

No. 11-796

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

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VERNON HUGH BOWMAN, PETITIONER

*v.*

MONSANTO COMPANY, ET AL.

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

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**BRIEF FOR THE UNITED STATES AS AMICUS CURIAE  
SUPPORTING AFFIRMANCE**

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**QUESTION PRESENTED**

Whether the authorized sale of one generation of a patented plant seed exhausts a patentee's right to control subsequent generations of that seed.

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**BRIEF FOR THE UNITED STATES AS AMICUS CURIAE  
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**INTEREST OF THE UNITED STATES**

This case presents the question whether the authorized sale of one generation of a patented plant seed exhausts a patentee's right to control subsequent generations of that seed. The United States Patent and Trademark Office, which is responsible for issuing patents and advising the President on issues of patent policy, 35 U.S.C. 2(a)(1) and (b)(8), has a substantial interest in the resolution of that question. At the invitation of the Court, the United States filed a brief as amicus curiae at the petition stage of this case.

**STATEMENT**

1. Respondent Monsanto manufactures the herbicide Roundup®. The active ingredient in Roundup is glyphosate, which kills plants by inhibiting the activity of an enzyme necessary for growth. Because Roundup would

otherwise affect crops and weeds alike, respondent developed a genetic sequence that, when inserted into the germplasm of certain seeds (including soybean seeds), results in an engineered seed and crop plant that is resistant to glyphosate. Pet. App. 2a-3a, 20a.

A grower using seed containing that genetic sequence can spray Roundup (or another glyphosate-based herbicide) on his crops without harming them. Seed containing that genetic modification is marketed as Roundup Ready® seed. This case involves two patents issued to respondent that cover different aspects of the biotechnology that comprises the Roundup Ready trait. Pet. App. 3a-6a, 20a-21a.<sup>1</sup>

Respondent sells Roundup Ready soybean seed under its own brands. It also licenses the technology to third-party seed companies, which incorporate the genetic trait into their own soybean seed varieties. The licensed seed companies then sell the Roundup Ready soybeans to growers for planting. The herbicide-resistant trait is carried forward into successive generations of soybeans produced from the genetically altered seed, and the harvested commodity is virtually identical to the planted soybean seed. For that reason, respondent authorizes the licensed seed companies to sell only to growers who are willing to enter into a licensing agreement, often referred to as a “Technology Agreement.” Pet. App. 6a-7a, 21a.

By signing a Technology Agreement, a purchasing grower agrees

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<sup>1</sup> The patents at issue, U.S. Patent Nos. 5,352,605 and RE39,247E, are described at Pet. App. 3a-6a and reproduced at Supp. J.A. 1-21.

- (1) to use the seed containing Monsanto gene technologies for planting a commercial crop only in a single season;
- (2) to not supply any of this seed to any other person or entity for planting;
- (3) to not save any crop produced from this seed for replanting, or supply saved seed to anyone for replanting; and
- (4) to not use this seed or provide it to anyone for crop breeding, research, generation of herbicide registration data, or seed production.

Pet. App. 7a (citation and internal quotation marks omitted); J.A. 27a, 40a-43a. Growers are authorized to use or sell the crop produced from the purchased seed for most purposes other than planting. For example, respondent authorizes growers to sell the harvested crop (*i.e.*, the second-generation soybean) to grain elevators as a commodity, and it does not require growers to place any restrictions on the grain elevators' subsequent sale of that seed. Pet. App. 7a-8a.

2. Petitioner, a farmer in Indiana, purchased Round-up Ready soybean seed from one of respondent's licensed seed companies, and he signed a Technology Agreement that included the conditions set forth above. From 1999 through 2007, petitioner planted those seeds as his first soybean crop of the season. Consistent with the Technology Agreement, he did not save the harvested crop for replanting but instead sold it to a local grain elevator. Pet. App. 8a-9a, 21a-22a.

Petitioner also purchased "commodity seed" from a grain elevator and planted a second soybean crop later in the growing season. Commodity seed consists of a mixture of undifferentiated seed from the previous

year's harvest, and is less expensive than Roundup Ready seed. Although commodity seed may include some conventional soybean varieties, in 2007, nearly 94 percent of Indiana's acres of soybeans were used to produce herbicide-resistant crops. When petitioner applied a glyphosate-based herbicide to his fields, he confirmed that many of the second-crop plants were glyphosate-resistant. Thus, from 1999 through 2007, petitioner planted Roundup Ready soybean seed purchased from one of respondent's licensed seed companies for his first-crop planting and sold the second-generation seed to a grain elevator; for his second crop, he planted commodity seed purchased from a grain elevator (as well as seed saved from the previous year's second crop), which included soybeans containing the Roundup Ready trait. Pet. App. 7a-9a, 22a-23a.

3. Respondent brought suit in the federal district court, alleging that petitioner had infringed two of its patents by "making, using, offering for sale, selling, or importing into the United States Roundup Ready® soybean seed embodying the patented invention without authorization." J.A. 15a ¶ 22; see J.A. 17a ¶ 29. Petitioner raised patent exhaustion as a defense to infringement, arguing that respondent's failure to restrict sale of the second-generation seed rendered its patents exhausted with respect to any subsequent use of that seed. Pet. App. 24a. The district court granted summary judgment in favor of respondent and entered judgment in the amount of \$84,456.30. *Id.* at 31a-43a, 52a.

4. The court of appeals affirmed. Pet. App. 1a-18a. The court observed that it had previously "dealt with unauthorized planting of second-generation seeds" in *Monsanto Co. v. McFarling*, 302 F.3d 1291 (Fed. Cir.

2002), cert. denied, 537 U.S. 1232 (2003), and *Monsanto Co. v. Scruggs*, 459 F.3d 1328 (Fed. Cir. 2006), cert. denied, 549 U.S. 1342 (2007). Pet. App. 12a. The court explained that, in both *McFarling* and *Scruggs*, the Federal Circuit had rejected a patent-exhaustion defense asserted by growers who had saved Roundup Ready soybean seeds from the first harvest and had replanted them the next season in violation of a Technology Agreement. *Id.* at 12a-13a.

