

UNITED STATES OF AMERICA

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*J.E.M AG Supply v. Pioneer Hi-Bred International, Inc. – A Commentary**

The recent decision by the United States Supreme Court (the Court) in *J.E.M. AG Supply, Inc. v. Pioneer Hi Bred International, Inc.*, 122 S. Ct. 593, LEXIS 10949 (2001), affirms the notion that United States utility patent protection is available for plant inventions. This decision is of great importance in the field of plant variety development and affirms the policy, instituted by the United States Patent and Trademark Office (USPTO) in the 1980's, of providing broad patent protection for plant inventions.

This paper reviews the Court's decision in light of the current intellectual property protection for these types of innovations available in the United States.

Protections Available in the United States of America

In order to comprehend the significance of this decision, a review of the various types of intellectual property protection available in the United States with respect to innovations in plants is warranted. Section 101 of title 35 of the United States Code (35 U.S.C. 101) defines the general subject matter available for patents in the United States. These patents are referred to as "utility" patents and require findings of novelty, non-obviousness and utility, as well as significant description and other traditional requirements according to the U.S. patent laws. "Utility" patents grant the owner a right to exclude others from making, using, offering to sell, selling within the United States, or importing into the United States the patented invention as defined in the claims, see 35 USC§ 271(a).

While utility patents are available for inventions all fields of endeavor, the Plant Patent Act (PPA) and Plant Variety Protection Act (PVPA) provide plant specific protection mechanisms. The PPA provides for the grant of a "plant patent" and is limited only to asexually reproduced plant varieties. The PVPA provides for the grant of a breeder certificate according to UPOV requirements of distinctness, uniformity, stability and novelty and is limited only to sexually reproduced plant varieties. However, these plant specific mechanisms do not have the same requirements of non-obviousness and utility as those for utility patents and have a much less substantive description requirement. However, protection is limited under these systems to excluding others from reproducing the plant variety or using, offering for sale or selling the plant variety, or any of its parts, throughout the United States, or for importing the plant variety or any parts thereof, into the United States, see 35 USC § 163, 7 USC§ 2483(a).

The Court's Analysis – Plant Inventions May Be Protected by Utility Patents

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J.E.M. AG Supply v. Pioneer Hi-Bred International, Inc. clarifies that plant inventions may be protected both by “utility” patents, as well as the applicable plant patent or plant variety protection available. In coming to this conclusion, the Court initially cites to the landmark decision of *Diamond v. Chakrabarty*, 447 U.S. 303 (1980) for the basic proposition that living things are eligible for patenting under 35 USC § 101, *J.E.M. AG Supply*, LEXIS 10949 at *12. The majority decision thereby continues the broad reading of the United States patent statutes that, at least since the *Chakrabarty* decision, has driven the view of patent coverage as welcoming new fields of innovation and appears to reaffirm that this broad outlook will be maintained as to the indefinite future.

The Court then cites to the decision of the United States Patent and Trademark Office (USPTO) in *Ex Parte Hibberd*, 227 USPQ 443 (Bd. Pat. App. & Inter 1985), which built on the broad language of *Chakrabarty* in determining that plants are within the understood meaning of manufacture or composition of matter and are thereby specifically within the definition of 35 USC § 101, *J.E.M. AG Supply*, LEXIS 10949 at *14. By stepping through this analysis, the Court recognizes and approves of USPTO policy that has provided for the granting of utility patents for plant inventions since the *Hibberd* decision.

The petitioners in the case, *J.E.M. AG Supply*, had argued that the Plant Patent Act of 1930 (PPA) and the Plant Variety Protection Act of 1970 (PVPA) were intended by the U.S. Congress to provide the exclusive means of protecting new varieties of plants, and set forth a number of arguments in this regard. The Court systematically rejects these arguments as unpersuasive in a consecutive manner.

