at 12a-13a.

Despite these findings, the Federal Circuit affirmed the district court's dismissal solely because it concluded Monsanto made “binding assurances” during the pendency of the suit that mooted the controversy. Specifically, according to the Court of Appeals, Monsanto, “disclaimed any intent to sue inadvertent users or sellers of seeds that are inadvertently contaminated with up to one percent of seeds carrying Monsanto’s patented traits” and “[w]hile Monsanto’s representations are not a covenant not to sue, they have a similar effect.” App. at 18a-19a. The Federal Circuit concluded that because Petitioners, “have not alleged any circumstances placing them beyond the scope of

those assurances, ... there is no justiciable case or controversy.” App. at 5a.

## REASONS FOR GRANTING THE WRIT

### I. THE FEDERAL CIRCUIT HAS NARROWED DECLARATORY JUDGMENT STANDING IN A WAY THAT IS CAUSING SUBSTANTIAL ECONOMIC HARM

The Court has repeatedly recognized the importance of addressing Article III standing for declaratory judgment claims. *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007) (“We must decide whether Article III’s limitation of federal courts’ jurisdiction to ‘Cases’ and ‘Controversies,’ reflected in the ‘actual controversy’ requirement of the Declaratory Judgment Act, 28 U.S.C. § 2201(a), requires a patent licensee, to terminate or be in breach of its license agreement before it can seek a declaratory judgment that the underlying patent is invalid, unenforceable, or not infringed.”); *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721 (2013) (“The question is whether a covenant not to enforce a trademark against a competitor’s existing products and any future ‘colorable imitations’ moots the competitor’s action to have the trademark declared invalid.”); *Clapper v. Amnesty Int’l USA*, 133 S. Ct. 1138 (2013) (“Respondents seek a declaration that § 1881a is unconstitutional, as well as an injunction against § 1881a-authorized surveillance. The question before us is whether respondents have Article III standing to seek this prospective relief.”).

Like *MedImmune* and *Already*, this case involves declaratory judgment claims in the intellectual property context, today one of the most frequent



areas of the law in which the Declaratory Judgment Act is used by private parties to resolve uncertainties regarding their respective rights and obligations. Declaratory judgment claims are an extremely beneficial tool for private actors to quantify intellectual property risk prior to making substantial investments in activity that might well be later adjudged infringing. Vibrant declaratory judgment standing for intellectual property cases is good public policy because it aids in calculating settled expectations and resolving uncertainty. Without the ability to resolve patent risk, parties will be forced to bear the cost of the *in terrorem* choice of either not pursuing acts that they believe they have the right to pursue, such as socially beneficial competition and research, or incurring legal liability risk. Preempting this choice was exactly the purpose of the Declaratory Judgment Act.

The Federal Circuit has, unfortunately, consistently narrowed standing to bring patent related declaratory judgment claims. For example, in *Ass'n for Molecular Pathology v. USPTO*, the Federal Circuit held that there can be no standing unless the patentee takes "affirmative patent enforcement actions directed at" the declaratory judgment plaintiff. 689 F.3d 1303, 1319 (Fed. Cir. 2012). The Federal Circuit made this finding despite the fact that the patentee in that case had a well known campaign of highly aggressive patent assertion that coerced potential competitors and researchers to abandon genetic testing that could be held to infringe the patents. *See also, Matthews Int'l Corp. v. Biosafe Eng'g, LLC*, 695 F.3d 1322, 1330-31 (Fed. Cir. 2012) (denying standing because

declaratory judgment plaintiff's product could be used in both infringing and non-infringing ways and plaintiff did not specifically allege infringing way would be used); *Cisco Systems, Inc. v. Alberta Tel.*, \_\_\_ F.3d \_\_\_ (Fed. Cir. August 29, 2013) (denying standing for network equipment manufacturer to pursue declaratory judgment claims against patentee that was accusing manufacturer's customers of infringement when using manufacturer's equipment to establish a network).

These decisions, amongst others, show a repeated pattern of the Federal Circuit adopting specific rules for declaratory judgment standing that conflict with the Court's decisions, including specifically *MedImmune*. Because the Federal Circuit is the exclusive Court of Appeals for patent cases, its doctrinal erosion of declaratory judgment standing prevents commercial actors from efficiently determining their intellectual property risk regarding patents held by others. This delays socially beneficial competition and research, while also encouraging a wasteful investment of resources into activities that are later found to infringe a patent. Those societal wastes can only be avoided by a correction of the Federal Circuit's doctrine. Because the issue of declaratory judgment standing for patent cases is of such extreme importance, the Court should take this opportunity to correct the Federal Circuit's wayward decisions.

## **II. PETITIONERS HAVE STANDING**

Petitioners have standing because they have suffered an injury in fact fairly traceable to Monsanto's actions that will be redressed by the issuance of the declaratory judgments they seek.

*Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992). Petitioners' injury in fact is the restriction on use of their land and businesses through the abstention from full use of their land to farm as they wish and the adoption of burdensome genetic testing of their seed supplies. Petitioners' injuries are fairly traceable to Monsanto's affirmative acts in asserting its patents on uncontrollably contaminating seeds. A declaratory judgment that Petitioners may use their property as they wish despite and after inevitable contamination by Monsanto's transgenic seed would fully alleviate Petitioners' injuries by eliminating the potential legal liability coercing their actions that they are undertaking to avoid that legal liability risk.

A plaintiff need not “bet the farm, or ... risk treble damages ... before seeking a declaration of its actively contested legal rights.” *MedImmune*, 549 U.S. at 134. “Merely the desire to avoid the threat of a 'scarecrow' patent, in Learned Hand's phrase, may therefore be sufficient to establish jurisdiction under the Declaratory Judgment Act.” *Cardinal Chem. Co. v. Morton Int'l, Inc.*, 508 U.S. 83, 96 (1993) (citing *Bresnick v. United States Vitamin Corp.*, 139 F.2d 239, 242 (2d Cir. 1943) (L. Hand, J.)). Here, Petitioners are faced with precisely such an *in terrorem* choice. Petitioner Don Patterson is forgoing farming alfalfa in Virginia due to the inevitability that he will become contaminated and then accused of patent infringement by Monsanto. Petitioner Chuck Noble and Petitioner Fedco Seeds have had to implement burdensome genetic testing into their business processes in an attempt to minimize the risk they will be contaminated and then accused of patent infringement. Petitioners are being forced to

undertake these measures because the potential liability for patent infringement is significant.

**A. Declaratory Judgment Claimants Need Not Put Themselves At Risk Of Suit To Have Standing So Long As Risk Of Suit Would Be “Certainly Impending” But For Coerced Precautions**

In *MedImmune*, a patent licensee believed the patent for which it was paying royalties was invalid and not infringed by its activities. 549 U.S. 118. The licensee nonetheless continued paying royalties and otherwise abiding by the license agreement in order to avoid risking any patent infringement liability. *Id.* When the licensee brought a declaratory judgment claim against the patentee seeking to have the licensed patent ruled invalid and not infringed, the Court of Appeals for the Federal Circuit held that there was no case or controversy because the licensee was not at risk of being sued for patent infringement. *Id.* at 122. According to the Court of Appeals, the licensee would only have declaratory judgment standing to challenge the licensed patent if it breached the license agreement and was under a “reasonable apprehension” of suit. *Id.* The Court reversed the Court of Appeals decision and held that the licensee indeed did have Article III standing to bring the declaratory judgment claim despite continuing to pay royalties under the license because its avoidance of patent infringement liability risk was coerced. *Id.* at 137.

Under *MedImmune*, a party that takes actions to ameliorate – and indeed eliminate – the risk of being accused of patent infringement does not extinguish standing to bring a declaratory judgment claim

against the patent. In reaching this conclusion, the Court cited cases involving standing to challenge government statutes, where avoidance of threatened government action did not defeat declaratory judgment standing to challenge the statute. *Id.* at 128-29 (“Our analysis must begin with the recognition that, where threatened action by government is concerned, we do not require a plaintiff to expose himself to liability before bringing suit to challenge the basis for the threat—for example, the constitutionality of a law threatened to be enforced.”) Indeed, as stated by the Court in *MedImmune*, when a declaratory judgment claimant “eliminated the imminent threat of harm by simply not doing what he claimed the right to do,” the claimant’s forbearance did not preclude subject-matter jurisdiction “because the threat-eliminating behavior was effectively coerced.” 549 U.S. 129, 134 n.12.

*Clapper* clarified how likely government action against a declaratory judgment plaintiff must be in order for the plaintiff to have standing to challenge the Constitutionality of that action. *Clapper v. Amnesty Int’l USA*, 133 S.Ct. 1138 (2013). The Court found the declaratory judgment claimants in *Clapper* lacked standing to challenge a law permitting electronic surveillance because it was not “certainly impending” that the Government would intercept electronic communications to which the declaratory judgment plaintiffs were parties. *Id.* at 1148.

The four-Justice dissent in *Clapper* gave context to the meaning of the “certainly impending” standard, clarifying that “*certainly* is not, and never has been, the touchstone of standing. The future is

inherently uncertain.” *Id.* at 1160 (emphasis original). The dissent concluded that the degree of certainty needed to support standing is “reasonably likely or highly likely, but not absolutely certain.” *Id.* at 1160. “Our cases do not uniformly require plaintiffs to demonstrate that it is literally certain that the harms they identify will come about. In some instances, we have found standing based on a ‘substantial risk’ that the harm will occur, which may prompt plaintiffs to reasonably incur costs to mitigate or avoid that harm.” *Id.* at 1150, n.5.

This case satisfies both *MedImmune’s* standard that a declaratory judgment plaintiff need not “expose himself to liability before bringing suit to challenge the basis for the threat” and *Clapper’s* standard that such a threat be “certainly impending.” 549 U.S. 128-29; 133 S. Ct. At 1148. Here, while Petitioners have indeed not exposed themselves to liability, the threat they face of being contaminated by Monsanto’s GE seed and then accused of patent infringement as a result is nonetheless “certainly impending.”

#### **B. Petitioners Have Standing Because Their Acts To Avoid Suit Are Coerced**

As the evidence shows and both of the courts below acknowledged, contamination of Petitioners’ property by Monsanto’s seed is inescapable. The district court found that “some” unintended use of transgenic seeds is inevitable due to a variety of means including seed drift and cross-pollination. App. at 15a. The Federal Circuit noted Monsanto’s own concession that conventional crop could be exposed to cross-pollination from nearby transgenic fields and might inadvertently contain traces of

Monsanto's patented genes. App. at 15a. The Federal Circuit also referenced the Court's acknowledgment in *Geertson* of gene flow from genetically modified to conventional crops. App. at 16a (citing *Monsanto Co. v. Geertson Seed Farms*, 130 S. Ct. 2743, 2752–54 (2010)).

Despite acknowledging inevitable contamination, the Federal Circuit concluded that the most unintended contamination Petitioners could possibly suffer is one percent. App. at 21a. However, that conclusion defies reality. Indeed, at least one study found that over one tenth of incidents of undesired contamination had levels that exceeded 2%. L.F. Friesen et al., *Evidence of Contamination of Pedigreed Canola (Brassica napus) Seedlots in Western Canada with Genetically Engineered Herbicide Resistance Traits*, 95 *Agronomy J.* 1342-1347 (2003). Thus, the chance that Petitioners inevitably will experience contamination over 1% is not “too speculative to justify their present actions” as erroneously concluded by the Federal Circuit. App. at 23a (citing *Clapper*, 568 U.S. at 1151).