The court of appeals held that, “[s]imilarly, here, patent exhaustion does not bar an infringement action.” Pet. App. 14a. The court stated that, “[e]ven if [respondent’s] patent rights in the commodity seeds are exhausted, such a conclusion would be of no consequence because once a grower, like [petitioner], plants the commodity seeds containing [respondent’s] Roundup Ready® technology and the next generation of seed develops, the grower has created a newly infringing article.” *Ibid.* “The right to use,” the court explained, “do[es] not include the right to construct an essentially new article on the template of the original, for the right to make the article remains with the patentee.” *Ibid.* (quoting *Jazz Photo Corp. v. International Trade Comm’n*, 264 F.3d 1094, 1102 (Fed. Cir. 2001), cert. denied, 536 U.S. 950 (2002)) (brackets in original). The court observed that “[a]pplying the first sale doctrine to subsequent generations of self-replicating technology would eviscerate the rights of the patent holder.” *Ibid.* (quoting *Scruggs*, 459 F.3d at 1336).

The court of appeals also rejected, as unsupported by the record, petitioner’s suggestion that replanting commodity seed to create new seed is the “only reasonable and intended use” of the commodity seed. Pet. App. 14a (quoting *Quanta Computer, Inc. v. LG Elecs., Inc.*, 553

U.S. 617, 631 (2008)). The court explained that “there are various uses for commodity seeds, including use as feed.” *Ibid.* The court concluded that, although petitioner and other farmers “may have the right to use commodity seeds as feed, or for any other conceivable use, they cannot ‘replicate’ [respondent’s] patented technology by planting it in the ground to create newly infringing genetic material, seeds, and plants.” *Ibid.*

#### SUMMARY OF ARGUMENT

A. Although an authorized sale of a patented article exhausts the patent holder’s rights with respect to that article, one who purchases a patented article remains liable for infringement if, without the patentee’s authorization, he “construct[s] an essentially new article on the template of the original.” *Jazz Photo Corp. v. International Trade Comm’n*, 264 F.3d 1094, 1102 (Fed. Cir. 2001), cert. denied, 536 U.S. 950 (2002). Under the established principles that define the scope and limits of the exhaustion doctrine, petitioner was properly held liable for patent infringement, since he “ma[d]e” new patented articles (the progeny seeds) without respondent’s authorization.

B. Related federal legislation reinforces that conclusion. Under petitioner’s theory, holders of Plant Variety Protection Act certificates would have greater rights of exclusion than owners of utility patents on plants, notwithstanding this Court’s recognition that the reverse is true. See *J.E.M. AG Supply, Inc. v. Pioneer Hi-Bred Int’l, Inc.*, 534 U.S. 124, 143 (2001). And while Congress has enacted protections against copyright infringement liability for the copying of software under specified circumstances, it has not adopted any similar protections for persons who reproduce patented plants, notwithstanding abundant case law indicating that such

reproduction is infringing unless authorized by the patentee. Congress, and not the courts, should determine whether established patent rules need to be modified in their application to patented plants.

C. Petitioner’s remaining arguments are unpersuasive. None of them calls into question the court of appeals’ conclusions that (a) an authorized sale of a patented article does not confer any right to make new patented articles, and (b) petitioner made new patented articles when he planted the commodity seeds and harvested subsequent-generation seeds that contained the Roundup Ready trait. In particular, this Court’s decision in *Quanta Computer, Inc. v. LG Electronics, Inc.*, 553 U.S. 617 (2008), does not support petitioner’s position. The Court in *Quanta* clarified and reaffirmed existing patent-exhaustion doctrine, and it made clear that exhaustion principles apply to method claims. The Court did not suggest, however, that exhaustion principles can immunize the unauthorized creation of new patented articles, particularly where (as here) the lawfully purchased item has uses other than further propagation.

D. Although the Federal Circuit has previously erred in fashioning a “conditional sale” exception to patent-exhaustion principles, those errors do not cast doubt on the court of appeals’ decision here. The Federal Circuit’s “conditional sale” decisions allow patent holders to retain control over the use or resale of a patented article even after an authorized sale of that article has occurred—the very thing the exhaustion doctrine is intended to prevent. By contrast, the patent-exhaustion doctrine has never been understood to limit the patent holder’s right to exclude others from “mak[ing]” the patented invention. Thus, even assuming that respond-

ent's patent rights in the commodity seeds were exhausted, and that petitioner could lawfully have resold those seeds or used them for any purpose other than replanting, the court below properly treated petitioner's unauthorized creation of new seeds as an act of infringement.

#### ARGUMENT

##### **THE AUTHORIZED SALE OF ONE GENERATION OF A PATENTED PLANT SEED DOES NOT EXHAUST A PATENTEE'S RIGHT TO CONTROL SUBSEQUENT GENERATIONS OF THAT SEED**

The Patent Act grants a patentee the “right to exclude others from making, using, offering for sale, or selling the invention.” 35 U.S.C. 154(a)(1); see 35 U.S.C. 271(a) (“[W]hoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.”). Each of the enumerated exclusive rights is a “substantive right[]” that “may be granted or conferred separately by the patentee.” *Adams v. Burke*, 84 U.S. (17 Wall.) 453, 456 (1873); see *Brulotte v. Thys Co.*, 379 U.S. 29, 30 (1964); *Bauer & Cie v. O'Donnell*, 229 U.S. 1, 15 (1913) (*Bauer*).

Under longstanding principles of patent exhaustion, an initial authorized sale of an article embodying the patented invention exhausts the patentee's exclusive rights to control the use and sale of *that* article. It does not, however, exhaust the patentee's right to exclude others from making a new article embodying the same patented invention. Accordingly, even if respondent's patent rights in the commodity seed had been exhausted, petitioner acquired no right to use that seed to make newly infringing seed.

**A. Under Well-Settled Principles Of Patent Exhaustion,  
The Authorized Sale Of One Article Embodying A Pa-  
tented Invention Does Not Exhaust The Patentee’s Ex-  
clusive Right To Control The Creation Of Other Articles  
Embodying The Same Invention**

1. Since *Bloomer v. McQuewan*, 55 U.S. (14 How.) 539, 549-550 (1853), this Court has repeatedly held that the exclusive rights to use and to sell are exhausted, as to a given article embodying a patented invention, upon the first valid sale of the article by the patentee or an authorized licensee. See, e.g., *Quanta Computer, Inc. v. LG Elecs., Inc.*, 553 U.S. 617, 625-628 (2008); *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 497 (1964) (plurality opinion); *United States v. Univis Lens Co.*, 316 U.S. 241, 251-252 (1942) (*Univis*); *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 502, 508-518 (1917); *Keeler v. Standard Folding Bed Co.*, 157 U.S. 659, 666 (1895); *Hobbie v. Jennison*, 149 U.S. 355, 361-363 (1893); *Adams*, 84 U.S. (17 Wall.) at 456. Those decisions rest on the principle that “the sale by a person who has the full right to make, sell, and use such a machine carries with it the right to the use of that machine to the full extent to which it can be used.” *Adams*, 84 U.S. (17 Wall.) at 455. Thus, the authorized sale of a patented article “exhausts the monopoly in that article and the patentee may not thereafter, by virtue of his patent, control the use or disposition of the article.” *Univis*, 316 U.S. at 250.<sup>2</sup>

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<sup>2</sup> Whether an authorized sale that occurs overseas can exhaust a United States patent is a separate question that is not presented in this case and is not addressed by this brief. That question is the subject of a pending petition for a writ of certiorari. See *Ninestar Tech. Co. v. International Trade Comm’n*, No. 12-552 (filed Nov. 2, 2012).

