



## Enola Bean Patent Controversy: Facts and Analysis

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# Enola Bean Patent Controversy: Facts and Analysis

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## 1 Controversy in a nutshell

The United States Government awarded both Plant Variety Protection and a patent for the Enola bean. Pod-ners LLC, the owner of these rights, enforced its patent and PVP certificate against alleged infringers. Verbal and legal attacks against Pod-ners garnered much publicity. The opponents to Enola bean legal protection believed that the bean was no different than yellow beans grown in Mexico and as such, was both misappropriated and undeserving of legal protection.

Shouts of “biopiracy” - “abuses in the patent system” – “morally unacceptable” have been launched countless times against US Patent No. 5,894,079 “Field Bean Cultivar Named Enola”. The accusations mainly derive from the ETC Group ([www.etcgroup.com](http://www.etcgroup.com)), an activist organization based in Canada and from CIAT (International Center for Tropical Agriculture), a partner member of CGIAR (Consultative Group on International Agricultural Research) ([www.cgiar.org](http://www.cgiar.org)), which is a partnership of 15 scientific research centers based primarily in developing countries. Shouting loudly and often however, does not mean that the accusations are necessarily true or that they further the cause of achieving sustainable food security and reducing poverty<sup>2</sup>.

This commentary begins with descriptions of the intellectual property protection of Enola bean and enforcement of the protection, then dissects the arguments and contentions of ETC Group and CGIAR and analyzes their accuracy and veracity. Finally, we look at the effects of and interplay between the actions of Pod-ners and ETC Group / CIAT.

## 2 History of intellectual property

### 2.1 Overview

Enola bean – a creamy-yellow bean with excellent cooking qualities and sweet taste. Enola bean was derived from yellow beans found in a package of edible dry beans bought by Larry Proctor in Mexico in 1994. The yellow beans in the package were planted by L. Proctor in Colorado, U.S.A. According to U.S. Patent No. 5,894,079, a heterogeneous population of plants grew, from which individual plants exhibiting small leaves, good adherence of the pod to plant branches, and resistance to pod shattering were selected. Twice more, seeds from the selected plants were planted and selected. The resulting plants were called Enola.

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<sup>1</sup> This commentary was prepared for Harvest Choice. The opinions are those of the author and not necessarily those of Harvest Choice. The author thanks Carolina Roa and Brian Wright for their comments on a draft of this paper. The author’s email address is: [cn@cougarlaw.com](mailto:cn@cougarlaw.com).

<sup>2</sup> The stated mission of CGIAR is “To achieve sustainable food security and reduce poverty in developing countries through scientific research and research-related activities in the fields of agriculture, forestry, fisheries, policy, and environment.” [<http://www.cgiar.org/who/index.html>, visited 2008.10.15]

As explained in the patent, the seed of Enola have a yellow color that in natural light closely matches a defined yellow as described in the *Munsell Book of Color*<sup>3</sup>. The yellow color is present throughout the entire seed coat, unlike some other yellow beans. The yellow hilar color of Enola is also distinct, closely matching a yellow color in the *Munsell Book of Color*.

In 1996, Pod-ners sought two types of intellectual property protection for Enola bean – a plant variety protection certificate (PVPC) (akin to plant breeders rights) and a utility patent. (see Figure for timeline.) Both the PVPC and the patent issued in 1999. Between filing for protection and issuance, Larry Proctor deposited a sample of the Enola variety at the American Type Culture Collection.

Unlike many other countries, the United States allows a plant variety to be protected by both a PVPC and a utility patent. While both give the owner the right to exclude others from performing defined activities, the level of protection is greater for a utility patent, in part because there are fewer exemptions. On the other hand, the requirements for obtaining protection under the Plant Variety Protection Act (PVPA) are less stringent than for obtaining a utility patent. The following table compares some key aspects of the two types of protection.

	<b>plant variety protection</b>	<b>utility patent</b>
<b>requirements for protection</b>	variety must be new, distinct, uniform and stable	invention must be novel, non-obvious, have utility, and the description must describe the invention as well as enable a skilled person to practice it without undue experimentation
<b>term of protection</b>	20 years from date of issuance for non-woody species	20 years from earliest date of filing for a utility patent
<b>infringing activities</b>	production or reproduction conditioning for the purpose of propagation, offering for sale, selling or other marketing, exporting, importing, stocking for any of the purposes mentioned above.	making, using, selling, offering for sale, or importing a product; using a process; using, offering for sale, selling, or importing a product obtained directly from the process.