Considering the facts, the only logical inference about Petitioners' costly efforts to reduce the risk of infringement is that they are necessary, though perhaps not sufficient, to avoid possible infringement. App. at 7a-8a (“Petitioners further alleged that they must take costly precautions to avoid contamination, such as testing seeds for transgenic traits and creating 'buffer' zones between their farms and those of neighbors growing modified crops.”). Because Petitioners are undertaking these precautions to avoid or minimize their risk of being contaminated and then accused of patent

infringement by Monsanto, they are coerced. *MedImmune*, 549 U.S. at 130, n.9. The Federal Circuit was wrong to conclude that Petitioners' decisions to forgo full use of their property and adopt genetic testing of seed in this case were on par with the steps taken by the plaintiffs in *Clapper*, to “manufacture standing merely by inflicting harm on themselves based on their fears of hypothetical future harm.” App. at 23a (*quoting Clapper*, 133 S. Ct. at 1151).

After finding Petitioners' precautions were *not* reasonable responses to the risk that they will be contaminated by Monsanto's seed and then accused of patent infringement by Monsanto, the Federal Circuit used Petitioners' efforts to avoid infringement against them, as a basis for finding contamination and patent infringement liability less likely than is required to have standing. App. at 21a (concluding that appellants were not at a sufficient risk of being sued for patent infringement because they were “using their best efforts to avoid” contamination).

While it was correct for the Court of Appeals to find that Petitioners' precautions are tempering their risk of being sued for patent infringement, the Federal Circuit's reliance on the effectiveness of those precautions as a justification for denying standing directly conflicts with *MedImmune* by treating Petitioners' costly precautions as voluntary rather than forced. The Federal Circuit stated as a basis for its conclusion, “There is no allegation that the alleged contamination already exceeds the one percent threshold.” App. at 21a. However, in *MedImmune* there was no allegation that the



patentee would sue if the licensee continued paying royalties. That fact does not defeat standing to bring a declaratory judgment claim.

As discussed above, Petitioners' precautions are coerced just like the licensee's continued payment of royalties was coerced in *MedImmune*. See 549 U.S. at 134 (“If one uses the word 'voluntary' so loosely, it could be applied with equal justification (or lack thereof) to the *Steffel* [*v. Thompson*, 415 U.S. 452 (1974)] plaintiff's 'voluntary' refusal to distribute handbills.”). The relevant risk for consideration under a standing analysis is the risk posed if Petitioners *ceased* taking precautions, not the diminished (or eliminated) risk that results from their taking the precautions.

The fact that Petitioners' efforts did not completely eliminate the risk of contamination is of no moment. Indeed, contamination and then accusations of patent infringement are impossible to prevent absent a complete cessation of all farming and seed distribution activity. Thus, the only way for Petitioners here to achieve the same 100% mitigation of risk as achieved by the licensee in *MedImmune* is for them to completely stop any farming or seed distributing whatsoever. While some of the Petitioners have taken this step, many others have not. Instead, they have adopted expensive genetic testing to try and minimize the risk of contamination or more easily detect when it has occurred. Thus, they have not even gone so far in eliminating the risk of suit as the licensee in *MedImmune* did. Yet, the Federal Circuit still used their precautions against them in the standing

analysis. This is entirely backwards and conflicts with *MedImmune* and the precedents it cites.

The Federal Circuit also erred in treating contamination as if it is preventable. The decision suggests that the occurrence and extent of contamination is entirely within Petitioners' control like the continued payment of royalties in *MedImmune* was completely within the declaratory judgment plaintiff licensee's control there. In this case, however, unlike in *Medimmune*, even Petitioners' precautions do not guarantee that they will not engage in activity Monsanto could allege is infringing. To say that Petitioners have not "taken any concrete steps that would place them outside the scope of Monsanto's binding disclaimer, and at risk of suit for infringement" is to blatantly ignore that it is contamination and thus infringement that is taking concrete steps toward Petitioners despite their efforts to resist it. The reasonableness of Petitioners' precautions here is highlighted by the ever-increasing risk that they will be contaminated by Monsanto's seed and then accused of patent infringement. The only way they can prevent this increasing risk is to go completely out of business or seek a declaratory judgment. Petitioners should not be forced to do the former in order to have standing to do the latter.

The best way to interpret *MedImmune* and *Clapper* together is that they stand for the combined proposition that a declaratory judgment plaintiff has standing to challenge a patent even though it has taken steps to avoid being at risk of being sued for patent infringement if such a suit would be "certainly impending" in the absence of it taking the

steps to avoid the risk. In this case, Petitioners satisfy such a *MedImmune/Clapper* standard because Monsanto's aggressive assertion of its patents, combined with the likelihood of contamination over 1%, leaves little doubt that a patent infringement claim by Monsanto against Petitioners who hadn't taken precautions would be "certainly impending." App. at 6a, 11a-12a. Thus, the steps Petitioners are taking to avoid or minimize the risk of being contaminated and then accused of patent infringement by Monsanto, namely forgoing full use of their land and adopting burdensome genetic testing of their seed supplies, are coerced. This coercion provides standing for Petitioners to pursue the declaratory judgment they seek in this case. The Court of Appeals' conclusion to the contrary was legal error and sets a dangerous precedent that could encourage further departure from the Court's *MedImmune* decision.

### **C. Monsanto's "Assurances" Did Not Moot The Controversy**

In *Already*, the Court held that a covenant not to sue granted by a declaratory judgment defendant can moot a controversy if the covenant is "unconditional and irrevocable." *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721, 728 (2013). Here, Monsanto has not granted Petitioners any covenant not to sue at all, much less one that is "unconditional and irrevocable." Indeed, as the Court of Appeals stated, "Monsanto has been unwilling to give appellants a covenant not to sue." App. at 17a. Instead, Monsanto made an ambiguous, anonymous, conditional and revocable statement on its website and Monsanto's outside attorneys made certain

statements during the pendency of the suit that led the Court of Appeals to conclude, “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 .” App. at 18a-19a (further stating, “[w]hile Monsanto’s representations are not a covenant not to sue, they have a similar effect.”)

Even if an anonymous website statement combined with outside attorney argument could substitute for a covenant not to sue in the *Already* mootness inquiry, the limitation of “trace amounts,” which the Court of Appeals interpreted to mean contamination up to 1% (App. at 18a-19a), conditions the covenant's scope to protect less than the amount of contamination Petitioners stand to suffer. The farming and seed distribution activities Petitioners wish to undertake in this case could easily subject them to contamination in amounts well above 1%, as it is impossible to know whether one has been contaminated unless and until genetic testing is performed on their seeds or plants.

While initial contamination could be “trace”, just a few seasons of replanting harvested seeds from a previous crop can result in contamination well above 1%. This is unlike the declaratory judgment plaintiff in *Already*, who “did not assert any intent to design or market a shoe that would expose it to any prospect of infringement liability.” Here, Petitioners claim the right to undertake farming and seed distribution activities that could easily fall outside the 1% “disclaimer” found by the Court of Appeals. Thus, even if Monsanto's “representations” here constitute a legal substitute for a covenant not to

sue, those representations are not “unconditional” as required by *Already*. 133 S. Ct. at 728.

**CONCLUSION**

For the reasons stated above, the petition for certiorari should be granted.

Respectfully submitted,

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September 5, 2013

**TABLE OF CONTENTS**  
**Appendix to Petition**

	<b>Page</b>
Opinion United States Court of Appeals for the Federal Circuit entered June 10, 2013 .....	1a
Errata Re: Opinion United States Court of Appeals for the Federal Circuit entered June 14, 2013 .....	25a
Memorandum and Order United States District Court Southern District of New York entered February 24, 2012.....	29a

**United States Court of Appeals  
for the Federal Circuit**

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**ORGANIC SEED GROWERS AND TRADE  
ASSOCIATION, ORGANIC CROP  
IMPROVEMENT ASSOCIATION  
INTERNATIONAL, INC., THE CORNUCOPIA  
INSTITUTE, DEMETER ASSOCIATION, INC.,  
CENTER FOR FOOD SAFETY, BEYOND  
PESTICIDES, NAVDANYA INTERNATIONAL,  
MAINE ORGANIC FARMERS AND  
GARDENERS ASSOCIATION, NORTHEAST  
ORGANIC FARMING ASSOCIATION OF NEW  
YORK, NORTHEAST ORGANIC FARMING  
ASSOCIATION/MASSACHUSETTS CHAPTER,  
INC., NORTHEAST ORGANIC FARMING  
ASSOCIATION OF NEW HAMPSHIRE,  
NORTHEAST ORGANIC FARMING  
ASSOCIATION OF RHODE ISLAND, CT NOFA,  
NORTHEAST ORGANIC FARMING  
ASSOCIATION OF VERMONT, RURAL  
VERMONT, OHIO ECOLOGICAL FOOD &  
FARM ASSOCIATION, FLORIDA CERTIFIED  
ORGANIC GROWERS AND CONSUMERS INC.,  
SOUTHEAST IOWA ORGANIC ASSOCIATION,  
MENDOCINO ORGANIC NETWORK,  
NORTHEAST ORGANIC DAIRY PRODUCERS  
ALLIANCE, MIDWEST ORGANIC DAIRY  
PRODUCERS ALLIANCE, WESTERN  
ORGANIC DAIRY PRODUCERS ALLIANCE,  
CANADIAN ORGANIC GROWERS, PEACE  
RIVER ORGANIC PRODUCERS  
ASSOCIATION, FAMILY FARMER SEED  
COOPERATIVE, SUSTAINABLE LIVING**

**SYSTEMS, GLOBAL ORGANIC ALLIANCE,  
FOOD DEMOCRACY NOW!, FARM-TO-  
CONSUMER LEGAL DEFENSE FUND,  
WESTON A. PRICE FOUNDATION, MICHAEL  
FIELDS AGRICULTURAL INSTITUTE, FEDCO  
SEEDS INC., ADAPTIVE SEEDS, LLC, SOW  
TRUE SEED, SOUTHERN EXPOSURE SEED  
EXCHANGE, MUMM'S SPROUTING SEEDS,  
BAKER CREEK HEIRLOOM SEED CO., LLC,  
COMSTOCK, FERRE & CO., LLC,  
SEEDKEEPERS, LLC, SISKIYOU SEEDS,  
COUNTRYSIDE ORGANICS, WILD GARDEN  
SEED, CUATRO PUERTAS, SEED WE NEED,  
ALBA RANCH, WILD PLUM FARM,  
GRATITUDE GARDENS, RICHARD EVERETT  
FARM, LLC, PHILADELPHIA COMMUNITY  
FARM, INC, GENESIS FARM, CHISPAS  
FARMS LLC, MIDHEAVEN FARMS, KOSKAN  
FARMS, CALIFORNIA CLOVERLEAF FARMS,  
NORTH OUTBACK FARM, TAYLOR FARMS,  
INC., RON GARGASZ ORGANIC FARMS,  
ABUNDANT ACRES, T & D WILLEY FARMS,  
FULL MOON FARM, INC., COMMON GOOD  
FARM, LLC, AMERICAN BUFFALO  
COMPANY, RADIANCE DAIRY, QUINELLA  
RANCH, NATURE'S WAY FARM LTD., LEVKE  
AND PETER EGGERS FARM, FREY  
VINEYARDS, LTD., BRYCE STEPHENS,  
CHUCK NOBLE, LARHEA PEPPER, PAUL  
ROMERO, BRIAN WICKERT, BRUCE  
DRINKMAN, MURRAY BAST, AND DONALD  
WRIGHT PATTERSON, JR.,**

*Plaintiffs-Appellants,*



AND

**OCIA RESEARCH AND EDUCATION INC.,  
NORTHERN PLAINS SUSTAINABLE  
AGRICULTURE SOCIETY, MANITOBA  
ORGANIC ALLIANCE, UNION PAYSANNE,  
FAMILY FARM DEFENDERS INC.,  
INTERLAKE FORAGE SEEDS LTD.,  
KIRSCHENMANN FAMILY FARMS INC., AND  
JARDIN DEL ALMA,**  
*Plaintiffs,*

v.