The doctrine of patent exhaustion has always been carefully limited to a patentee’s rights with respect to the particular article sold. As the Court explained in *Univis*, “the purpose of the patent law is fulfilled with respect to *any particular article* when the patentee has received his reward for the use of his invention by the sale of the article,” and “once that purpose is realized the patent law affords no basis for restraining the use and enjoyment *of the thing sold.*” 316 U.S. at 251 (emphases added). This Court has consistently described the exhaustion doctrine in those terms. See, e.g., *Quanta*, 553 U.S. at 625 (describing the “longstanding doctrine of patent exhaustion” as providing that “the initial authorized sale of a patented item terminates all patent rights to that item”); *Univis*, 316 U.S. at 249 (discussing exhaustion of the patent monopoly “with respect to the article sold”); *Bauer*, 229 U.S. at 17 (noting that “a patentee who has parted with a patented machine by passing title to a purchaser has placed the article beyond the limits of the [patent] monopoly”); *Adams*, 84 U.S. (17 Wall.) at 453 (explaining that, by selling a machine or instrument, the patentee has “received all the royalty or consideration which he claims for the use of his invention in that particular machine or instrument”); *Mitchell v. Hawley*, 83 U.S. (16 Wall.) 544, 547 (1873) (noting that, after an authorized sale, a patentee “ceases to have any interest whatever in the patented machine so sold and delivered”).<sup>3</sup> An authorized sale exhausts a patentee’s exclusive right to control the tangible article sold which embodies the invention; it does not exhaust his remaining exclusive rights in the invention.

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<sup>3</sup> Cf. 17 U.S.C. 109(a) (codifying first-sale doctrine in copyright law as authorizing the owner of a “particular copy \* \* \* to sell or otherwise dispose of the possession of that copy”).

2. The authorized sale of one article embodying the patented invention does not exhaust the patentee's right to exclude others from making another article embodying the same invention. The purchaser of a patented article "does not acquire any right to construct another machine," *Mitchell*, 83 U.S. (16 Wall.) at 548, or to make a "second creation of the patented entity," *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 346 (1961) (*Aro I*). Cf. *Bobbs-Merrill Co. v. Straus*, 210 U.S. 339, 350 (1908) ("The purchaser of a book, once sold by authority of the owner of the copyright, may sell it again, although he could not publish a new edition of it."). The right to use an article "to the full extent to which it can be used," *Adams*, 84 U.S. (17 Wall.) at 455, does not include the right to make a new patented article.

The critical distinction between use of a patented article, and the making of a new article, arises most frequently when courts determine whether the purchaser has permissibly repaired a patented article or instead has impermissibly reconstructed it. A patentee "cannot prevent those to whom he sells from . . . reconditioning articles worn by use," but it can prevent them from "in fact mak[ing] a new article." *Aro I*, 365 U.S. at 343 (quoting *United States v. Aluminum Co. of Am.*, 148 F.2d 416, 425 (2d Cir. 1945)); see *Wilbur-Ellis Co. v. Kuther*, 377 U.S. 422, 424 (1964) (explaining that unauthorized "reconstruction" impinges "on the patentee's right 'to exclude others from making,' 35 U.S.C. § 154, the article"); *Cotton-Tie Co. v. Simmons*, 106 U.S. 89, 93-94 (1882) ("Whatever right the [purchasers] could acquire to the use of the old buckle, they acquired no right to combine it with a substantially new band, to make a cotton-bale tie."); *Wilson v. Simpson*, 50 U.S. (9

How.) 109, 123-125 (1850) (holding that the purchaser of a patented article may use and repair it, but may not reconstruct the patented invention); *Jazz Photo Corp. v. International Trade Comm'n*, 264 F.3d 1094, 1102 (Fed. Cir. 2001) (“[T]he rights of ownership do not include the right to construct an essentially new article on the template of the original, for the right to make the article remains with the patentee.”), cert. denied, 536 U.S. 950 (2002).

3. Under those well-settled principles, the authorized sale of first-generation soybean seed exhausts the patentee’s rights to control the use and disposition of *that* seed. If the purchaser is authorized to produce a new crop and to sell the progeny seed, an authorized sale of the second-generation seed exhausts the patentee’s rights in that seed as well. But the right to exclude others from “mak[ing]” a patented invention is a distinct exclusive right. Thus, even when the patent has been exhausted with respect to a particular supply of seed, further reproduction always requires the express or implied authorization of the patentee.

Those principles compel affirmance of the court of appeals’ decision here. The infringement finding in this case was premised on petitioner’s creation of patented progeny seeds through planting and cultivation. Respondent did not authorize petitioner to make the progeny seeds, nor were they the subject of any authorized sale. Even assuming that respondent’s rights in the commodity seeds had been exhausted, petitioner’s rights to use and sell those seeds would not include the right to use them in the creation of new infringing articles.

**B. Congress's Actions And This Court's Decisions Strongly Reinforce The Court Of Appeals' Ruling Here**

Related federal legislation, as interpreted by this Court, strongly reinforces the court of appeals' conclusion that a patent holder retains the right to exclude others from making, using, and selling subsequent generations of patented seed. If any modification of traditional patent-exhaustion doctrine is deemed necessary to accommodate unique concerns raised by patented seed or other self-replicating technologies, that change should come from Congress.