Discussing the Plant Patent Act of 1930

First, discussing the PPA, the Court begins with the observation that “chapter 15 (the current plant patent code chapter) nowhere states that plant patents are the exclusive means of granting intellectual property protection for plants,” *Id.* at *18. Petitioner initially argues that the creation of the PPA, in and of itself, indicated that 35 USC § 101 does not include plants as protectable subject matter. In response, the Court finds that while the United States Congress may have thought that plants were unpatentable at the time of the PPA, this was due to the fact that, at that time, plants were (1) thought to be products of nature and (2) not amenable to the written description requirement. However, the Court reasons that it would be inappropriate to deny patent protection under 101 “simply because such coverage was thought technologically infeasible in 1930” as this would be “inconsistent with the forward-looking perspective of the utility patent statute,” *Id.* at *18-19.

Petitioner also made arguments suggesting that the limitation to asexually reproduced plants of the PPA would imply that Congress did not believe that 35 USC § 101 was meant to cover sexually reproduced plants, *Id.* at *22. The Court rejected this argument on the basis of the historical context of plant breeding. The Petitioner also argues that the 1952 amendment of the Patent Act, which moved the PPA provisions into chapter 15 of the United States Code, separate from section 101, evidenced the exclusive nature of

Plant Patent protection for plant varieties. The second argument was rejected on the basis that the 1952 amendment constituted nothing more than a “house-cleaning” amendment leaving substantive rights unaffected, *Id.* at *25.

Discussing the Plant Variety Protection Act

Petitioner’s arguments made with respect to the PVPA are then considered in turn. The majority decision again begins by taking note that the PVPA never states that it is an exclusive means of protecting sexually reproduced plant varieties, *Id.* at *29. The fact that the USPTO had already issued utility patents protecting hybrid plants as a result of product-by process protection at the time the PVPA was enacted is also cited as evidence that the two forms of protection are not mutually exclusive, *Id.* at *30.

The Court also rejects the notion that the passage of the PVPA altered the subject matter protection of 101 by implication. According to United States jurisprudence, the only permissible justification for a repeal by implication is when the earlier and later statutes are irreconcilable (9 of 20), *see Morton v. Mancari*, 417 US 535, 550 (1974). The Court finds that the PVPA and 35 USC § 101 are not irreconcilable as the requirements for obtaining a utility patent are more stringent than those for obtaining a PVP certificate, and the protections afforded by a utility patent are greater than those afforded by a PVP certificate, *J.E.M. AG Supply*, LEXIS 10949 at *31.

Therefore, overlapping protections are considered consistent with one another, and not exclusive. This is an important recognition, and the majority decision appropriately analogizes the situation to that of an invention entitled to both patent and copyright protection. Different forms of protection may be necessary in order to cover different features or characteristics of an innovative product or process, and this is true of plant varieties as well.

The Court then looks to other objective evidence. It recognizes that the USPTO has assigned utility patents for plants for at least 16 years and there has been no indication from Congress that such coverage is inconsistent with the PVPA or PPA. In addition, a 1999 amendment to the patent statutes recognized that plants are patentable under 101, *Id.* at *36. This 1999 amendment is cited as objective evidence that the Congress intended for both systems to coexist.

Conclusion

This case clearly holds that developed plant breeds fall within the terms of 35 USC § 101. This holding, although already implemented by USPTO patent examination policy for at least 16 years, should be of great comfort to innovative plant breeders world-wide. It reaffirms the forward-looking nature of the United States patent system, and underscores the broad view of patentability that fuels innovation in all fields of endeavor, including the field of plant breeding.

Innovators may obtain protection for plant varieties according to the more limited regimes of the PVPA and PPA, or, in the case of plants that meet the stringent descriptions requirements and tough substantive requirements of novelty, non-obviousness and utility, can obtain utility patent protections for their innovations. The available protections can be tailored to the nature of the invention and thereby provide for the comprehensive protection deserved by plant breeders and other interested parties around the world.