**MONSANTO COMPANY AND MONSANTO  
TECHNOLOGY LLC,**  
*Defendants-Appellees.*

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2012-1298

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Appeal from the United States District Court for  
the Southern District of New York in No. 11-CV-  
2163, Judge Naomi Reice Buchwald.

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Entered: June 10, 2013

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DANIEL B. RAVICHER, Public Patent  
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New York, New York, argued for plaintiffs-  
appellants. With him on the brief was SABRINA Y.  
HASSAN.

SETH P. WAXMAN, Wilmer Cutler Pickering  
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defendants appellees. With him on the brief were PAUL R. Q. WOLFSON, TODD C. ZUBLER, GREGORY H. LANTIER, CAROLYN J. CHACHKIN and RACHEL L. WEINER.

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THOMAS F. POCHE, Womble Carlyle Sandridge & Rice, L.L.P., of Washington, DC, for amici curiae, Biotechnology Industry Organization, et al.

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Before DYK, BRYSON, and MOORE, *Circuit Judges*.

DYK, *Circuit Judge*.

Appellants, a coalition of farmers, seed sellers, and agricultural organizations, sought declaratory judgments of non-infringement and invalidity with respect to twenty-three patents owned by Monsanto Co. and Monsanto Technology, LLC (collectively, “Monsanto”). The district court concluded that there was no justiciable case or controversy and dismissed for lack of jurisdiction. Because Monsanto has made binding assurances that it will not “take legal action against growers whose crops might inadvertently contain traces of Monsanto biotech genes (because, for example, some transgenic seed or pollen blew onto the grower’s land),” Defs.’ Mem. of Law in Supp. of Mot. to Dismiss at 5, *Organic Seed Growers & Trade Ass’n v. Monsanto Co.*, 851 F. Supp. 2d 544

(S.D.N.Y. 2012) (No. 11-CV-2163), ECF No. 20, and appellants have not alleged any circumstances placing them beyond the scope of those assurances, we agree that there is no justiciable case or controversy. We affirm.

#### BACKGROUND

The twenty-three patents-in-suit<sup>1</sup> relate to technologies or genetically modifying seeds. The patented technologies are used to incorporate

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<sup>1</sup> The appellants have challenged the following Monsanto patents: U.S. Patent Nos. 5,322,938 (“DNA sequence for enhancing the efficiency of transcription”); 5,352,605 (“Chimeric genes for transforming plant cells using viral promoters”); 5,362,865 (“Enhanced expression in plants using non-translated leader sequences”); 5,378,619 (“Promoter for transgenic plants”); 5,424,412 (“Enhanced expression in plants”); 5,463,175 (“Glyphosate tolerant plants”); 5,530,196 (“Chimeric genes for transforming plant cells using viral promoters”); 5,554,798 (“Fertile glyphosate-resistant transgenic corn plants”); 5,593,874 (“Enhanced expression in plants”); 5,641,876 (“Rice actin gene and promoter”); 5,659,122 (“Enhanced expression in plants using non-translated leader sequences”); 5,717,084 (“Chimaeric gene coding for a transit peptide and a heterologous peptide”); 5,728,925 (“Chimaeric gene coding for a transit peptide and a heterologous polypeptide”); 5,750,871 (“Transformation and foreign gene expression in *Brassica* species”); 5,859,347 (“Enhanced expression in plants”); 6,025,545 (“Methods and compositions for the production of stably transformed, fertile monocot plants and cells thereof”); 6,040,497 (“Glyphosate resistant maize lines”); 6,051,753 (“Figwort mosaic virus promoter and uses”); 6,083,878 (“Use of N-(phosphonomethyl) glycine and derivatives thereof”); 6,753,463 (“Transformed cotton plants”); 6,825,400 (“Corn plants comprising event PV-ZMGT32(nk603)”; RE38,825 (“Glyphosate tolerant plants”); and RE39,247 (“Glyphosate-tolerant 5-enolpyruvylshikimate-3-phosphate synthases”).

various traits into soybeans, corn, and other agricultural crops, including traits conferring resistance to the herbicide glyphosate (the active ingredient in Monsanto's product Roundup). *See generally* *Bowman v. Monsanto Co.*, 569 U.S. \_\_\_, 133 S.Ct. 1761 (2013); *Monsanto Co. v. McFarling*, 363 F.3d 1336 (Fed. Cir. 2004). Such seeds are known as "Roundup Ready." Farmers using Monsanto's Roundup Ready glyphosate-resistant seeds are able to eliminate weeds by spraying glyphosate over the tops of their crops, a practice that would kill non-genetically modified, or "conventional," seeds. *See* *Bowman*, 569 U.S. at \_\_\_, 133 S. Ct. at 1765–67; *McFarling*, 363 F.3d at 1338–39.

Monsanto sells seed and licenses others to grow and sell seed, pursuant to a limited-use license (the "Technology Agreement") permitting growers to plant, harvest, and sell a single generation of genetically modified seeds. It is undisputed that Monsanto has enforced its patent rights against farmers who planted Monsanto's genetically modified seeds without authorization, *see, e.g.*, *Monsanto Co. v. Bowman*, 657 F.3d 1341 (Fed. Cir. 2011), *aff'd* *Bowman*, 569 U.S. \_\_\_, 133 S. Ct. 1761; *Monsanto Co. v. Scruggs*, 459 F.3d 1328 (Fed. Cir. 2006), or who replanted saved seeds in violation of the Technology Agreement, *see, e.g.*, *McFarling*, 363 F.3d at 1352. Between 1997 and 2010, Monsanto brought some 144 infringement suits for unauthorized use of its seed. Approximately 700 other cases were settled without litigation.

The appellants are growers, seed selling businesses, and agricultural organizations, all of whom grow, use, or sell conventional seeds, and

many of whom have organic certification. The appellants “do not want to use or sell transgenic seed” incorporating Monsanto’s technologies. First Amended Complaint (“Am. Compl.”) ¶ 2, *Organic Seed Growers*, 851 F. Supp. 2d 544 (S.D.N.Y. 2012) (No. 11-CV-2163), ECF No. 3. They also oppose the use of glyphosate and do not use it on their crops. They are concerned, however, that

if they do indeed become contaminated by transgenic seed, which may very well be inevitable given the proliferation of transgenic seed today, they could quite perversely also be accused of patent infringement by the company responsible for the transgenic seed that contaminates them.

*Id.*

On March 29, 2011, the appellants brought suit against Monsanto in the Southern District of New York, seeking declaratory judgments that the patents-in-suit are invalid, unenforceable, and not infringed. *Organic Seed Growers*, 851 F. Supp. 2d at 549. The appellants alleged that they have been forced to “forgo growing [conventional] corn, cotton, canola, sugar beets, soybeans, and alfalfa, since it is widely known that those crops are currently under severe threat of transgenic seed contamination.” Am. Compl. ¶ 96; *see also id.* at ¶ 104 (alleging that “over 85-90% of all soybeans, corn, cotton, sugar beets, and canola grown in the U.S. contains Monsanto’s patented genes”). They further alleged that they must take costly precautions to avoid contamination, such as testing seeds for transgenic traits and creating “buffer” zones between their farms and those of neighbors growing modified crops. Am.

Compl. ¶ 108. The appellants contended that if they do not take these precautions, their crops would be contaminated, and they would be sued for infringement by Monsanto. At least one appellant declared that the fear of suit by Monsanto is the sole reason he refrained from cultivating organic corn and soybeans, and that he would resume growing those crops if that threat were eliminated. *See* Decl. of Bryce Stephens, *Organic Seed Growers*, 851 F. Supp. 2d 544 (S.D.N.Y. 2012) (No. 11-CV-2163), ECF No. 41.

On April 18, 2011, the appellants asked Monsanto to “expressly waive any claim for patent infringement [Monsanto] may ever have against [appellants] and memorialize that waiver by providing a written covenant not to sue.” *Organic Seed Growers*, 851 F. Supp. 2d at 549 (quoting Am. Compl. Ex. 3 (Apr. 18, 2011, letter from appellants’ counsel to Monsanto’s counsel)). The appellants stated that without such a covenant, they would “feel they would be at risk of having Monsanto assert claims of patent infringement against them should they ever become contaminated by transgenic seed potentially covered by Monsanto’s patents.” *Id.* at 549–50 (quoting Am. Compl. Ex. 3). Monsanto refused their request and referred the appellants to a statement posted on its website, which reads in relevant part:

It has never been, nor will it be Monsanto policy to exercise its patent rights where trace amounts of our patented seeds or traits are present in farmer’s fields as a result of inadvertent means.

J.A. 508 (“Monsanto’s Commitment: Farmers and Patents”).<sup>2</sup> Through counsel, Monsanto assured the appellants that

Monsanto is unaware of any circumstances that would give rise to any claim for patent infringement or any lawsuit against your clients. Monsanto therefore does not assert and has no intention of asserting patent-infringement claims against your clients. You 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 true, any fear of suit or other action is unreasonable, and any decision not to grow certain crops unjustified.

Am. Compl. Ex. 4 (alteration omitted) (Apr. 28, 2011, letter from Monsanto’s counsel to appellants’ counsel). According to Monsanto, a covenant not to sue is unnecessary because it would not have an incentive to bring suit in the first place because it could not collect significant damages for low levels of inadvertent infringement.

The district court concluded that “these circumstances do not amount to a substantial controversy and . . . there has been no injury traceable to defendants,” and granted Monsanto’s motion to dismiss for lack of subject matter jurisdiction. *Organic Seed Growers*, 851 F. Supp. 2d

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<sup>2</sup> The full statement is available at the following website:

<http://www.monsanto.com/newsviews/Pages/commitment-farmers-patents.aspx>.

at 556. The appellants timely appealed. We have jurisdiction under 28 U.S.C. § 1295(a)(1). We review the district court's determination that it lacks subject matter jurisdiction de novo. *Arkema Inc. v. Honeywell Int'l, Inc.*, 706 F.3d 1351, 1356 (Fed. Cir. 2013).

#### DISCUSSION

The Declaratory Judgment Act, 28 U.S.C. § 2201(a), provides that

In a case of actual controversy within its jurisdiction . . . 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.

The declaratory judgment plaintiff bears the burden of showing the existence of an “actual controversy,” *see Arris Grp., Inc. v. British Telecommc'ns PLC*, 639 F.3d 1368, 1373 (Fed. Cir. 2011), that is, “any controversy over which there is Article III jurisdiction,” *Caraco Pharm. Labs., Ltd. v. Forest Labs., Inc.*, 527 F.3d 1278, 1290 (Fed. Cir. 2008), *cert. denied*, 555 U.S. 1170 (2009) (citing *Aetna Life Ins. Co. v. Haworth*, 300 U.S. 227, 239–40 (1937)). As the Supreme Court explained in *MedImmune, Inc. v. Genentech, Inc.*, “[b]asically, 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.”



549 U.S. 118, 127 (2007) (quoting *Md. Cas. Co. v. Pac. Coal & Oil Co.*, 312 U.S. 270, 273 (1941)).

“In determining whether a justiciable controversy is present, the analysis must be calibrated to the particular facts of each case.” *Matthews Int’l Corp. v. Biosafe Eng’g, LLC*, 695 F.3d 1322, 1328 (Fed. Cir. 2012). Although there is no bright-line rule applicable to patent cases, we have held that “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.” *SanDisk Corp. v. STMicroelectronics, Inc.*, 480 F.3d 1372, 1380–81 (Fed. Cir. 2007). A reasonable apprehension of suit is not necessary. *Id.* However, “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.” *Id.* Thus, the question in this case is not whether the appellants’ subjective fear of suit by Monsanto is genuine, but whether they have demonstrated a “substantial risk’ that the harm will occur, which may prompt [them] to reasonably incur costs to mitigate or avoid that harm.” See *Clapper v. Amnesty Int’l USA*, 568 U.S. \_\_\_, \_\_\_, 133 S.Ct. 1138, 1150 n.5 (2013) (quoting *Monsanto Co. v. Geertson Seed Farms*, 561 U.S. \_\_\_, \_\_\_, 130 S.Ct. 2743, 2754–55 (2010)).