1. In 1970, Congress enacted the Plant Variety Protection Act (PVPA), Pub. L. No. 91-577, 84 Stat. 1542 (7 U.S.C. 2321 *et seq.*). With respect to sexually reproduced plant varieties, the PVPA provides certain protections that are similar to, but not the same as, the protections afforded to patented plants. Developers of qualifying plant varieties acquire the rights to exclude others from, *inter alia*, "selling the variety," "reproducing it," and "using it in producing (as distinguished from developing) a hybrid or different variety." 7 U.S.C. 2483(a)(1). A person infringes those exclusive rights if, without authority, he "sell[s] or market[s] the protected variety," "sexually multipl[ies]" it as "a step in marketing," or "use[s] the variety in producing (as distinguished from developing) a hybrid or different variety." 7 U.S.C. 2541(a)(1), (3) and (4). The PVPA provides, however, that certain seed-saving and research activities will not constitute infringement. The seed-saving exemption states that

it shall not infringe any right [under the PVPA] for a person to save seed produced by the person from seed obtained, or descended from seed obtained, by authority of the owner of the variety for seeding pur-

poses and use such saved seed in the production of a crop for use on the farm of the person, or for sale as provided in this section.

7 U.S.C. 2543; see 7 U.S.C. 2544 (research exemption).

In *J.E.M. AG Supply, Inc. v. Pioneer Hi-Bred Int'l, Inc.*, 534 U.S. 124 (2001) (*J.E.M.*), this Court held that utility patents are available to plants under the Patent Act, 35 U.S.C. 101, independent of any rights under the PVPA or the Plant Patent Act of 1930 (PPA), ch. 312, 46 Stat. 376.<sup>4</sup> In so holding, the Court repeatedly emphasized that, while the PVPA provides an exemption allowing farmers to save seed and to use that seed for replanting, there is no similar “exemption[] for \* \* \* saving seed under a utility patent.” *J.E.M.*, 534 U.S. at 143; see *id.* at 129 n.1 (“Most notably, the PVPA provides exemptions for research and for farmers to save seed from their crops for planting. Utility patents issued for plants do not contain such exemptions.”); *id.* at 140 (citing PVPA seed-saving and research exemptions and noting that “[t]he utility patent statute does not contain similar exemptions”). In that respect, among others, “utility patent holders receive greater rights of exclusion.” *Id.* at 143; see *id.* at 142 (noting that “the protections afforded by a utility patent are greater than those afforded by a PVP certificate”); *id.* at 140 n.11 (identifying another way in which a utility patent holder receives greater protection). That distinction would have no practical significance if the unauthorized crea-

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<sup>4</sup> The PPA expressly conferred patent protection on asexually reproduced plants. PPA, ch. 312, 46 Stat. 376 (amending general utility patent provision to include persons who had “invented or discovered and asexually reproduced any distinct and new variety of plant”); see Act of July 19, 1952, Pub. L. No. 82-593, 66 Stat. 804 (moving plant patent provisions to separate chapter without substantive change).

tion of new seed was treated as non-infringing under 35 U.S.C. 154 and 271 (2006 & Supp. V 2011) based on the patent-exhaustion doctrine.

Moreover, although the PVPA allows lawful purchasers of protected seed to save harvested seed and replant it on their own land, it imposes significant restrictions on the sale of the harvested seed. As amended in 1994, the PVPA allows such sales only “for other than reproductive purposes,” *i.e.*, for purposes other than replanting. 7 U.S.C. 2543; see *Asgrow Seed Co. v. Winterboer*, 513 U.S. 179, 184 n.2 (1995) (explaining that the 1994 amendment “ha[d] the effect of eliminating [a prior] exemption from infringement liability for farmers who sell PVPA-protected seed to other farmers for reproductive purposes”). The logical implication of petitioner’s exhaustion theory, by contrast, is that an authorized sale of one generation of patented seed allows the purchaser to plant the seed and to use or sell the progeny seed for *any* purpose (including replanting) without fear of infringement liability. Here again, petitioner’s approach would afford greater rights of exclusion to holders of a PVP certificate than to utility patent holders, contrary to this Court’s understanding in *J.E.M.* that “utility patent holders receive greater rights of exclusion.” 534 U.S. at 143.

2. Petitioner refers to 25 years of congressional silence since the case law first recognized that “sexually reproducing plants qualify for utility patent protection.” Br. 52. That silence is significant, but not for the reason petitioner suggests. Congress’s inaction must be judged against the background rules that defined the scope of patent protection during the relevant period.

Under long-established principles of patent exhaustion, (1) the authorized sale of an article embodying a

patented invention exhausts only the patentee's right to control *that* article; and (2) absent an express or implied license from the patentee, the purchaser of an article embodying a patented invention acquires no right to make a second article embodying the same invention. See pp. 9-12, *supra*. In *Diamond v. Chakrabarty*, 447 U.S. 303, 305, 318 (1980), which involved a transformed bacterial cell line capable of being replicated to produce identical progeny cells, this Court held that organisms produced by genetic engineering are patent-eligible subject matter under 35 U.S.C. 101. In *J.E.M.*, the Court contrasted the PVPA's seed-saving exemption with the absence of any similar exemption under the Patent Act. And the Federal Circuit twice declined to find patent exhaustion with respect to the unauthorized planting of subsequent-generation seed. See *Monsanto Co. v. McFarling*, 302 F.3d 1291 (2002), cert. denied, 537 U.S. 1232 (2003); *Monsanto Co. v. Scruggs*, 459 F.3d 1328 (2006), cert. denied, 549 U.S. 1342 (2007). Against that backdrop, Congress's silence cannot reasonably be understood to imply approval of petitioner's approach.

With respect to computer software, by contrast, Congress has effectively extended copyright exhaustion principles to the creation, under specified circumstances, of subsequent generations of technology. Like soybeans, computer software can be reproduced in materially identical form with limited human intervention. It is often impossible, moreover, to use computer software for its intended purpose without making another copy. See, e.g., *Vernor v. Autodesk, Inc.*, 621 F.3d 1102, 1109 (9th Cir. 2010) ("In order to use a software program, a user's computer will automatically copy the software into the computer's random access memory."), cert. denied, 132 S. Ct. 105 (2011). In 1980, Congress enacted

an “essential step defense,” providing that “it is not an infringement for the owner of a copy of a computer program to make or authorize the making of another copy or adaption of that computer program” in the manner specified. See Act of Dec. 12, 1980, Pub. L. No. 96-517, § 10(b), 94 Stat. 3028 (17 U.S.C. 117(a)). Such legislative action would have been unnecessary if the copyright exhaustion doctrine (codified at 17 U.S.C. 109(a)) already provided such a defense.

