Supreme Court Rules on Genes and Self Replicating Organisms (July 2013)

On June 13, 2013, the Supreme Court unanimously held that a naturally-occurring genomic DNA segment "isolated" from its chromosomal components is a product of nature and is therefore not patent eligible, but that a sequence of complementary DNA (cDNA) manipulated to omit non-coding DNA from the cDNA sequence was patent eligible as a synthetic creation made by man and non naturally-occurring. (*Ass'n for Molecular Pathology v. Myriad Genetics*, (2013) ("Myriad")). This decision in light of the Prometheus decision (discussed in our June 2012 newsletter) will impact future R&D in the field of personalized medicine and diagnostics with many companies electing to protect their IP with a combination of patent claims directed to statutory subject matter and a trade secret program to protect the rest.

On May 13, 2013 the Supreme Court answered the question as to whether patent exhaustion applies to self-replicating organisms (seed). *Bowman v. Monsanto Co.*, U.S., No 11-796, 5/13/2013. Monsanto produces and sells patented soybean seed that is genetically altered (aka "GMO") to resist its "RoundUp" herbicide. Bowman is a farmer who purchased soybean for planting from a grain elevator, expecting that most of the grain elevator soybean would be Monsanto's herbicide-resistant soybean. In the patent infringement brought by Monsanto, Bowman argued that Monsanto's sale of its seed that he purchased from the grain elevator exhausted any patent rights that Monsanto had in the seed. Under the patent exhaustion doctrine, an authorized sale of a patented product cuts off the patent owner's right to control that product. In this case, the Court found the patent exhaustion doctrine provides Bowman with the right to use the purchased product in several different ways without Monsanto's permission, including resale, human consumption or animal consumption of the product. However, it does not permit Bowman to make additional patented soybeans without Monsanto's permission.