The appellants concede that Monsanto has never specifically alleged that they infringe its patents, nor threatened suit against them. Nevertheless, the appellants contend that in light of Monsanto’s evident history of aggressive assertion of its

transgenic seed patents against other growers and sellers (144 suits and 700 settlements), they must assume that if they infringe those patents, they will also be sued—even if they only infringe inadvertently. Am. Compl. ¶ 130. The appellants urge that this suffices for declaratory judgment jurisdiction. *See, e.g., Arkema*, 706 F.3d at 1357 (holding that it is not “necessary that a patent holder make specific accusations” of infringement against the declaratory judgment plaintiff); *Micron Tech, Inc. v. MOSAID Techs., Inc.*, 518 F.3d 897, 901 (Fed. Cir. 2008) (patentee’s suits against other manufacturers supported declaratory judgment jurisdiction); *Prasco, LLC v. Medicis Pharm. Corp.*, 537 F.3d 1329, 1341 (Fed. Cir. 2008) (“Prior litigious conduct is one circumstance to be considered in assessing whether the totality of circumstances creates an actual controversy.”); *see also Holder v. Humanitarian Law Project*, 561 U.S. \_\_\_, 130 S.Ct 2705, 2717 (2010) (holding that plaintiffs had standing where similarly situated parties had been prosecuted under the same statute).<sup>3</sup>

Monsanto here claims that it has not previously sued “inadvertent infringers,” and that the appellants are therefore not similarly situated to those who have been sued. But Monsanto at oral argument made clear that its view of what constitutes an “inadvertent infringer” is quite narrow, excluding those growers whose crops become accidentally contaminated, and who do not treat

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<sup>3</sup> To be sure, an amorphous, “widespread understanding” of a risk of suit is not sufficient. *Ass’n for Molecular Pathology v. U.S. Patent & Trademark Office*, 689 F.3d 1303, 1323 (Fed. Cir. 2012).

their fields with Roundup, but who, knowing of the contamination, harvest and replant or sell the seeds.

There is, moreover, a substantial risk that at least some of the appellants could be liable for infringement if they harvested and replanted or sold contaminated seed. Even though the Supreme Court has not addressed the question, the Court's recent decision in *Bowman v. Monsanto Co.* leaves open the possibility that merely permitting transgenic seeds inadvertently introduced into one's land to grow would not be an infringing use.<sup>4</sup> *Bowman*, 569 U.S. at \_\_\_, 133 S.Ct. at 1769 (recognizing that the Court's holding does not extend to a case in which "the article's self-replication might occur outside the purchaser's control"). However, our cases suggest that one who, within the meaning of the Patent Act, uses (replants) or sells even very small quantities of

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<sup>4</sup> In *Bowman*, the Supreme Court held that patent exhaustion did not permit a farmer to reproduce Monsanto's transgenic seeds without a license. *Bowman*, 569 U.S. at \_\_\_, 133 S.Ct. at 1769. *Bowman*, a soybean farmer, conceded that he had deliberately purchased, harvested, and replanted Roundup Ready soybeans without a license. *Id.* at 1765–67. He also used glyphosate on his fields, thereby favoring the survival of transgenic soybeans and eliminating conventional soybeans. *Id.* The Court carefully distinguished *Bowman*'s use of the patented soybean seeds from the situation of inadvertent infringement:

*Bowman* was not a passive observer of his soybeans' multiplication; or put another way, the seeds he purchased (miraculous though they might be in other respects) did not spontaneously create eight successive soybean crops. . . . In another case, the [seed]'s self-replication might occur outside the [farmer's] control.

*Id.* at 1769.

patented transgenic seeds without authorization may infringe any patents covering those seeds. In *SmithKline Beecham Corp. v. Apotex Corp.*, we rejected the proposition that patent claims should be construed to avoid reading on “trace amounts” of a patented compound, even though that compound’s self-replicating properties might “place potential infringers in the untenable position of never knowing whether their product infringes because even a single undetectable [molecule] would infringe.” 403 F.3d 1331, 1336, 1339–40 (Fed. Cir. 2005); *see also Abbott Labs. v. Sandoz, Inc.*, 566 F.3d 1282, 1299 (Fed. Cir. 2009) (noting that de minimis infringement can still be infringement); *Embrex, Inc. v. Serv. Eng’g Corp.*, 216 F.3d 1343, 1352–53 (Fed. Cir. 2000) (Rader, J., concurring) (“[T]his court has not tolerated the notion that a little infringement—deminimis infringement—is acceptable infringement or not infringement at all.”). Both parties seem to concede that at a minimum, using or selling patented seeds without a license is potentially infringing activity. For purposes of this appeal, we will assume (without deciding) that using or selling windblown seeds would infringe any patents covering those seeds, regardless of whether the alleged infringer intended to benefit from the patented technologies.<sup>5</sup>

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<sup>5</sup> Appellants nonetheless contend on the merits that they cannot be liable for infringement because they do not purposefully use or sell Monsanto’s transgenic seed and would do so only inadvertently. Am. Compl. ¶ 5. Declaratory judgment plaintiffs’ refusal to concede infringement does not, of course, defeat jurisdiction. *See Arrowhead Indus. Water, Inc. v. Echolochem, Inc.*, 846 F.2d 731, 738 (Fed. Cir. 1988).

While appellants do not allege that they have detected contamination in their crops, the district court held that it is likely inevitable that conventional crops will be contaminated by trace amounts of windblown pollen or seeds from genetically modified crops or other sources. *Organic Seed Growers*, 851 F. Supp. 2d at 548. Monsanto acknowledges that conventional crops could be exposed to “cross-pollination from nearby fields where biotech crops are grown,” Appellees’ Br. 6, and that they “might inadvertently contain traces of Monsanto biotech genes (because, for example, some transgenic seed or pollen blew onto the grower’s land),” Defs.’ Mem. of Law in Supp. Of Mot. to Dismiss at 5, *Organic Seed Growers*, 851 F. Supp. 2d 544 (S.D.N.Y. 2012) (No. 11-CV-2163), ECF No. 20; *see also* J.A. 513 (Tobin Decl.) (acknowledging that contamination could result in “Monsanto’s patented traits appear[ing] inadvertently” in a conventional farmer’s fields).

The record indicates that about one half of domestic cropland is sown with genetically modified crop varieties, and that some crops are ninety percent sown with Monsanto’s genetically modified seed. An amicus cites a study finding that, despite stringent precautionary measures meant to prevent any commingling of modified and conventional seed crops, a large majority of conventional seed samples have become contaminated by Monsanto’s Roundup resistance trait. *See* J.A. 638–43. At least one of the appellants received, and rejected, multiple shipments of contaminated seeds. The district court found that due to contamination,

some unlicensed—and unintended—use of transgenic seeds is inevitable. Like any other seeds, transgenic seeds may contaminate non-transgenic crops through a variety of means, including seed drift or scatter, crosspollination, and commingling via tainted equipment during harvest or postharvest activities, processing, transportation, and storage.

*Organic Seed Growers*, 851 F. Supp. 2d at 548. Indeed, the Supreme Court recently recognized that there is a risk of “gene flow” from genetically modified crops into conventional crops. *See Geertson Seed Farms*, 561 U.S. at \_\_\_, 130 S.Ct. at 2752–54 (holding that respondent conventional farmers had standing to challenge the administrative deregulation of transgenic seeds). The genetically modified seeds cannot easily be separated from conventional seeds; thus, a grower who harvests and uses or sells contaminated crops risks incurring infringement liability.

Despite this possibility of infringement, the question is whether Monsanto is correct that its representations moot any potential controversy. As the Supreme Court has recognized, a covenant not to sue a declaratory judgment plaintiff can moot a controversy between the parties. In *Already, LLC v. Nike, Inc.*, trademark holder Nike’s covenant not to sue the alleged infringer Already defeated declaratory judgment jurisdiction, because “Already’s only legally cognizable injury—the fact that Nike took steps to enforce its trademark—is now gone, and, given the breadth of the covenant, cannot be expected to recur.” 568 U.S. \_\_\_, \_\_\_, 133

S.Ct. 721, 732 (2013). Here, although Monsanto has been unwilling to give appellants a covenant not to sue, it contends that it has given them something equally effective: “Monsanto has explicitly stated its commitment not to take legal action against growers whose crops might inadvertently contain traces of Monsanto biotech genes (because, for example, some transgenic seed or pollen blew onto the grower’s land).” Defs.’ Mem. of Law in Supp. of Mot. To Dismiss at 5, *Organic Seed Growers*, 851 F. Supp. 2d 544 (S.D.N.Y. 2012) (No. 11-CV-2163), ECF No. 20. As noted above, Monsanto has published the following statement on its website: “[i]t has never been, nor will it be Monsanto policy to exercise its patent rights where trace amounts of our patented seeds or traits are present in farmer’s fields as a result of inadvertent means.” *Id.* Monsanto represented to the district court that “[t]his statement is meant to assure growers that Monsanto will not pursue a patent-infringement suit where Monsanto’s patented traits appear inadvertently . . . in minimal quantities.” *Id.* And Monsanto has maintained throughout this litigation that if the facts are as alleged, it will not sue the appellants:

Monsanto is unaware of any circumstances that would give rise to any claim for patent infringement or any lawsuit against your clients. Monsanto therefore does not assert and has no intention of asserting patent-infringement claims against your clients. You 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 true, any fear of suit or other*

*action is unreasonable, and any decision not to grow certain crops unjustified.*

Am. Compl. Ex. 4 (emphasis added) (alteration omitted) (Apr. 28, 2011, letter from Monsanto's counsel to appellants' counsel); *see also* Oral Argument at 20:10–20:17 (Monsanto's counsel stating “if the allegations of [their] complaint are true, [they] have nothing to fear from us”); Appellees' Br. 32 (urging that “in light of Monsanto's *unambiguous statement* to plaintiff's counsel,” there is no “real and immediate' controversy” (emphasis added)); Defs.' Mem. of Law in Supp. of Mot. to Dismiss at 11, *Organic Seed Growers*, 851 F. Supp. 2d 544 (S.D.N.Y. 2012) (No. 11-CV-2163), ECF No. 20 (“Monsanto knows of no basis to sue Plaintiffs, and has no interest in doing so.”).

Taken together, 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. Monsanto makes clear that this covers “USDA [United States Department of Agriculture]-certified organic farm or handling operation[s],” Appellees' Br. 6–7, which are prohibited from using genetically modified seed, *see* 7 C.F.R. § 205.105; J.A. 497–505. While the USDA has not established an upper limit on the amount of trace contamination that is permissible, the appellants argue, and Monsanto does not contest, that “trace amounts” must mean approximately one percent (the level permitted under various seed and product certification standards). We conclude that Monsanto has disclaimed any intent to sue inadvertent users or sellers of seeds that are



inadvertently contaminated with up to one percent of seeds carrying Monsanto's patented traits.