If any similar modification of the Patent Act is deemed necessary to accommodate unique concerns raised by patented seed, or other self-replicating technologies, that change should come from Congress. Cf. *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 458-459 (2007) (“If the patent law is to be adjusted better ‘to account for the realities of software distribution,’ the alteration should be made after focused legislative consideration, and not by the Judiciary forecasting Congress’ likely disposition.”) (citation omitted). Congress is better equipped than is this Court to weigh the competing interests of biotechnology firms, farmers, and the public. See *Diamond*, 447 U.S. at 317 (noting that policy arguments are better suited for “resolution within the legislative process after the kind of investigation, examination, and study that legislative bodies can provide and courts cannot”). The carefully tailored exemptions and defenses Congress has enacted in similar contexts, including the PVPA, are simply unavailable to this Court. Rather, if petitioner’s approach were adopted, the first authorized sale of a single Roundup Ready soybean would extinguish all of respondent’s patent rights to that soybean and to all of its progeny. See *Scruggs*, 459 F.3d at 1336 (“Applying the first sale doctrine to subsequent generations of self-replicating technology would

eviscerate the rights of the patent holder.”). The incentive to invest in innovation and research might well be diminished if the patent term for genetically modified crops was effectively reduced from 20 years to a single year or even a single growing season. Cf. *Diamond*, 447 U.S. at 307 (“The patent laws promote \* \* \* progress by offering inventors exclusive rights for a limited period as an incentive for their inventiveness and research efforts.”).

The potential consequences of adopting petitioner’s approach, moreover, are not limited to genetically modified crops. The Court’s decision could also affect the enforcement of patents for man-made cell lines, DNA molecules, some nanotechnologies, and other technologies that involve self-replicating features. Ever since *Chakrabarty*, numerous companies have marketed patented recombinant plasmids and transformed cell lines capable of replication with limited human intervention. The patent rights recognized in *Chakrabarty* would lose much of their value if purchasers of patented bacteria or other self-replicating products could reproduce and sell those items free from the restraints of patent law.

3. Contrary to petitioner’s suggestion (Br. 55-58), contract law is not a substitute for the patent protection granted by Congress. Contractual remedies are ineffective against downstream purchasers not in privity with the patent holder. For example, a person could purchase and plant commodity seed without ever purchasing Roundup Ready soybean seed directly from respondent or a licensed seed company. And patent law provides remedies unavailable under contract law, including injunctive relief and enhanced damages. See 35 U.S.C. 283-285.

### C. Petitioner's Other Arguments Are Unpersuasive

Petitioner does not dispute the fundamentals of the patent-exhaustion doctrine: the authorized sale of an article embodying the patented invention exhausts the patentee's exclusive right to control *that* article, but it does not exhaust his exclusive right to control a different article embodying the same invention. And petitioner concedes (Br. 37) that "the exhaustion doctrine does not extend to the right to 'make' a new product." Petitioner nevertheless contends that the authorized sale of one generation of patented soybean seed exhausts a patentee's right to control the making, sale, and use of all subsequent generations derived from that seed. Petitioner's arguments are unpersuasive.

1. Relying on *Quanta*, petitioner contends (Br. 34-37) that the authorized sale of first-generation Roundup Ready soybean seed exhausts respondent's patent rights with respect to all future generations derived from that seed because each subsequent generation is "embodied" in the first-generation seed. That argument reflects a fundamental misunderstanding of the Court's decision in *Quanta*.

In *Quanta*, this Court held that the patent-exhaustion doctrine applies to method claims. 553 U.S. at 628-629. The Court recognized that "a patented method may not be sold in the same way as an article or device" and that, with respect to method claims, the article sold may not fully practice the patent, *i.e.*, the article may be "incomplete." *Id.* at 628, 630. In considering when the sale of a product that only "partially practice[s] a patent \* \* \* exhaust[s] *that* patent," *id.* at 635, the Court focused on "the extent to which a product must embody a patent in order to trigger exhaustion," *id.* at 630. To answer that question, the

Court looked to whether the article sold “embodie[d] essential features of [the] patented invention” and whether the “only reasonable and intended use” of that article was to “practice the patent.” *Id.* at 631-632 (citation omitted; brackets in original).

Petitioner contends that, with respect to the patented seed at issue here, “[t]he rule in *Quanta* should be applied to the first authorized sale of an article embodying the invention.” Br. 35. Petitioner also observes that respondent “has authorized the sale of an article that can be used to practice the claimed inventions because seeds will self-replicate by normal use.” *Ibid.* Petitioner appears to contend that, by authorizing the sale of first-generation Roundup Ready seeds, respondent has exhausted its right to control *any* direct or indirect use of those seeds to practice respondent’s invention. The Court in *Quanta* focused on the prerequisites to exhaustion of method patents, and its analysis is not easily applied to patents on “manufacture[s]” or “composition[s] of matter,” 35 U.S.C. 101. Petitioner’s reliance on *Quanta* is further misplaced for at least two reasons.

First, petitioner relies on the established general rule that one who acquires a patented article through an authorized sale may “use” that article without incurring infringement liability. Br. 34 (“Once a patentee sells a product embodying a patented method, the patentee loses the ability to restrict use of that product to practice the invention.”). The Court in *Quanta* applied that rule to an “incomplete article” that, while not itself practicing the patents at issue, “substantially embodie[d]” the seller’s method patent. 553 U.S. at 633. As we explain above (pp. 11-12, *supra*), however, the general rule has always been subject to an important qualification: even the lawful owner of a patented article

may not, without authorization, use it to make a *new* copy of the patented article. Nothing in *Quanta* casts doubt on that proposition. To the contrary, the Court described the “longstanding doctrine of patent exhaustion” as providing that the “initial authorized sale of a patented item terminates all patent rights to *that* item.” 553 U.S. at 625 (emphasis added).

Second, planting is not the “only reasonable and intended use” of the commodity soybeans at issue here. *Quanta*, 553 U.S. at 631; see Pet. App. 14a. Growers can use the seed for animal feed, *ibid.*, and they can sell it as a commodity. See *Asgrow*, 513 U.S. at 188 (“Farmers generally grow crops to sell.”)<sup>5</sup> Indeed, because for soybeans “the crop is the seed,” *ibid.*, it would be pointless to produce soybeans if the seed had no productive use other than further propagation. Where, as here, a purchaser can use the patented article without also making a newly infringing article, it would be particularly unsound to treat the initial sale as extinguishing the patentee’s separate and exclusive right to make the invention. See *Adams*, 84 U.S. (17 Wall.) at 456 (exclusive rights “may be granted or conferred separately by the patentee”).