<sup>3</sup> *Munsell Book of Color*, Neighboring Hues Edition, Matte Finish Collection, 1973.

<b>exemptions from infringement</b>	acts done privately and for non-commercial purposes; acts done for experimental purposes; acts done for purpose of breeding other varieties; farmers may replant saved seed for own use or to sell resulting crop for other than reproductive purposes.	uses reasonably related to development and submission of information for approval of drug
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## 2.2 Patent claim history / analysis

This section presents the history of the patent and a discussion of patentability. The original examination of the claims was unremarkable. Fireworks started when the patent came to the attention of NGOs (non-governmental organizations), in particular ETC Group. ETC Group outlined a number of action items; CIAT heeded this call and submitted a request for re-exam. The request was granted by the Patent Office in light of prior publications CIAT submitted. Although none of these publications negated the novelty of Enola bean, the claims were rejected nonetheless for two major reasons – a publication disclosing a field bean with similar characteristics that was submitted by the inventor and failure to meet other patentability requirements that had become more stringent since the patent grant. As of February 2009 – Pod-ners is appealing the rejection to the Federal Circuit Court and an infringement lawsuit Pod-ners filed against an importer is still on hold pending resolution of the patent examination and appeal. Since then, the Federal Circuit determined that Pod-ners patent fails for obviousness.<sup>4</sup>

### 2.2.1 Claims granted in US 5,894,079

Fifteen claims were originally granted (see below). Claims 1-4 are directed to various aspects of a *Phaseolus vulgaris* bean called Enola, which was deposited at ATCC. Claims 5-7 recite methods for crossing Enola with another field bean plant. Claims 8-15 are directed to field bean varieties that exhibit a narrow range of yellow color of the bean or seed coat and of the hilar ring. These particular claims encompass any bean variety with the recited characteristics, which includes but is not limited to the Enola variety.

1. A *Phaseolus vulgaris* field bean seed designated Enola as deposited with the American Type Culture Collection under accession number 209549.
2. A field bean plant produced by growing the seed of claim 1.
3. Pollen of the plant of claim 2.
4. A field bean plant having all the physiological and morphological characteristics of the field bean plant of claim 2.
5. A method of producing a field bean plant comprising crossing a first parent field bean plant with a second parent field bean plant, wherein the first field bean plant is the field bean plant of claim 2.
6. A method of producing a field bean plant comprising crossing a first parent field bean plant with a second parent field bean plant, wherein the second field bean plant is the field bean plant of claim 2.

<sup>4</sup> *In re POD-NERS, L.L.C.*, \_\_\_ Fed. Appx. \_\_\_ (Fed. Cir. 2009); decided 10 July 2009.

7. A method of producing a field bean plant comprising crossing a first parent field bean plant with a second parent field bean plant, wherein the first and second field bean plant is the field bean plant of claim 2.
8. A field bean variety of *Phaseolus vulgaris* that produces seed having a seed coat that is yellow in color, wherein the yellow color is from about 7.5 Y 8.5/4 to about 7.5 Y 8.5/6 in the Munsell Book of Color when viewed in natural light.
9. The *Phaseolus vulgaris* of claim 8 wherein the seed further comprises a hilar ring.
10. The *Phaseolus vulgaris* of claim 9 wherein the hilar ring has a color of from about 2.5 Y 9/4 to about 2.5 Y 9/6 in the Munsell Book of Color when viewed in natural light.
11. Propagation material of the *Phaseolus vulgaris* of claim 8.
12. Pollen of the *Phaseolus vulgaris* of claim 8.
13. Seed from a field bean variety of *Phaseolus vulgaris* that is completely yellow in color, wherein the yellow color is from about 7.5 Y 8.5/4 to about 7.5 Y 8.5/6 in the Munsell Book of Color.
14. Seed of claim 13 further comprising a hilar ring.
15. Seed of claim 14 wherein the color of the hilar ring is from about 2.5 Y 9/4 to about 2.5 Y 9/6 in the Munsell Book of Color when viewed in natural light.