While Monsanto's representations are not a covenant not to sue, they have a similar effect. If we rely on Monsanto's representations to defeat the appellants' declaratory judgment claims (as we do), those representations are binding as a matter of judicial estoppel. It is well established that a party who successfully argues one position is estopped from later adopting a contrary position in a case involving the same patent. *See, e.g., U.S. Philips Corp. v. Sears Roebuck & Co.*, 55 F.3d 592, 596–97 (Fed. Cir. 1995); *see also New Hampshire v. Maine*, 532 U.S. 742, 750–51 (2001). The main factors warranting judicial estoppel are (1) a party's later position is "clearly inconsistent" with its prior position, (2) the party successfully persuaded a court to accept its prior position, and (3) the party "would derive an unfair advantage or impose an unfair detriment on the opposing party if not estopped." *New Hampshire v. Maine*, 532 U.S. at 750–51. Should Monsanto sue the appellants for future actions falling within the scope of its representations in this litigation, all three factors would warrant the application of judicial estoppel. As the Supreme Court stated in *Already*, "[the defendant], having taken the position in court that there is no prospect of [infringement by the declaratory plaintiffs], would be hard pressed to assert the contrary down the road." 568 U.S. at \_\_\_, 133 S.Ct. at 728 (citing *New Hampshire v. Maine*, 532 U.S. at 749). At oral argument, Monsanto's counsel wisely acknowledged that "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.” Oral Argument at 17:30–17:51.

One problem with Monsanto’s disclaimer, however, is that it has limited scope: it applies only to growers or sellers of “trace” amounts of seed. At oral argument, Monsanto resisted our efforts to clarify whether it would assert its patents against a conventional grower who inadvertently uses or sells *greater* than trace amounts of modified seed, but who, for example, does not make use of the Roundup Ready trait by spraying the plants with glyphosate. Thus, we cannot conclude that Monsanto has disclaimed any intent to sue a conventional grower who never buys modified seed, but accumulates greater than trace amounts of modified seed by using or selling contaminated seed from his fields.<sup>6</sup>

Nonetheless, the appellants here have not made allegations that they fall outside Monsanto’s representations. While at least some of the appellants allege that they will necessarily harvest and use or sell trace amounts of modified seeds, no appellants have alleged that they are engaging in activities that place them outside the scope of

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<sup>6</sup> At oral argument, Monsanto’s counsel was quite careful never to represent that Monsanto would forgo suit against a grower who harvested and replanted windblown seeds—even if that grower gained no advantage by doing so:

Q: “So, would it be fair to say, in my hypothetical, that Monsanto would not sue unless the [inadvertently infringing] farmer was using Roundup on his crops?”

A: “It’s never—I don’t know if it would be fair to say . . .”

Oral Argument at 30:19–30:33.

Monsanto's disclaimer. There is no allegation that the alleged contamination already exceeds the one percent threshold.<sup>7</sup> Nor have the appellants here taken any concrete steps that would place them outside the scope of Monsanto's binding disclaimer, and at risk of suit for infringement. No plaintiffs have alleged plans to use or sell *greater* than trace amounts of modified seed, such as, for example, plans to selectively harvest and replant or sell contaminated seeds in a manner favoring the reproduction of transgenic seeds. To the contrary, the appellants are "using their best efforts to avoid" contamination. Am. Compl. ¶ 2.

We have held that a declaratory judgment plaintiff must allege "significant, concrete steps to conduct infringing activity." *Cat Tech LLC v. Tubemaster, Inc.*, 528 F.3d 871, 880 (Fed. Cir. 2008). In *Arkema v. Honeywell*, for example, the declaratory judgment plaintiff had "concrete plans" to supply a product for concededly infringing uses, had already marketed the product, had responded to supply requests, and wished to enter supply

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<sup>7</sup> Counsel for the appellants conceded as much at oral argument:

Q: "So you're saying that you have cases of your clients who are contaminated to an extent greater than one percent?"

A: "Not in this case, no, but yes, we do have clients."

Q: "But not here."

A: "Right."

Oral Argument at 37:53–38:13.

contracts with customers. 706 F.3d at 1357. There are no similar allegations here.

When it is “uncertain when, if ever, the declaratory plaintiff would engage in potentially infringing activity, the dispute [does] not present a case or controversy of sufficient immediacy to support a declaratory judgment.” *See Cat Tech*, 528 F.3d at 881 (citing *Benitec Austl., Ltd. v. Nucleonics, Inc.*, 495 F.3d 1340, 1346–50 (Fed. Cir. 2007)). As the Supreme Court explained in *Already*, it is incumbent on [the declaratory judgment plaintiff] to indicate that it engages in or has sufficiently concrete plans to engage in activities not covered” by a defendant’s covenant not to sue. 568 U.S. at \_\_\_, 133 S.Ct. at 728. When *Already* failed to make that showing, the Supreme Court held that there was no Article III case or controversy. *Id.* at 732–33. It follows that there is no case or controversy here.

Finally, the appellants argue that Monsanto’s refusal to provide a blanket covenant not to sue has a “chilling effect,” forcing the appellants “to forgo farming or seed distribution activities that they otherwise would very much like to pursue.” Am. Compl. ¶ 142. Under some circumstances, forgoing activities or taking costly precautions may be reasonable responses to a substantial risk of future harm, and may therefore be cognizable injuries. *See Geertson Seed Farms*, 561 U.S. at \_\_\_, 130 S.Ct. at 2754–55. However, “[a]llegations of a subjective “chill” are not an adequate substitute for a claim of specific present objective harm or a threat of specific future harm.” *Clapper*, 568 U.S. at \_\_\_, 133 S.Ct. at 1152 (quoting *Laird v. Tatum*, 408 U.S. 1, 13–14 (1972)); *see also Prasco*, 537 F.3d at 1338 (“[A] fear of

future harm that is only subjective is not an injury or threat of injury caused by the defendant that can be the basis of an Article III case or controversy.”). Declaratory judgment plaintiffs need not be “literally certain that the harm they identify will come about,” but they must show that they are at “substantial risk” of that harm, and that costly precautions are a reasonable response. *Clapper*, 568 U.S. at \_\_\_, 133 S.Ct. at 1150 n.5 (quoting *Geertson Seed Farms*, 561 U.S. at \_\_\_, 130 S. Ct. at 2754–55). The appellants have not made that showing here, because the future harm they allege—that they will grow greater than trace amounts of modified seed, and therefore be sued for infringement by Monsanto—is too speculative to justify their present actions. Parties “cannot manufacture standing merely by inflicting harm on themselves based on their fears of hypothetical future harm.” 568 U.S. at 1151.

The appellants also complain that they are harmed by, *inter alia*, exposure to the allegedly adverse health effects of genetically modified seeds and glyphosate; longterm environmental impacts of genetically modified seeds; economic costs following from contamination of conventional crops by transgenic seeds and glyphosate; and the costs of anti-contamination precautions taken for purposes other than avoiding suit (i.e., to maintain organic certification). But as the appellants concede, “a declaratory judgment here would do nothing to eliminate the risk of transgenic seed contamination.” Appellants’ Reply Br. 14. Aside from the risk of suit by Monsanto, none of the alleged harms caused by contamination is traceable to Monsanto’s enforcement of its patents, they could not be

remedied by a declaratory judgment, and they cannot serve as a basis for jurisdiction in this case.

In sum, Monsanto's binding representations remove any risk of suit against the appellants as users or sellers of trace amounts (less than one percent) of modified seed. The appellants have alleged no concrete plans or activities to use or sell greater than trace amounts of modified seed, and accordingly fail to show any risk of suit on that basis. The appellants therefore lack an essential element of standing. The district court correctly concluded that it lacks Declaratory Judgment Act jurisdiction.

**AFFIRMED**

COSTS

No costs.

United States Court of Appeals  
for the Federal Circuit

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June 14 2013

**ERRATA**

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Appeal No. 2012-1298

**ORGANIC SEED GROWERS AND TRADE  
ASSOCIATION, ORGANIC CROP  
IMPROVEMENT ASSOCIATION  
INTERNATIONAL, INC., THE CORNUCOPIA  
INSTITUTE, DEMETER ASSOCIATION, INC.,  
CENTER FOR FOOD SAFETY, BEYOND  
PESTICIDES, NAVDANYA INTERNATIONAL,  
MAINE ORGANIC FARMERS AND  
GARDENERS ASSOCIATION, NORTHEAST  
ORGANIC FARMING ASSOCIATION OF NEW  
YORK, NORTHEAST ORGANIC FARMING  
ASSOCIATION/MASSACHUSETTS CHAPTER,  
INC., NORTHEAST ORGANIC FARMING  
ASSOCIATION OF NEW HAMPSHIRE,  
NORTHEAST ORGANIC FARMING  
ASSOCIATION OF RHODE ISLAND, CT NOFA,  
NORTHEAST ORGANIC FARMING  
ASSOCIATION OF VERMONT, RURAL  
VERMONT, OHIO ECOLOGICAL FOOD &  
FARM ASSOCIATION, FLORIDA CERTIFIED  
ORGANIC GROWERS AND CONSUMERS INC.,  
SOUTHEAST IOWA ORGANIC ASSOCIATION,  
MENDOCINO ORGANIC NETWORK,  
NORTHEAST ORGANIC DAIRY PRODUCERS  
ALLIANCE, MIDWEST ORGANIC DAIRY**

**PRODUCERS ALLIANCE, WESTERN ORGANIC DAIRY PRODUCERS ALLIANCE, CANADIAN ORGANIC GROWERS, PEACE RIVER ORGANIC PRODUCERS ASSOCIATION, FAMILY FARMER SEED COOPERATIVE, SUSTAINABLE LIVING SYSTEMS, GLOBAL ORGANIC ALLIANCE, FOOD DEMOCRACY NOW!, FARM-TO-CONSUMER LEGAL DEFENSE FUND, WESTON A. PRICE FOUNDATION, MICHAEL FIELDS AGRICULTURAL INSTITUTE, FEDCO SEEDS INC., ADAPTIVE SEEDS, LLC, SOW TRUE SEED, SOUTHERN EXPOSURE SEED EXCHANGE, MUMM'S SPROUTING SEEDS, BAKER CREEK HEIRLOOM SEED CO., LLC, COMSTOCK, FERRE & CO., LLC, SEEDKEEPERS, LLC, SISKIYOU SEEDS, COUNTRYSIDE ORGANICS, WILD GARDEN SEED, CUATRO PUERTAS, SEED WE NEED, ALBA RANCH, WILD PLUM FARM, GRATITUDE GARDENS, RICHARD EVERETT FARM, LLC, PHILADELPHIA COMMUNITY FARM, INC, GENESIS FARM, CHISPAS FARMS LLC, MIDHEAVEN FARMS, KOSKAN FARMS, CALIFORNIA CLOVERLEAF FARMS, NORTH OUTBACK FARM, TAYLOR FARMS, INC., RON GARGASZ ORGANIC FARMS, ABUNDANT ACRES, T & D WILLEY FARMS, FULL MOON FARM, INC., COMMON GOOD FARM, LLC, AMERICAN BUFFALO COMPANY, RADIANCE DAIRY, QUINELLA RANCH, NATURE'S WAY FARM LTD., LEVKE AND PETER EGGERS FARM, FREY VINEYARDS, LTD., CHUCK NOBLE, LARHEA PEPPER, PAUL ROMERO, BRIAN WICKERT,**



**BRUCE DRINKMAN, MURRAY BAST, AND  
DONALD WRIGHT PATTERSON, JR.,**  
*Plaintiffs-Appellants,*

AND

**OCIA RESEARCH AND EDUCATION INC.,  
NORTHERN PLAINS SUSTAINABLE  
AGRICULTURE SOCIETY,  
MANITOBA ORGANIC  
ALLIANCE, UNION PAYSANNE,  
FAMILY FARM DEFENDERS INC.,  
INTERLAKE FORAGE SEEDS LTD.,  
KIRSCHENMANN FAMILY FARMS INC., AND  
JARDIN DEL ALMA,**  
*Plaintiffs,*

v.