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<sup>5</sup> Petitioner does not dispute that the commodity seed he purchased has other uses, but he contends that “planting is the *only* intended use for *first-generation* Roundup Ready® seeds.” Br. 35 (second emphasis added). Like other soybeans, first-generation Roundup Ready seed could also be used for other purposes such as feed. Purchasers presumably would be unwilling, however, to pay a premium for first-generation Roundup Ready seed if it could not be used for planting, since the glyphosate-resistance associated with the patented technology would be of no benefit if the seed were used as animal feed. Consistent with that fact, respondent granted growers a license to plant first-generation seed to produce one commercial crop in a single growing season. See Pet. App. 7a.

2. Petitioner advances (Br. 37-42) several reasons why growing new seeds that fully embody the patented invention should not be considered “making” the patented invention. None withstands scrutiny.

a. Petitioner contends (Br. 38-39) that the creation of newly infringing seed does not amount to “reconstruction” of a patented article. That is true, but irrelevant. Unauthorized reconstruction is an act of infringement because it implicates a patent holder’s exclusive right to “make” the patented invention. *Wilbur-Ellis*, 377 U.S. at 424 (“[T]he right to renew [the invention] depends upon the right to make [it],” and “[i]f the right to make does not exist, there is no right to rebuild” the invention.). But a person can “make” a patented invention without replacing “worn out” parts (Pet. Br. 38). This Court’s “reconstruction” cases are relevant not because petitioner actually reconstructed a “worn out” soybean seed, but because that case law exemplifies a critical qualification to the exhaustion doctrine—that, absent an express or implied license, the authorized sale of an article embodying a patented invention does not give the purchaser the right to make a new patented article.

The established distinction between permissible repair and impermissible reconstruction also reveals the flaw in petitioner’s suggestion that the lawful owner of an article embodying a patented invention can “use” that article in any conceivable way—even to “make” a new article embodying the same invention. The repair/reconstruction cases demonstrate that the right to “use” and the right to “make” are not mutually exclusive. And they reflect the understanding that, even when the patentee’s rights in a sold article have been exhausted, infringement may still occur if the purchaser “uses” the sold article to “make” a newly infringing one.

In the *Cotton-Tie* case, for example, the defendant infringed the patent by “using” a buckle he had lawfully purchased to “make” a new cotton-bale tie. 106 U.S. at 93-94; cf. 7 U.S.C. 2541(a)(4) (holder of PVP certificate can exclude others from “us[ing]” a protected variety to “produc[e]” a different variety). Similarly here, petitioner was properly held liable for patent infringement because he “used” the commodity seed purchased from the grain elevator to “make” newly infringing seed. This is not a matter of “carv[ing] out *permissible* and *impermissible* uses,” Pet. Br. 38-39, but of preserving a patentee’s separate right to exclude others from “mak[ing]” the patented invention.

b. Petitioner takes issue (Br. 39-42) with the government’s definition of the term “make,” but he does not offer an alternative definition that would exclude the intentional reproduction of patented seed at issue here. And the arguments he advances lack merit.

i. The Patent Act does not define the term “make.” In *Bauer*, the Court explained that “[i]n framing the [Patent A]ct and defining the extent of the rights and privileges secured to a patentee Congress did not use technical or occult phrases, but in simple terms gave an inventor the exclusive right to make, use and vend his invention for a definite term of years.” 229 U.S. at 10. With respect to the “right to make” in particular, the Court explained that it could “scarcely be made plainer by definition” and that, for purposes of that case, it clearly “embraces the construction of the thing invented.” *Ibid.*; see *id.* at 9-10 (noting that the original Patent Act granted patentees exclusive rights of “making” and “constructing,” but that the word “constructing” was omitted in 1836).

The Copyright Act affords copyright holders an exclusive right to “reproduce” the copyrighted work in copies and phonorecords, 17 U.S.C. 106(1), that is akin to the exclusive right to “make” the patented invention in the Patent Act, 35 U.S.C. 154(a)(1). Cf. *Bauer*, 229 U.S. at 13-14 (noting similarities between exclusive rights granted by the two statutes). Indeed, in describing the act of reproduction in copies or phonorecords, Congress has sometimes referred to it as the making of copies or phonorecords of a work. See 17 U.S.C. 115 (2006 & Supp. V 2011) (referring to the “exclusive right[] provided by clause (1) \* \* \* of section 106” as the right “to make \* \* \* phonorecords of such works”); see also 17 U.S.C. 112(e)(6)(A), 117(a). The dictionary definitions of both terms are also similar. The term “make” is commonly defined as “to bring about,” “to cause to happen,” or “to cause to exist, occur, or appear.” *Webster’s Third New International Dictionary* 1363 (1993). “Reproduce,” in turn, can mean to “bring about again” or to “cause to exist again or anew.” *Id.* at 1927.

The exclusive right to “make” can thus readily be understood to embrace reproduction of the article embodying the patented invention. Indeed, the PVPA, which specifically addresses sexually reproduced plant varieties like soybeans, confers on certificate holders an exclusive right to “reproduc[e].” 7 U.S.C. 2483(a)(1); cf. *Asgrow*, 513 U.S. at 191 (contrasting sales of seeds “for replanting” with sales “for nonreproductive purposes”). And, as this Court explained in *J.E.M.*, the protections afforded to patented plants are broader than those afforded to PVPA-protected plants. 534 U.S. at 142, 143. Petitioner plainly “reproduc[ed]” Roundup Ready seed when he planted commodity seed that included the

Roundup Ready trait and harvested its materially identical progeny. Whatever its outer limits, a patent holder’s right to exclude others from “mak[ing]” the patented invention includes the right to bar others from reproducing the patented invention.

ii. Petitioner’s reliance (Br. 41) on *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972) (*Deepsouth*), is misplaced. In *Deepsouth*, the Court concluded that a company did not “make” the patented invention in the United States when only the combination was patented and the actual assembly of that combination, from parts made in the United States, occurred overseas. The Court held that the manufacture of the constituent parts did not, by itself, constitute the “making” of the combination. *Id.* at 527-528. And while the patented combination was “ma[d]e” when the constituent parts were assembled, that conduct did not infringe the relevant patent because the assembly occurred outside the United States. *Id.* at 526-527.