### 2.2.2 Why is a yellow bean made by a common breeding method patentable in the first instance?

Along with ETC Group and CIAT, plant breeders and researchers were outraged that a patent was granted to Enola because of a “perceived lack of novelty”. Is that outrage justified because the Patent Office made a mistake? Or was the patent grant in accordance with United States patent law?

Several issues have been raised regarding patentability of Enola bean – lack of novelty, not sufficiently inventive because of use of conventional breeding methods, the color yellow is not inventive, yellow beans were well known in Mexico and some other Latin American countries.<sup>5</sup> In writings presenting these contentions, the allegations were made without much, if any, context to United States patent law. Regardless of what a person or organization would like U.S. patent law to be, it is what it is. Without the context of the law, analyses of Enola bean patentability are inadequate at best and erroneous at worst.

Novelty – in the United States, the controlling statute sets out a number of pitfalls that can quash patentability. The negating acts most relevant to the Enola bean circumstances are enumerated in section (a) of 35 U.S.C. 102. These acts are (i) known or used by others in this country; or (ii) described in a printed publication anywhere in the world. Given the information supplied to the Patent Office during examination of the patent application, it was reasonable for the Patent Office to conclude that neither of these acts had been achieved.

35 U.S.C. §102 - *Conditions for patentability; novelty and loss of right to patent.*

A person shall be entitled to a patent unless —

<sup>5</sup> See, ETC Group (formerly RAFI) Geno-Types 15 January 2000 “Mexican Bean Biopiracy”, which makes each of these allegations.

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent,

During examination of an invention, the Patent Office obtains allegedly negating prior art in two main ways: by a search of publications, including patents and scientific articles, and by submission from the applicant. In the U.S., the applicant (and other people with connections to the patent application) has an affirmative duty to submit all prior art and other information that is material to patentability. Penalties can be severe for failing to comply with this duty; a patent can even be revoked.

In this case, Mr Proctor revealed in the patent itself the origin of the starting genetic material. At the bottom of column 2, he admitted that “field beans that were yellow in color were discovered in a package of dry edible beans purchased in Mexico and brought to the United States.” But neither this fact nor the knowledge of yellow beans in other Latin American countries negate patentability under 35 U.S.C. 102(a) because they don’t evidence that Enola was “known or used” in the U.S. That is what the statute requires. Moreover, none of the prior art submitted by Mr Proctor or found by the Patent Office taught the Enola bean. As discussed below, neither did any of the prior art submitted by CIAT in the request for re-examination of the patent. In fact, the most compelling written (published) evidence going to lack of novelty of the Enola bean was supplied by Mr Proctor during the re-examination.<sup>6</sup> Interestingly, prior to CIAT filing the request for re-exam, Dr James Kelly, a professor at Michigan State University, provided ETC Group with “documented evidence that yellow beans (of Mexican origin) similar to Enola were grown and consumed in the US [sic] as far back as the 1930s.”<sup>7</sup> Yet, this evidence was not submitted to the U.S. Patent Office. If it was proof positive, it is highly likely that CIAT would have submitted it. After all, ETC Group was in close communication with CIAT.<sup>8</sup> Therefore, it appears that the requirements for novelty were initially met for the Enola bean patent.

“To patent a color is absolute heresy,”<sup>9</sup> says Dr Kelly. Dr Kelly mis-characterizes the patent claims however. Technically, the Enola bean patent did *not* patent a color; the claims are to a bean having a *narrow* range of specified color and to a specific bean deposited at the ATCC. Assuming that Dr Kelly meant that a patent on a specific-yellow bean is heresy, he doesn’t explain why such a patent is “at variance with established beliefs, customs, etc.”<sup>10</sup> Actually, patent claims of this nature are not at variance but are in keeping with U.S. patent law and Patent Office practice that allows patents on plant varieties as long as the patentability requirements are satisfied. Enough said on this topic.

Quoting further from Dr Kelly in the ETC Genotypes, he contends that the breeding scheme of Mr Proctor does not imply novelty or invention. A report<sup>11</sup> by CIAT to the

<sup>6</sup> File history of US 90/005892

<sup>7</sup> ETC Genotypes, “Mexican Bean Biopiracy” 15 January 2000.

