Kluwer Patent Blog

Monsanto v. Nuziveedu: A Missed Opportunity by the Supreme Court?

Nidhisha Garg (B.A.LL.B (Hons) IVth Year) · Monday, January 27th, 2020

It has been a year since the Supreme Court remanded the matter to the Delhi High Court in the case of Monsanto Technology LLC v. Nuziveedu & Ors[1]. However, the step may have proved to be retrograde.

Background

Monsanto Technology LLC (Monsanto) had a registered patent no. 214436 for Nucleotide Acid Sequence (NAS) containing the gene *Bacillus thuringiensis* (Bt gene). On insertion into DNA of cotton seeds, NAS killed bollworms from inside the seed and therefore reduced the dependence of farmers on insecticides and pesticides.

The dispute between Monsanto and Nuziveedu Seeds Limited (Nuziveedu) started in 2016, when Monsanto issued proceedings in the Delhi High Court for patent infringement. In its reply, Nuziveedu filed a counter-claim challenging the validity of the patent. The trial court held that the patent was prima facie valid. Against the order, both the parties appealed to the division bench of the Delhi HC. This Court revoked the patent on the ground that the said invention was not patentable subject matter under Section 3(j) of the Patents Act, 1970 (the Act), which excludes from patentability "*plants and animals in whole or any part thereof other than micro-organisms but including seeds, varieties and species and essentially biological processes for production or propagation of plants and animals*". It opined that the product of Monsanto was more suitably protected under the Protection of Plant Variety and Farmers' Rights Act, 2001 (PPV). Both parties appealed the decision to the Supreme Court.

On 8th January 2019, the SC remanded the matter to the division bench holding that the Delhi HC was wrong in deciding the validity of the patent merely on the basis of prima facie examination. It held that the question of validity of a patent is a mixed question of fact and law and therefore evidence and expert testimony were to be considered.

Patentability of micro-organisms

Monsanto's claim was that NAS is a micro-organism and hence patentable under the

Act. It argued that patent protection was not being claimed for the plant, but for NAS, which satisfied all the conditions of patentability. It was indeed a product, novel (not anticipated by use or publication), non-obvious to a person skilled in the art and was in fact capable of industrial application. Since NAS did not occur in nature, it was a result of human intervention and not an essential biological process.

Nuziveedu, on the other claimed that NAS on its own was not capable of industrial application. It was only after insertion into the seed that it produced the desired result. It argued that once NAS was introduced, it became an integral part of the seed and there existed no known technology which could then isolate it from the seed. Moreover, since the gene also got transmitted in the progeny of the plant, it constituted an essential biological process. It also submitted that since NAS could not reproduce on its own, it was merely a chemical composition and not a micro-organism. Thus, it was outside the purview of patent protection because of Section 3 (j).

The primary issue therefore was whether NAS becomes "a part of the plant or seed" after insertion? If answered in the affirmative, the matter fell within the scope of the PPV Act. However, if answered in the negative, it fell under the Patents Act.

The Supreme Courts' Missed Opportunity

Article 27.3 of the TRIPS agreement imposes an obligation on every country signatory to the agreement to protect plant varieties either under patent law or through an effective *sui generis* law or a combination of both. A country is free to choose any one of these alternatives, depending upon which one it believes to be more favorable to protection of farmers' and breeder's rights. It is therefore an important public policy decision. While India has chosen the second alternative, other countries like U.S.A have opted for the first. Since the matter involved such an important question of law relating to public policy, the SC thus missed an excellent opportunity by remanding the same, more so because it was well aware of the judicial errors committed by Delhi HC. Also, the peculiar circumstances of the instant case warranted that the Supreme Court exercise its extra-ordinary jurisdiction. The clock was ticking as Monsanto's patent was due to expire on the 3rd of November, 2019. The Supreme Court also turned a deaf ear toward the fact that lower courts are often in flagrant disregard of the principle that intellectual property disputes must be decided expeditiously.[2] Had the Supreme Court decided the matter itself, it would not have been unprecedented since even in Novartis A.G v. Union of India[3] the Supreme Court had decided the case itself, having regard to the unique circumstances.

Conclusion

The matter is currently pending before the High Court of Delhi. Monsanto's patent has already expired, leaving Monsanto's claim for injunction defunct. The only remedy available to it now is damages, that is, if the NAS is held to be patentable subject matter. Though the decision of the Delhi HC may not have any significance for the immediate parties, it would definitely establish the law for future applications involving NAS-like inventions.

****

[1]Monsanto Technology LLC v. Nuziveedu & Ors AIR 2019 SC 559

[2]Shree Vardhman Rice & Gen Mills v. Amar Singh Chawalwala (2009) 19 SCC 257; Bajaj Auto Limited v. TVS Motor Company Limited (2009) 9 SCC 797

[3] Novartis A.G v. Union of India AIR 2013 SC 1311

To make sure you do not miss out on regular updates from the Kluwer Patent Blog, please subscribe here.

This entry was posted on Monday, January 27th, 2020 at 8:42 am and is filed under Case Law, India, Infringement, Validity
You can follow any responses to this entry through the Comments (RSS) feed. Both comments and pings are currently closed.