Thus, *Deepsouth* stands only for the unremarkable proposition that, in the case of combination patents, a person does not infringe by “making” a product that contains fewer than all the claimed elements. That rule is of no help to petitioner here, since his activities culminated, and were intended to culminate, in the creation of the final patented product in the United States. That is all *Deepsouth* requires.<sup>6</sup>

iii. Petitioner next suggests (Br. 42) that farmers do not “make” the patented seed because soybean seed “will self-replicate or ‘sprout’ unless stored in a con-

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<sup>6</sup> Petitioner’s reliance (Br. 42) on *Radio Corp. of America v. An-drea*, 79 F.2d 626, 628 (2d Cir. 1935), is misplaced for the same reasons.

trolled manner to prevent this natural occurrence.” That is incorrect both factually and legally.

Although a few soybeans may “sprout” from the previous year’s crop, human intervention is needed to produce the next generation of soybeans. Farmers typically choose where and when to plant the next season’s crop; plant the seeds; apply insecticides and fungicides; control for weeds; and finally harvest the progeny seed. See generally Iowa State Univ., *Soybean Extension and Research Program*, Jan. 4, 2008, <http://extension.agron.iastate.edu/soybean/topicpage1.html>. In this case, petitioner intentionally planted the seed he purchased from the grain elevator in order to create a new crop of soybeans; he saved some of that new crop to replant the next growing season; he continued to plant, harvest, and save seed for eight successive years; and he exploited the known glyphosate-resistant properties of the progeny seed by treating his crops with a glyphosate-based herbicide. See Pet. App. 9a-10a; Pet. Br. 42.<sup>7</sup>

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<sup>7</sup> Petitioner’s amici (*e.g.*, Knowledge Ecology Int’l Amicus Br. 10-11; Center for Food Safety et al. Amicus Br. 38-40) raise concerns about “inadvertent” infringement, *i.e.*, circumstances in which a Roundup Ready soybean seed replicates itself without human intervention, or in which a farmer plants or harvests soybean seed without knowing that some of the seed contains patented Roundup Ready technology. They do not, however, identify any reason to suppose that respondent or any similarly situated patent holder is likely to file suit in those circumstances. See *Organic Seed Growers & Trade Ass’n v. Monsanto Co.*, 851 F. Supp. 2d 544, 549-550, 552-553 (S.D.N.Y. 2012) (noting respondent’s policy never “to exercise [its] patent rights where trace amounts of [its] seed or traits are present in [a] farmer’s fields as a result of inadvertent means,” and finding no evidence of respondent bringing an infringement action for inadvertent use) (third brackets in original). The speculative possibility that respondent could sue a truly inadvertent infringer for patent infringement provides no sound basis for a wholesale expansion of the

To be sure, petitioner created the progeny seed through a method different from the one used by respondent to genetically engineer the first Roundup Ready seed. But neither that difference, nor the fact that petitioner harnessed natural forces in the production of the progeny seed, insulates his conduct from infringement liability. “[T]he inventor of a new and useful product or article of manufacture may have a patent which covers it and gives a monopoly upon it regardless of great variations in the method of making.” *Dunn Wire-Cut Lug Brick Co. v. Toronto Fire Clay Co.*, 259 F. 258, 261 (6th Cir. 1919). And the manufacture of chemical compounds, for example, often involves the creation of favorable conditions for natural reactions to occur. Cf. *Microsoft Corp.*, 550 U.S. at 456-457 (acknowledging that copies of patented software can be “made” simply by reproducing copies from a master disk). Regardless of the method, any unauthorized making of a patented invention constitutes infringement.

iv. Petitioner also argues (Br. 39-40) that the Court should not adopt the dictionary definition of “make” because doing so would transform indirect infringers into direct infringers, rendering 35 U.S.C. 271(b) and (c) “superfluous.” As noted above, the Court need not define the outer limits of the term “mak[e]” in Sections 154(a) and 271(a) in order to conclude that the term embraces the reproduction of patented seed.

In any event, defining “make” as “to cause to exist” does not eradicate the distinction between direct and indirect infringement. In arguing otherwise, petitioner appears to equate the dictionary definition of “make” with a but-for causation standard for direct infringe-

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patent-exhaustion doctrine to include the deliberate unauthorized “mak[ing]” of self-replicating technologies.

ment, under which any person who performs an act that ultimately leads to the creation of a patented invention “makes” that invention. Petitioner fails to recognize that cases of direct infringement—unlike indirect infringement—do not require the intervening act of another person. Cf. *Akamai Techs., Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301, 1305-1306 (Fed. Cir. 2012) (en banc) (“[T]he entity that installs the final part and thereby completes the claimed invention is a direct infringer.”), petition for cert. pending, No. 12-786 (filed Dec. 28, 2012). For example, the person who sells one component of a patented machine or combination with the intent or requisite knowledge that the purchaser will use it to create the infringing machine or combination would be liable for indirect infringement, see *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2066-2068 (2011); the purchaser who actually created the infringing machine or combination would be liable for direct infringement. Whether or not the indirect infringer could be said to have “caused” the infringing article “to exist” in some metaphysical sense, the infringing article would *not* exist without the actions of the direct infringer.

Under any reasonable definition of the term, petitioner “ma[d]e” a patented invention: the new Roundup Ready soybean seed.

3. Petitioner contends (Br. 42-44) that “[f]armers who plant Roundup Ready® seeds purchased from [respondent] or its licensees lawfully own all progeny seeds” because they have “all traditional indicia of ownership[,] \* \* \* including title, possession, control, and the right to sell.” Ownership, so defined, is not the trigger for patent exhaustion. The defendant in the *Cotton-Tie* case, for example, would have been an “owner” in

petitioner’s view because he had “possession” of and “title” to the new cotton-bale tie and bore the “risk of loss” inherent in its making. He was still liable for patent infringement, however, because without authorization he had made the patented invention anew. Because petitioner acquired “ownership” of the commodity seed’s progeny not through an authorized sale of *that* seed, but rather through an infringing act (*i.e.*, the unauthorized making of a new article), respondent’s patent rights with respect to the progeny seed remain intact.<sup>8</sup>

**D. Although Prior Federal Circuit Decisions Applying A  
“Conditional Sale” Doctrine Are Erroneous, Those  
Errors Do Not Cast Doubt On The Court Of Appeals’  
Decision In This Case**

The court of appeals found petitioner liable for patent infringement because he had “created a newly infringing article” when he “plant[ed] the commodity seeds containing [respondent’s] Roundup Ready® technology and the next generation of seed develop[ed].” Pet. App. 14a. For the reasons set forth above, that analysis is correct. In the course of arguing that his own conduct was not infringing, petitioner challenges the validity of prior Federal Circuit decisions that applied a “conditional sale” exception to patent-exhaustion principles. See Pet. Br. 17-34. We agree with petitioner that the Federal Circuit’s “conditional sale” doctrine is erroneous and inconsistent with *Quanta*. The Federal Circuit’s errors

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<sup>8</sup> Petitioner also relies (Br. 44-51) on the “longstanding policy against restraints on the alienation of personal property,” but that policy is not implicated here. The owner of a patented seed that has been subject to an authorized sale is free to dispose of that personal property in any way that he sees fit—consistent with contractual or other legal obligations. He simply cannot create an additional piece of patented personal property.

in prior cases, however, do not cast doubt on the correctness of the decision below.