<sup>8</sup> ETC News Release, “Enola Bean Patent Challenged”, 05 January 2001, “RAFI [now ETC Group] formally requested that FAO and the CGIAR investigate the patent as a likely violation of their 1994 Trust agreement...”

<sup>9</sup> ETC Genotypes, “Mexican Bean Biopiracy” 15 January 2000.

<sup>10</sup> Definition of “heresy” at dictionary.com.

<sup>11</sup> “Report on the International Network of ex situ collections under the auspices of FAO: Further information provided by CIAT regarding its request for a re-examination of U.S. Patent No.

FAO not only charges that the yellow color of Enola is not an invention but also that the breeding process is not “a novelty” (paragraph 8). Like many other non-lawyers (Dr Kelly’s stated expertise is bean breeding<sup>12</sup>), neither Dr Kelly nor CIAT nor ETC Group grasp the legal meaning of the terms “novelty” or “invention” nor have familiarity with U.S. patent law. Otherwise, they would know that the method used to arrive at the invention is not a per se negating act for novelty or non-obviousness.

An axiom of U.S. patent law is that “patentability shall not be negated by the manner in which the invention was made.”<sup>13</sup> The standard for obviousness is the “differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made....”<sup>14</sup> So, whether Mr Proctor obtained the yellow Enola bean by conventional or common breeding or by selection or by genetic engineering is irrelevant for determining obviousness.

Should CIAT and Dr Kelly be referring to the method claims in the patent (claims 5-7), the answer is still that such claims can be novel and non-obvious, even if the steps are known. Since 1990, a method claim reading on a known process, such as mixing, reacting, or breeding, is not automatically obvious. In *In re Dillon*<sup>15</sup>, the Federal Circuit explained that “new or old, obvious or nonobvious, materials are used or result from the process are only factors to be considered, rather than conclusive indicators of the obviousness or nonobviousness of a claimed process.” Finally, in 1995, the Biotechnological Process Patents Act codified biotechnological processes as nonobvious when using or resulting in a composition of matter that is novel and nonobvious.<sup>16</sup> The definition of “biotechnological process” appears to be broad enough to encompass classical breeding methods for plants or animals. Therefore, as long as claims 5-7 meet other criteria for patentability, they are non-obvious under U.S. patent law.

The bottom line is that none of the allegations put forth by ETC Group, which are discussed in this section, are germane to patentability of Enola bean under U.S. patent law.

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5,894,079” for the Commission on Genetic Resource for Food and Agriculture, Tenth Regular Session, 9-12 November 2004.

<sup>12</sup> See c.v. at [www.css.msu.edu/Bean/Member-Kelly.cfm](http://www.css.msu.edu/Bean/Member-Kelly.cfm).

<sup>13</sup> 35 U.S.C. 103(a) “Conditions for patentability; non-obvious subject matter.”

<sup>14</sup> *ibid*

<sup>15</sup> *In re Dillon*, 919 F.2d 688 (Fed. Cir. 1990)

<sup>16</sup> 35 U.S.C. 103(b)(1) ...”a biotechnological process using or resulting in a composition of matter that is novel under section 102 and nonobvious under subsection (a) of this section shall be considered nonobvious if-

(A) claims to the process and the composition of matter are contained in either the same application for patent or in separate applications having the same effective filing date; and

(B) the composition of matter, and the process at the time it was invented, were owned by the same person or subject to an obligation of assignment to the same person.”

### 2.2.3 Claims under appeal

During the combined reexamination / reissue prosecution<sup>17</sup>, Pod-ners added many claims. As is usual in prosecution, some claims were canceled and others were amended. The claim set that was finally appealed to the Board of Patent Appeals and Interferences consisted of claims 1-15, 51, 52, and 56-64.

Claims 1-15 are as presented above, except that claims 7, 9, and 10 had minor word changes that provided clarity, but do not affect claim scope. Appealed claims 1-15 are not reproduced here. Claims 51, 52 and 56-61 are similar to claims 8-15 but contain additional limitations, such as stable reproduction of the specified color (claims 51, 52, 56-61) and various characteristics (cuboid shaped – claim 57; dry seed weight – claim 58). Claims 62-64 recite a field bean variety with a yellow seed coat having a distribution of yellow color in the population, but in which the peak color is specified. In other words, the most frequently found color has the specified value. If the distribution is a Bell-shaped curve, the fraction in the peak could be relatively low.