**MONSANTO COMPANY AND  
MONSANTO TECHNOLOGY LLC,**  
*Defendants-Appellees,*

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Entered: June 10, 2013  
Precedential Opinion

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The following changes have been made in the opinion released June 10, 2013:

Correct the case caption to remove Bryce Stephens from the list of appellants.

At page 6, line 32, delete “At least one appellant declared that the fear of suit by

Monsanto is the sole reason he refrained from cultivating organic corn and soybeans, and that he would resume growing those crops if that threat were eliminated. Decl. of Bryce Stephens, *Organic Seed Growers*, 851 F. Supp. 2d 544 (S.D.N.Y. 2012) (No. 11-CV-2163), ECF No. 41.”

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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ORGANIC SEED GROWERS AND TRADE  
ASSOCIATION; ORGANIC CROP IMPROVEMENT  
ASSOCIATION INTERNATIONAL, INC.; OCIA  
RESEARCH AND EDUCATION INC.; THE  
CORNUCOPIA INSTITUTE; DEMETER  
ASSOCIATION, INC.; CENTER FOR FOOD  
SAFETY; BEYOND PESTICIDES; NAVDANYA  
INTERNATIONAL; MAINE ORGANIC FARMERS  
AND GARDENERS ASSOCIATION; NORTHEAST  
ORGANIC FARMING ASSOCIATION OF NEW  
YORK; NORTHEAST ORGANIC FARMING  
ASSOCIATION/MASSACHUSETTS CHAPTER,  
INC.; NORTHEAST ORGANIC FARMING  
ASSOCIATION OF NEW HAMPSHIRE;  
NORTHEAST ORGANIC FARMING  
ASSOCIATION OF RHODE ISLAND; CT NOFA;  
NORTHEAST ORGANIC FARMING  
ASSOCIATION OF VERMONT; RURAL  
VERMONT; OHIO ECOLOGICAL FOOD & FARM  
ASSOCIATION; FLORIDA CERTIFIED ORGANIC  
GROWERS AND CONSUMERS INC.; SOUTHEAST  
IOWA ORGANIC ASSOCIATION; NORTHERN  
PLAINS SUSTAINABLE AGRICULTURE  
SOCIETY; MENDOCINO ORGANIC NETWORK;  
NORTHEAST ORGANIC DAIRY PRODUCERS  
ALLIANCE; MIDWEST ORGANIC DAIRY  
PRODUCERS ALLIANCE; WESTERN ORGANIC  
DAIRY PRODUCERS ALLIANCE; CANADIAN  
ORGANIC GROWERS; MANITOBA ORGANIC  
ALLIANCE; PEACE RIVER ORGANIC  
PRODUCERS ASSOCIATION; UNION  
PAYSANNE; FAMILY FARMER SEED

COOPERATIVE; SUSTAINABLE LIVING SYSTEMS; GLOBAL ORGANIC ALLIANCE; FOOD DEMOCRACY NOW!; FAMILY FARM DEFENDERS INC.; FARM-TOCONSUMER LEGAL DEFENSE FUND; WESTON A. PRICE FOUNDATION; MICHAEL FIELDS AGRICULTURAL INSTITUTE; FEDCO SEEDS INC.; ADAPTIVE SEEDS, LLC; SOW TRUE SEED; SOUTHERN EXPOSURE SEED EXCHANGE; MUMM'S SPROUTING SEEDS; BAKER CREEK HEIRLOOM SEED CO., LLC; COMSTOCK, FERRE & CO., LLC; SEEDKEEPERS, LLC; SISKIYOU SEEDS; COUNTRYSIDE ORGANICS; WILD GARDEN SEED; CUATRO PUERTAS; SEED WE NEED; INTERLAKE FORAGE SEEDS LTD.; ALBA RANCH; WILD PLUM FARM; GRATITUDE GARDENS; RICHARD EVERETT FARM, LLC; PHILADELPHIA COMMUNITY FARM, INC.; GENESIS FARM; CHISPAS FARMS LLC; KIRSCHENMANN FAMILY FARMS INC.; MIDHEAVEN FARMS; KOSKAN FARMS; CALIFORNIA CLOVERLEAF FARMS; NORTH OUTBACK FARM; TAYLOR FARMS, INC.; JARDIN DEL ALMA; RON GARGASZ ORGANIC FARMS; ABUNDANT ACRES; T & D WILLEY FARMS; FULL MOON FARM, INC.; COMMON GOOD FARM, LLC; AMERICAN BUFFALO COMPANY; RADIANCE DAIRY; QUINELLA RANCH; NATURE'S WAY FARM LTD.; LEVKE AND PETER EGGERS FARM; FREY VINEYARDS, LTD.; BRYCE STEPHENS; CHUCK NOBLE; LARHEA PEPPER; PAUL ROMERO; BRIAN WICKERT; BRUCE DRINKMAN; MURRAY BAST; and DONALD WRIGHT PATTERSON, JR.,

*Plaintiffs,*

– against –

MONSANTO COMPANY and MONSANTO  
TECHNOLOGY LLC,

*Defendants.*

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**MEMORANDUM AND ORDER**

11 Civ. 2163 (NRB)

Entered February 24, 2012

**NAOMI REICE BUCHWALD  
UNITED STATES DISTRICT JUDGE**

Plaintiffs bring this lawsuit against defendants Monsanto Company and Monsanto Technology LLC (together “defendants” or “Monsanto”), seeking declaratory judgments that plaintiffs are not infringing various of defendants’ patents, that those patents are invalid and unenforceable, and that, regardless, defendants would be entitled to no remedies against plaintiffs. Presently before us is defendants’ motion to dismiss for lack of subject matter jurisdiction.

For the reasons set forth herein, defendants’ motion is granted.

## **BACKGROUND**<sup>1</sup>

### **I. Pre-Suit Facts**

The relevant facts are largely uncontested. Plaintiffs are farmers and seed businesses, both organic and non-organic, as well as related membership organizations. Plaintiffs do not want to use, grow crops raised from, or sell transgenic seed, which is seed that has had genetic code of another species introduced to it. Defendants develop, manufacture, license, and sell chemicals and agricultural biotechnology, including transgenic seed.

Defendants produce, in particular, transgenic seed known as “Roundup Ready,” which is resistant to the herbicide glyphosate, the active ingredient in defendants’ product “Roundup.” This resistance trait and related technologies are covered by a variety of patents held by defendants.<sup>12</sup>

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<sup>1</sup> These facts are drawn from the First Amended Complaint (the “FAC”) and the numerous declarations submitted in connection with the Memorandum of Law in Support of Monsanto Company and Monsanto Technology LLC’s Motion to Dismiss for Lack of Subject-Matter Jurisdiction (“Defs.’ Mem.”), Plaintiffs’ Memorandum of Law in Opposition to Defs.’ Mem. (“Pls.’ Mem.”), and the Reply Memorandum in Support of Monsanto’s Motion to Dismiss for Lack of Subject-Matter Jurisdiction. In assessing subject matter jurisdiction, we are permitted to look beyond the pleadings. See Hunter v. Colonial Park, 409 F. App’x 411, 412 (2d Cir. 2011).

<sup>2</sup> The patents at issue in this action are U.S. Patent Nos. 5,322,938, 3,532,605, 5,362,865, 5,378,619, 5,424,412, 5,463,175, 5,530,196, 5,554,798, 5,593,874, 5,641,876, 5,659,122, 5,717,084, 5,728,925, 5,750,871, 5,859,347, 6,025,545, 6,040,497, 6,051,753, 6,083,878, 6,753,463, and

Growers who wish to use defendants' seeds must obtain limited-use licenses to do so. Because subsequent generations of plants grown from these seeds will also contain the glyphosate-tolerance trait, these licenses authorize growers to use the seed only to grow a single crop; growers are not authorized to harvest and plant the second-generation seed produced from the original planting, or to sell seeds containing the patented trait outside authorized channels of distribution.

Despite these restrictions, some unlicensed -- and unintended -- use of transgenic seeds is inevitable. Like any other seeds, transgenic seeds may contaminate non-transgenic crops through a variety of means, including seed drift or scatter, crosspollination, and commingling via tainted equipment during harvest or post-harvest activities, processing, transportation, and storage. Seed businesses and farmers may, at some expense, test their seeds and crops to ensure that no contamination has occurred, and non-transgenic farmers may establish buffer zones between themselves and farmers using transgenic seed in order to reduce the risk of cross-transmission.

No plaintiffs claim that contamination has yet occurred in any crops they have grown or seed they have sold. However, one plaintiff farmer claims that seed he considered purchasing in 2010 was contaminated with genetically engineered seed, (Decl. of Chuck Noble in Supp. of Pls.' Mem. ¶ 5), and one plaintiff seed distributor claims that it

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6,825,400, and U.S. Reissue Patent Nos. RE38825 and RE39247.

received shipments contaminated with genetically modified seed in each of 2005, 2008, 2009, and 2010, (Decl. of C.R. Lawn in Supp. of Pls.' Mem. ¶ 4). Neither plaintiff asserts that the offending seeds were covered by defendants' patents.

Contamination can theoretically affect non-transgenic farmers by lowering the price for which their crops may be sold and potentially resulting in rejected shipments. While there is no evidence in the record that any farmer has ever been decertified as organic by the U.S. Department of Agriculture National Organic Program (the "NOP") because of seed contamination, we do not foreclose that hypothetical possibility. According to the NOP, however, "[o]rganic certification is process based." (Decl. of Carolyn Jacobs Chachkin in Supp. of Defs.' Mem. ("Chachkin Decl."), Ex. L, Policy Memo 11-13 (Apr. 15, 2011).) As a result, "[i]f all aspects of the organic production or handling process were followed correctly, then the presence of a detectable residue from a genetically modified organism alone does not constitute a violation of this regulation." (*Id.*)<sup>3</sup>

Additionally, inadvertent growth of crops with patented traits may potentially subject a farmer to liability for patent infringement. While defendants investigate hundreds of possible patent infringers each year, between 1997 and April 2010 they filed just 144 lawsuits to enforce their patent rights against farmers. Defendants, moreover, have never filed a patent-infringement suit against a certified organic farm or handling operation over the presence

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<sup>3</sup> We also note, parenthetically, that organic certification is only of concern to certain plaintiffs; other plaintiffs eschew use of transgenic seed but are not organic farmers or seed businesses.



of patented traits in its operations, and they stated at oral argument that they have never sued a party who did not “want to make use of the traits that are manifested in [defendants’] transgenic products.” (Oral Arg. Tr. at 10:2-9; see also id. at 34:23-35:14.) Indeed, defendants have expressly declared that it is not their policy “to exercise [their] patent rights where trace amounts of our seed or traits are present in [a] farmer’s fields as a result of inadvertent means.” (Chachkin Decl., Ex. O, Monsanto’s Commitment: Farmers and Patents.) Nevertheless, plaintiffs allege without specification that defendants have accused certain non-intentional users of Monsanto’s seed of patent infringement and threatened them with litigation. No plaintiffs claim to have been so threatened.

## **II. Post-Suit Facts**

On March 29, 2011, plaintiffs filed a complaint seeking declaratory judgments that twenty-three of defendants’ patents are invalid, unenforceable, and not infringed by plaintiffs, and that, regardless, defendants would be entitled to no remedy against plaintiffs. That same day, defendants republished on their blog their commitment not to exercise their patent rights over inadvertently acquired trace amounts of patented seed or traits. (FAC, Ex. 2, Monsanto, “PUBPAT Allegations Are False, Misleading and Deceptive” (Mar. 29, 2011).)