1. Before *Quanta*, the doctrine of patent exhaustion had evolved in the Federal Circuit in a manner that was materially different from the principles articulated by this Court. Beginning with *Mallinckrodt, Inc. v. Medipart, Inc.*, 976 F.2d 700, 706-708 (1992), the Federal Circuit had found the exhaustion doctrine inapplicable to what it viewed as “conditional” sales, a category that encompassed any sale subject to unilateral or bilateral restrictions on the use or resale of the purchased article. As a result, a patentee could attach (by notice or agreement) restrictions on products embodying his patented invention, and could enforce those restrictions through actions for patent infringement against downstream purchasers even after an authorized sale by the patentee or a licensee. See *LG Elecs., Inc. v. Bizcom Elecs., Inc.*, 453 F.3d 1364, 1369-1370 (Fed. Cir. 2006), rev’d by, *Quanta Computer, Inc. v. LG Elecs., Inc.*, 553 U.S. 617 (2008). In the Federal Circuit’s view, such restrictions were enforceable in patent-infringement suits unless the restriction was not “within the patent grant” (*i.e.*, did not “relate[] to subject matter within the scope of the patent claims”), had “anticompetitive effects extending beyond the patentee’s statutory right to exclude,” and violated antitrust law. *Mallinckrodt*, 976 F.2d at 708.

That approach is irreconcilable with this Court’s precedents. As the United States explained in *Quanta*, this Court’s decisions make clear that patent exhaustion applies despite explicit restrictions imposed by the patentee, as long as there has been an authorized sale of the patented item. U.S. Merits Amicus Br. at 8-24, *Quanta, supra* (No. 06-937). Since at least 1853, this Court has held that a patentee’s (or authorized licen-

see's) sale of an article embodying the patentee's invention frees that particular article from any further patent-law restrictions on its use or resale. See p. 9, *supra* (citing cases); Pet. Br. 17-28. Indeed, this Court has repeatedly applied the patent-exhaustion doctrine in concluding that explicit restrictions imposed on authorized purchasers were ineffective as a matter of patent law. See, e.g., *Univis*, 316 U.S. at 244, 249-252; *Boston Store v. American Graphophone Co.*, 246 U.S. 8, 25 (1918); *Motion Picture Patents*, 243 U.S. at 506-507, 516. Restrictions on downstream use or resale may be enforceable as a matter of state contract law, but a purchaser's failure to comply with such restrictions does not constitute patent infringement.

In deciding *Quanta*, the Court did not explicitly overrule the Federal Circuit's "conditional sale" doctrine or even cite *Mallinckrodt*. The Court did, however, repeatedly describe the patent-exhaustion doctrine in terms that leave little room for enforcement through patent law of post-sale restrictions on use or resale. See, e.g., 553 U.S. at 625 (describing the "longstanding doctrine of patent exhaustion" as providing that "the initial authorized sale of a patented item terminates all patent rights to that item"); *id.* at 631 (explaining that the Court in *Univis* held that "the authorized sale of an article \* \* \* is a relinquishment of the patent monopoly with respect to the article sold") (quoting 316 U.S. at 249). And the Court declined to give effect to the post-sale use restriction at issue in *Quanta* itself. *Id.* at 636-637. Even though LGE had required "Intel to give notice to its customers" that "LGE had not licensed [them] to practice its patents," the Court found that LGE's patent rights were exhausted because Intel's "authority to sell its products embodying the LGE Pa-

tents was not conditioned on the notice or on [the purchaser’s] decision to abide by [that] notice.” *Id.* at 636-637.

Accordingly, the Federal Circuit’s “conditional sale” doctrine cannot be reconciled with this Court’s precedents. If a purchaser acquires title to an item embodying the patented invention through a sale authorized by the patentee, the patent is exhausted as to that item—even if the sale is expressly made subject to an explicit restriction on subsequent use or resale.

2. The flaws in the Federal Circuit’s “conditional sale” precedents, however, do not cast doubt on the correctness of the court’s decision in this case. The essence of the patent-exhaustion doctrine is that, in acquiring valid title to a particular patented article, the purchaser also acquires the right to use and to sell that article without fear of infringement liability. That doctrine would be largely eviscerated if the patent holder could render it inapplicable simply by declaring at the time of the initial authorized sale that the transfer of title was subject to specified post-sale restrictions on resale or use. The Federal Circuit’s “conditional sale” precedents are thus inconsistent with the core rationale for the patent-exhaustion doctrine.

By contrast, this Court’s patent-exhaustion decisions do not suggest that one who acquires title to a patented article thereby acquires the right to *make additional* articles that also practice the patent. The patent holder’s statutory right to exclude others from “mak[ing]” the patented invention is separate and distinct from the rights to exclude others from “us[ing]” and “sell[ing]” it. Although the authorized sale of a patented article exhausts the latter two rights, any creation of a new patented article requires a separate authorization. Re-

spondent did not authorize petitioner to plant the commodity seed to produce a new crop, and petitioner's lawful acquisition of the commodity seed did not carry with it the "right to construct an essentially new article on the template of the original." Pet. App. 14a (quoting *Jazz Photo*, 264 F.3d at 1102).

As the court of appeals correctly recognized, it is unnecessary for purposes of this case to decide whether respondent's patent rights in the commodity seed purchased from the grain elevator had been exhausted. "Even if [respondent's] patent rights in the commodity seeds are exhausted, such a conclusion [is] of no consequence because once a grower, like [petitioner], plants the commodity seeds containing [respondent's] Roundup Ready® technology and the next generation of seed develops, the grower has created a newly infringing article." Pet. App. 14a. That holding is correct and consistent with this Court's patent-exhaustion precedents.

CONCLUSION

The judgment of the court of appeals should be affirmed.

Respectfully submitted.

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