51. Seed from a field bean variety of *Phaseolus vulgaris* comprising a seed coat and a hilar ring wherein the seed coat color is about 7.5 Y 8.5/4 to about 7.5 Y 8.5/6 in the Munsell Book of Color when viewed in natural light;  
the seed being stably reproducible to provide additional seed having the hilar ring and the seed coat color,  
the seed being produced by a process that includes isolating a population of seed by selection of the hilar ring and the seed coat color from seed products of a segregating population of plants.
52. The seed of claim 51 wherein the hilar ring color is from about 2.5 Y 9/4 to about 2.5 Y 9/6 in the Munsell Book of Color when viewed in natural light.
56. The seed of claim 51, wherein said seed germinates in an environment free of light.
57. The seed of claim 51, wherein said seed is from the middle of a pod and is cuboid in shape.
58. The seed of claim 51, wherein the dry seed weight is about 43 grams per 100 seeds (adjusted to 12 percent moisture)
59. Seed from a field bean variety of *Phaseolus vulgaris* having a seed coat that is yellow in color, wherein the yellow color plotted as a distribution in a population of the seed of sufficient number for purposes of ATCC deposit has a peak occurrence ranging from about 7.5 Y 8.5/4 to about 7.5 Y 8.5/6 in the Munsell Book of Color when viewed in natural light.
60. The seed of claim 59 comprising a hilar ring.
61. The seed of claim 60 wherein the color of the hilar ring is from about 2.5 Y 9/4 to about 2.5 Y 9/6 in the Munsell Book of Color when viewed in natural light.
62. Seed from a field bean variety of *Phaseolus vulgaris* having a germplasm for expressing a seed coat that is yellow in color as evidenced by a substantially uniform yellow color of the seed coat, wherein the yellow color plotted as a distribution in a population of the seed of sufficient number for purposes of ATCC deposit has a peak occurrence ranging from about 7.5 Y 8.5/4 to about 7.5 Y 8.5/6 in the Munsell Book of Color when viewed in natural light.
63. The seed of claim 62 comprising a hilar ring.

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<sup>17</sup> "Prosecution" is a term of art that refers to the process of examination by the Patent Office and responses to the examination by the patent Applicant.

64. The seed of claim 62 wherein the color of the hilar ring is from about 2.5 Y 9/4 to about 2.5 Y 9/6 in the Munsell Book of Color when viewed in natural light.

#### **2.2.4 Reexamination and reissue examination of patent**

In December 2000, concerned that the Enola “patent would establish a precedent threatening public access to plant germplasm ... held in trust by CIAT and research centers worldwide”<sup>18</sup>, CIAT (Centro Internacional de Agricultura Tropical), a research center supported by CGIAR, filed a petition for reexamination of the patent<sup>19</sup>. Barely a month later, Pod-ners filed a request for a reissue patent. Whereas a reexamination can only be initiated on the basis of prior art<sup>20</sup> that wasn’t originally considered, a request for reissue is made on the basis that the original patent is “defective” through error without any deceptive intention<sup>21</sup>. When there is a co-pending reissue application and a reexamination proceeding, the Patent Office can either merge the two proceedings or suspend one of them. In this case, the two proceedings were merged, with the reissue application examination taking precedence. Any reissue patent would serve as a reexamination certificate. A reissue patent has not been granted yet, however.

The Examiner rejected all claims. Pod-ners appealed the rejections at the Board of Patent Appeals and Interferences (BPAI), who affirmed them on 29 April 2008. Subsequently, Pod-ners has filed an appeal of the BPAI decision to the Federal Circuit Court. Until the Federal Circuit appeal is either abandoned or acted on, the patent is still valid with the original 15 claims. That said, a cloud of doubt about validity of patent claims generally devalue its worth.