Shortly thereafter, plaintiffs wrote to defendants and emphasized a point asserted in their filing: “none of [the plaintiffs] intend[s] to possess, use or sell any transgenic seed, including any transgenic seed potentially covered by Monsanto’s patents.” (FAC, Ex. 3, Letter from Daniel B. Ravicher, Public

Patent Found., to Todd Zubler, Esq., WilmerHale (Apr. 18, 2011).) Nonetheless, the letter professes a fear of being sued by defendants for patent infringement and “request[s] that Monsanto expressly waive any claim for patent infringement it may ever have against [plaintiffs] and memorialize that waiver by providing a written covenant not to sue.” (Id.) Plaintiffs asserted that defendants’ failure to respond to the letter would make it “reasonable for [plaintiffs] to feel they would be at risk of having Monsanto assert claims of patent infringement against them should they ever become contaminated by transgenic seed potentially covered by Monsanto’s patents.” (Id.)

In response to plaintiffs’ letter, defendants reiterated that it is not their policy to exercise their patent rights against farmers whose fields inadvertently contain trace amounts of patented seeds or traits. In particular, the reply letter referenced plaintiffs’ claim that they do not have any intention of using any transgenic seed and noted that, “[t]aking [that] representation as true, any fear of suit or other action is unreasonable, and any decision not to grow certain crops unjustified.” (FAC, Ex. 4, Letter from Seth P. Waxman, WilmerHale, to Ravicher (Apr. 28, 2011).)

Plaintiffs filed the FAC on June 1, 2011, seeking the same declaratory judgment relief as in the original complaint while adding a number of new plaintiffs and including a description of the events that transpired after the original complaint was filed. Defendants made this motion the following month, moving to dismiss the FAC for lack of subject matter jurisdiction.

## DISCUSSION

### **I. Legal Standards**

The Declaratory Judgment Act provides, “In a case of actual controversy within its jurisdiction, . . . any court of the United States . . . 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.” 28 U.S.C. § 2201(a). The jurisdiction of courts to issue judgments is limited by the justiciability of “cases” or “controversies” under Article III of the Constitution. See Prasco, LLC v. Medicis Pharm. Corp., 537 F.3d 1329, 1335 (Fed. Cir. 2008). Thus a district court has no jurisdiction over a declaratory judgment action if the suit does not meet Article III’s case or controversy requirement.

Although “there is no bright-line rule for determining whether an action satisfies the case or controversy requirement,” id. at 1336, and “the analysis must be calibrated to the particular facts of each case,” Cat Tech LLC v. TubeMaster, Inc., 528 F.3d 871, 879 (Fed. Cir. 2008), the Supreme Court has articulated a basic test that every dispute must satisfy. A declaratory judgment plaintiff must demonstrate that “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.” Ass’n for Molecular Pathology v. U.S. Patent & Trademark Office (“AMP”), 653 F.3d 1329, 1342-43 (Fed. Cir. 2011) (quoting MedImmune, Inc. v. Genentech, Inc., 549 U.S. 118, 127 (2007)). The

Federal Circuit has further refined this test<sup>4</sup> to require “an injury in fact traceable to the patentee,” which only exists if plaintiffs have alleged “both (1) an affirmative act by the patentee related to the enforcement of his patent rights, and (2) meaningful preparation to conduct potentially infringing activity.”<sup>5</sup> *Id.* at 1343 (citing SanDisk Corp. v. STMicroelectronics, Inc., 480 F.3d 1372, 1380-81 (Fed. Cir. 2007); Cat Tech, 528 F.3d at 880).

The first element is intended to ensure that the parties have adverse legal interests, which may be established “where a patentee asserts rights under a patent based on certain identified ongoing or planned activity of another party, and where that

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<sup>4</sup> “Whether an actual case or controversy exists so that a district court may entertain an action for a declaratory judgment of non-infringement and/or invalidity is governed by Federal Circuit law.” MedImmune, Inc. v. Centocor, Inc., 409 F.3d 1376, 1378 (Fed. Cir. 2005), overruled on other grounds by MedImmune, 549 U.S. at 130-31.

<sup>5</sup> Despite placing heavy emphasis on the Federal Circuit’s holding that there can be “no bright-line rule . . . for determining whether a declaratory judgment action satisfies Article III’s case-or-controversy requirement,” AMP, 653 F.3d at 1342; (Pls.’ Mem. 9-11), plaintiffs attempt to circumvent this test first by arguing that MedImmune confers per se standing on any plaintiff who has purchased a license to a patent. (Pls.’ Mem. 18.) The argument evinces a lack of understanding of MedImmune’s holding, which was that purchasing a patent license does not preclude jurisdiction where the purchase has been coerced. See 549 U.S. at 129-31. Plaintiffs, relying on their misreading of MedImmune, next endeavor to extend the argument and contend that standing should be conferred on all parties who are able to purchase a license, whether or not they have done so. (Pls.’ Mem. 19.) Accepting this suggestion would functionally eliminate the case or controversy requirement and should thus be rejected out of hand.

party contends that it has the right to engage in the accused activity without license.” SanDisk, 480 F.3d at 1381. Such circumstances, however, are not “the outer boundaries of declaratory judgment jurisdiction,” id., and it is possible that the first prong of the test may be satisfied upon some lesser showing. Nevertheless, there must be “an underlying legal cause of action that the declaratory defendant could have brought or threatened to bring, if not for the fact that the declaratory plaintiff had preempted it,” because otherwise “any adverse economic interest that the declaratory plaintiff may have against the declaratory defendant is not a legally cognizable interest sufficient to confer declaratory judgment jurisdiction.” Creative Compounds, LLC v. Starmark Labs., 651 F.3d 1303, 1316 (Fed. Cir. 2011) (internal quotation marks omitted). Indeed, “[t]he mere existence of a potentially adverse patent does not cause an injury [or] create an imminent risk of an injury; absent action by the patentee, a potential [infringer] is legally free to market its product in the face of an adversely-held patent.” Prasco, 537 F.3d at 1338 (internal quotation marks and alteration omitted).

With respect to the second element, “[i]f a declaratory judgment plaintiff has not taken significant, concrete steps to conduct infringing activity, the dispute is neither ‘immediate’ nor ‘real’ and the requirements for justiciability have not been met.” Cat Tech, 528 F.3d at 880. Significantly, “the greater the length of time before potentially infringing activity is expected to occur, the more likely the case lacks the requisite immediacy,” id. at 881 (internal quotation marks omitted), and if it is “uncertain when, if ever, the declaratory plaintiff

would engage in potentially infringing activity, the dispute [will] not present a case or controversy of sufficient immediacy to support a declaratory judgment,” id.

## **II. Declaratory Judgment Jurisdiction**

### **A. Defendants’ Affirmative Acts**

Plaintiffs do not allege that defendants have ever demanded royalty payments from plaintiffs, identified any of plaintiffs’ conduct as potentially infringing, or even initiated any contact with plaintiffs whatsoever. Instead, plaintiffs posit the existence of an actual case or controversy based on: (1) defendants’ pattern of enforcing their patent rights against non-plaintiff farmers through litigation or threats of litigation; (2) plaintiffs’ assertion of the “implicit threat” in defendants’ statement that it is not their policy to enforce their patent rights against farmers whose crops inadvertently acquire trace amounts of patented seeds or traits; and (3) defendants’ refusal to provide plaintiffs with a blanket covenant not to sue.

#### **1. Defendants’ Patent Suits Against Non-Plaintiffs**

In the absence of other conduct by the patentee indicative of adverse legal interests, the patentee must have asserted its rights against the declaratory judgment plaintiff. See AMP, 653 F.3d at 1348 (“The district court failed to limit its jurisdictional holding to affirmative acts by the patentee directed at specific Plaintiffs . . . and thus we reverse the district court’s holding that the various plaintiffs other than [one from whom defendant demanded royalty payments] have standing to maintain this

declaratory judgment action.”); Innovative Therapies, Inc. v. Kinetic Concepts, Inc., 599 F.3d 1377, 1382 (Fed. Cir.) (“[T]he fact that [the declaratory judgment defendant] had filed infringement suits against other parties for other products does not, in the absence of any act directed toward [the declaratory judgment plaintiff], meet the minimum standard discussed in MedImmune.”), cert. denied, 131 S. Ct. 424 (2010).

In connection with other activities supporting an inference of adverse legal interests, suits brought by the patentee against parties other than the declaratory judgment plaintiffs may suffice to establish a case or controversy, but only if those suits are sufficiently similar to the one the patentee may potentially bring against the declaratory judgment plaintiffs. See AMP, 653 F.3d at 1345 (“[A]s [plaintiff] was aware, [defendant] was asserting its patent rights against other similarly situated parties, a fact to be considered in assessing the existence of an actual controversy under the totality of circumstances.” (emphasis added)); Prasco, 537 F.3d at 1341 (“Prior litigious conduct is one circumstance to be considered in assessing whether the totality of circumstances creates an actual controversy. However, one prior suit concerning different products covered by unrelated patents is not the type of pattern of prior conduct that makes reasonable an assumption that [the defendant] will also take action against [the plaintiff] regarding its new product.”). This is because “a fear of future harm that is only subjective is not an injury or threat of injury caused by the defendant that can be the basis of an Article III case or controversy.” Prasco, 537 F.3d at 1338. It is

instead “the reality of the threat of injury that is relevant to the standing inquiry, not the plaintiff’s subjective apprehensions.” Id. at 1338-39 (internal quotation marks and alteration omitted); see also Hewlett-Packard Co. v. Acceleron LLC, 587 F.3d 1358, 1363 (Fed. Cir. 2009) (“[I]t is the objective words and actions of the patentee that are controlling.” (internal quotation marks omitted)).

Plaintiffs argue that defendants’ 144 patent-infringement lawsuits filed against farmers between 1997 and April 2010 create a reality of the threat of injury. Plaintiffs, however, overstate the magnitude of defendants’ patent enforcement. This average of roughly thirteen lawsuits per year is hardly significant when compared to the number of farms in the United States, approximately two million. (Chachkin Decl., Ex. N, U.S. E.P.A., Demographics.)

Moreover, there is no suggestion that these suits were brought against “similarly situated parties.” AMP, 653 F.3d at 1345. While plaintiffs have alleged that defendants have pursued patent litigation “against other farmers who did not want to be contaminated by transgenic seed,” (FAC ¶ 133; see also id. ¶ 132), that claim is belied by the decisions in the suits against the referenced individuals. See Monsanto Co. v. Parr, 545 F. Supp. 2d 836, 842-44 (N.D. Ind. 2008) (defendant intentionally induced others to infringe Monsanto’s patents); Monsanto Co. v. Nelson, No. 4:00-CV-1636, 2001 U.S. Dist. LEXIS 25132, at \*2 (E.D. Mo. Sept. 10, 2001) (Monsanto alleged that defendants had intentionally saved and replanted second generation seed with patented traits in violation of their licensing agreement); Monsanto Can. Inc. v. Schmeiser, 2001 FCT 256



[120] (Can.) (finding that the defendant saved and planted seed “he knew or ought to have known was Roundup tolerant”); see also Farmer Fighting Lawsuit Over Seed Planting, Associated Press, July 8, 2001 (describing Monsanto’s lawsuit against Troy Roush as one involving saved seeds in violation of licensing agreements).

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’ alternative allegations that defendants have threatened, though not sued, inadvertent users of patented seed, are equally lame. These unsubstantiated claims do not carry significant weight, given that not one single plaintiff claims to have been so threatened.<sup>6</sup>

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<sup>6</sup> Plaintiffs have essentially already conceded that their fear of suit was not reasonable at the time the original complaint was filed. Their letter to defendants of April 18, 2011 -- after the original complaint was filed -- notes that, “[i]f we do not receive a response from Monsanto within a reasonable amount of time, . . . then [it would] be reasonable for our clients to feel they would be at risk of having Monsanto assert claims of patent infringement against them should they ever become contaminated by transgenic seed potentially covered by Monsanto’s patents.” (FAC, Ex. 3, Letter from Ravicher to Zubler (Apr. 18, 2011) (emphasis added).) The letter is an implicit recognition that any anticipated risk of suit was not objectively reasonable when the case was filed.

## 2. Defendants' "Implicit Threat"

Plaintiffs contend that the ambiguous language in defendants' statement regarding unintentional use of patented seeds "implicitly threaten[s] all farmers and seed businesses who are not [defendants'] customers." (Pls.' Mem. 19.) In its entirety, the purportedly threatening language reads: "It has never been, nor will it be[,] Monsanto policy to exercise its patent rights where trace amounts of our patented seeds or traits are present in [a] farmer's fields as a result of inadvertent means." (Chachkin Decl., Ex. O.) It is objectively unreasonable for plaintiffs to read this language as a threat.

Plaintiffs expressly allege that they "do not want to use or sell transgenic seeds." (FAC ¶ 2.) They specifically communicated the same to defendants. (Id., Ex. 3, Letter to Zubler from Ravicher ("[N]one of [the plaintiffs] intend[s] to possess, use or sell any transgenic seed, including any transgenic seed potentially covered by Monsanto's patents.")) Assuming the truth of these representations, the presence of patented traits in plaintiffs' seeds could only be inadvertent. And, while we grant that the phrase "trace amounts" is susceptible of differing interpretations, the notion that plaintiffs, who are actively attempting to avoid the use of transgenic seed, may nevertheless find themselves unknowingly utilizing it in significant quantities strains credulity.

Regardless, the negative inference plaintiffs wish to draw from defendants' statement is unwarranted. The statement is an expression of defendants' intention not to pursue their patent rights against certain farmers. Yet plaintiffs want the Court to

read the statement not as a limitation on whom defendants will sue, but rather as a positive indication of whom defendants will bring suit against. No such inference is permissible. The plain meaning of defendants' statement is clear, and we cannot adopt plaintiffs' deliberate misreading.

Plaintiffs further contend that defendants' reiteration of their statement in response to the filing of the original complaint and again in their reply letter to plaintiffs is additional cause to worry. Plaintiffs, however, should hardly be surprised and cannot reasonably feel threatened by defendants' repetition of language Monsanto had previously utilized to respond to individual concerns about accidental contamination.

Indeed, plaintiffs' letter to defendants seems to have been nothing more than an attempt to create a controversy where none exists. This effort to convert a statement that defendants have no intention of bringing suit into grounds for maintaining a case, if accepted, would disincentivize patentees from ever attempting to provide comfort to those whom they do not intend to sue, behavior which should be countenanced and encouraged. In contrast, plaintiffs' argument is baseless and their tactics not to be tolerated.<sup>7</sup>

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<sup>7</sup> Plaintiffs' allegations with respect to defendants' repetition of their statement pertain only to conduct after the filing of the initial complaint and, as such, do not bear on our decision, which must be an "evaluat[ion] [of] whether a controversy existed at the time the original complaint was filed." Innovative Therapies, 599 F.3d at 1384; see also id. (holding that, "unless there was jurisdiction at the filing of the original complaint, jurisdiction [cannot] be carried back to the date of the original

### 3. Defendants' Refusal to Sign a Covenant Not to Sue

In their April 18, 2011 letter to defendants, plaintiffs asked defendants to “expressly waive any claim for patent infringement [they] may ever have against [plaintiffs] and memorialize that waiver by providing a written covenant not to sue.” (FAC, Ex. 3.) Defendants, rather unsurprisingly, declined to provide plaintiffs with the requested “blanket” waiver. (Pls.’ Mem. 21.) Rather, they represented that they were “unaware of any circumstances that would give rise to any claim for patent infringement or any lawsuit against [plaintiffs]” and that they had “no intention of asserting patent-infringement claims against [plaintiffs].” (Id., Ex. 4.)

This exchange occurred in the same post-filing letters discussed above, and, as before, plaintiffs’ argument is groundless and their tactics unacceptable. The fact that defendants declined to provide plaintiffs with a written covenant not to bring any claims they might ever have does not meaningfully add to plaintiffs’ case. As the Federal Circuit has noted, “though a defendant’s failure to sign a covenant not to sue is one circumstance to consider in evaluating the totality of the circumstances, it is not sufficient to create an actual

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pleading” by allegations in an amended complaint). To hold otherwise “would invite a declaratory judgment plaintiff in a patent case to file suit at the earliest moment it conceives of any potential benefit to doing so” in an attempt to “draw an infringement suit in response (thereby retroactively establishing jurisdiction over their first-filed declaratory judgment suit).” Id. (internal quotation marks omitted). Plaintiffs here have acted similarly, a further reason to discount their argument.

controversy . . . .” Prasco, 537 F.3d at 1341. This notion is particularly apt in this case. Here, plaintiffs are asking defendants to accept as wholly accurate the complaint’s description of plaintiffs’ activities and intentions. Moreover, the proffered waiver was so broadly framed as to preclude any realistic chance of defendants’ acceptance. In short, plaintiffs’ letter was clearly intended to be used as a prop in this litigation, and the failure to sign a covenant not to sue borders on the wholly irrelevant.

#### B. Plaintiffs’ Preparatory Conduct

Plaintiffs contend that they need not undertake any further actions in order to have “meaningful[ly] prepar[ed] to conduct potentially infringing activity,” AMP, 653 F.3d at 1343, because defendants’ patented seeds will spread with no action on plaintiffs’ part and are self-replicating.

To the extent the test considers plaintiffs’ conduct, it is useful because it focuses the analysis on the immediacy and reality of the dispute. See Cat Tech, 528 F.3d at 880; cf. Prasco, 537 F.3d at 1341. Regardless of whether plaintiffs need to demonstrate affirmative action on their part beyond their usual agricultural activities, they must show that potential infringement is a matter of immediate concern. Plaintiffs have not done that.

Plaintiffs have not alleged that any of them have actually grown or sold contaminated seed, and they have in fact professed a desire to specifically avoid any such use. At most they allege that they “could . . . be accused of patent infringement in the near future if and when they become contaminated by Monsanto’s transgenic seed.” (FAC ¶ 3.) This is

the same sort of intangible worry, unanchored in time, that the Federal Circuit has found “insufficient to support an ‘actual or imminent’ injury for standing without any specification of when the some day will be.”<sup>8</sup> AMP, 653 F.3d at 1346 (internal quotation marks and alteration omitted). The cases are clear that if it is “uncertain when, if ever, the declaratory plaintiff would engage in potentially infringing activity, the dispute [does] not present a case or controversy of sufficient immediacy to support a declaratory judgment.” Cat Tech, 528 F.3d at 881. That is precisely the state of affairs in the

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<sup>8</sup> Plaintiffs contend that they are facing immediate injury because some of them have stopped farming certain crops for fear of patent infringement suits brought by defendants. (See, e.g., Oral Arg. Tr. at 20:10-25; Decl. of Bryce Stephens in Supp. of Pls.’ Mem. ¶ 11; Decl. of Frederick Kirschenmann in Supp. of Pls.’ Mem. ¶ 13.) That “injury” is of plaintiffs’ own making and, as discussed above, is not reasonable based on “the objective words and actions of the patentee.” Hewlett-Packard, 587 F.3d at 1363.

Moreover, as AMP makes clear, the relevant concern is of infringement, not simply altered behavior. See 653 F.3d at 1345-46 (finding that certain plaintiffs, who had ceased their activity out of fear of suit, had not suffered “actual or imminent” injury because they would only “consider” resuming the activity rather than “stat[ing] unequivocally that [they would] immediately” resume). The plaintiffs without standing in AMP were in no danger of invading the space occupied by the defendant’s patents because it was not certain that they would resume the infringing activity. Here, even if plaintiffs resumed farming their crops, contamination -- and thus potential infringement -- is not certain. See also Cat Tech, 528 F.3d at 881.

instant case, creating a significant barrier to plaintiffs obtaining a declaratory judgment.<sup>9</sup>

C. “All the Circumstances”

“[U]nder all the circumstances” outlined above, the plaintiffs have not “show[n] 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.” AMP, 653 F.3d at 1342-43 (quoting MedImmune, 549 U.S. at 127). Defendants have not accused plaintiffs of infringement or asserted the right to any royalties from plaintiffs, “nor have they

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<sup>9</sup> At oral argument, plaintiffs asked the Court to consider a number of cases not dealing with declaratory judgments in the patent context when evaluating whether the controversy at bar is sufficiently immediate to support subject matter jurisdiction. (Oral Arg. Tr. at 3:10-5:1.) Those cases, however, are wholly inapposite because they dealt with plaintiffs seeking pre-enforcement review of criminal statutes, not private parties engaged in civil litigation. See Holder v. Humanitarian Law Project, 130 S. Ct. 2705, 2717 (2010); Virginia v. Am. Booksellers Ass’n, 484 U.S. 383, 392 (1988); Doe v. Bolton, 410 U.S. 179, 188 (1973); Biotech. Indus. Org. v. Dist. of Columbia, 496 F.3d 1362, 1370-71 (Fed. Cir. 2007); see also Arris Grp., Inc. v. British Telecomms. PLC, 639 F.3d 1368, 1374 (Fed. Cir. 2011) (noting that cases challenging government action are treated differently than patent cases seeking declaratory judgment).

Plaintiffs also drew our attention to Aetna Life Insurance Co. v. Haworth, 300 U.S. 227 (1937). In that case, an insurance company was allowed to seek a declaratory judgment before the insured had provided any indication that he would bring suit. The insured had stopped paying his premiums because he claimed he was disabled and was therefore entitled to benefits; he had made “a claim of a present, specific right” on the insurance company. Id. at 242. Defendants here have advanced no analogous claim with respect to plaintiffs.

taken any actions which imply such claims. Instead, all we have before us is [plaintiffs'] allegation that [their activities do] not infringe the defendants' patents." Prasco, 537 F.3d at 1340.<sup>10</sup>

Defendants' patent-infringement suits against other, dissimilar parties cannot by themselves create subject matter jurisdiction, and the diaphanous allegations that defendants have threatened but not sued unintentional infringers do not add much weight to the substantiality of the dispute. Nor have plaintiffs pointed to any other circumstances that bolster the objective reasonableness of their claims of threat of injury. Defendants' statement regarding the exercise of their patent rights against inadvertent infringers is, if anything, a source of comfort rather than worry. Their actions subsequent to the filing of the complaint cannot reasonably be construed as threatening and, regardless, are simply the product of plaintiffs' transparent effort to create a controversy where none exists. Even were there credible threats of suit from defendants, there is no evidence that plaintiffs are infringing defendants' patents, nor have plaintiffs suggested when, if ever, such infringement will occur.

Taken together, it is clear that these circumstances do not amount to a substantial

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<sup>10</sup> Plaintiffs' attempt to distinguish Prasco on the basis of a footnote that declines "to consider whether similar facts would be sufficient to establish jurisdiction if, instead, [plaintiff] had conceded infringement and was only arguing invalidity," 537 F.3d at 1342 n.12, is unavailing. While plaintiffs here do argue that defendants' patents are invalid, they do not concede that they have infringed those patents, which is what the Prasco court was suggesting may have created an imminent, real dispute.



controversy and that there has been no injury traceable to defendants. We therefore do not have subject matter jurisdiction over this action, and it is, accordingly, dismissed.

**CONCLUSION**

For the foregoing reasons, the motion (docket no. 19) is granted.

Dated: New York, New York  
February 24, 2012

/s/ NAOMI REICE BUCHWALD  
NAOMI REICE BUCHWALD  
UNITED STATES DISTRICT JUDGE

Copies of the foregoing Order have been mailed on this date to the following:

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