#### **2.2.5 Basis of reexamination request by CIAT (Cali, Colombia), a member of CGIAR.**

In its request for reexamination, CIAT submitted 23 prior art references said to disclose yellow beans identical to Enola. Six of the references were accessions in CIAT’s germplasm bank, but CIAT stopped short of accusing Pod-ners of violating the trust agreement governing distribution of the accessions. CIAT did accuse Pod-ners however of misdeeds and acting in a morally unacceptable manner, specifically failing to acquire a proper export permit from Mexico. As a consequence, CIAT regarded Larry Proctor as misappropriating seeds from Mexico and falsely declaring to the Patent Office that Larry Proctor was the “true and original” inventor. The cries of “foul play” were rightly

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<sup>18</sup> “US Patent Office rejects US company’s patent protection for bean commonly grown by Latin American Farmers”, CIAT News release, 02 May 2008. Obtained from <http://www.ciat.cgiar.org/newsroom/enolabean2008.htm>.

<sup>19</sup> Re-examination papers of U.S. Patent Application 90/005892.

<sup>20</sup> 35 U.S.C. 301 et seq. 35 U.S.C. 302 states in part, “Any person at any time may file a request for reexamination by the Office of any claim of a patent on the basis of any prior art cited under the provisions of section 301 of this title [patents or printed publications which that person believes to have a bearing on the patentability of any claim]”. The Director determines whether or not the request has merit.

<sup>21</sup> 35 U.S.C. 251 states in part, “Whenever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Director shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue.

dismissed by the Patent Office, because the *only* valid reason to request a reexamination is on the basis of prior art.

After a protracted, but unfortunately, not unusually long, examination, all claims were rejected in a final rejection. Instead of re-filing the patent application and continuing the examination, Pod-ners appealed the rejections to the Board of Patent Appeals and Interferences (BPAI). The BPAI affirmed the rejections. Pod-ners appealed the rejections to the Federal Circuit Court of Appeals, and in July 2009, the Federal Circuit held that the patent was invalid for obviousness.

Of most interest to those asserting “biopiracy”, the rejection for lack of novelty – that the claimed Enola beans were prior known – was based on a piece of prior art submitted by Pod-ners. None of the CIAT accessions or references supplied by CIAT that were relied on by the Examiner was found to destroy novelty. The BPAI dismissed each of the references as deficient. The CIAT catalog listed only one of the six accession numbers, and the information about the accession was insufficient to support a rejection for lack of novelty. Each of the remaining references similarly could not support the rejection because either the description of the allegedly anticipating beans differed from that of Enola bean or the description was insufficiently detailed to establish identity with Enola bean. Ironically, Pod-ners submitted a disclosure of Azufrado Peruano 87 bean<sup>22</sup> that sufficiently described a yellow bean having characteristics in common with Enola to support a rejection for lack of novelty. The BPAI found that Pod-ners did not provide rebuttal evidence that was adequate to overcome the rejection.

In addition to the prior art rejections, the claims were rejected (and the rejections affirmed by the BPAI) for failing to meet other requirements of patentability. More specifically, various claims fail to meet the requirements of:

- written description (claims 59-64): limitation reciting peak occurrence of color when plotted as distribution lacks basis in patent specification,
- written description (all claims): not all seeds in ATCC deposit may be Enola and patent description does not describe uniform and stable traits that distinguish Enola from related varieties;
- enablement (all claims), it would require undue experimentation to practice invention because of genetic and phenotypic diversity of seeds in ATCC deposit;
- clarity (claims 1-7) because heterogeneity of ATCC deposit does not “clearly and distinctly” define the claimed invention;
- clarity (claims 59-64) because the distribution of yellow color in a population of Enola beans is not explicitly described in patent specification.

### **2.3 Enforcement of the patent and PVPC – what about those poor Mexican farmers?**

Following grant of its patent and its Plant Variety Protection Certificate, Pod-ners initiated licensing negotiations. Failing agreement, Pod-ners filed suit against a number of U.S. farmers for infringement of its PVPC and against Tutuli Produce Corp., an importer of beans from Mexico, for infringement of its patent. On the other hand, growers in the

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<sup>22</sup> Salinas et al. (Azufrado Peruano 87) AZUFRADO PERUANO 87 ... [illegible], Secretaria de Agricultura y Recursos Hidráulicos et al., SARH Folleto Técnico No. 5, pp. 2-13.

Central Valley of California willingly pay a license fee to Pod-ners to produce and process Enola bean.<sup>23</sup>

The lawsuit against U.S. farmers never went anywhere. Despite denials of wrong-doing, the farmers settled with Pod-ners, agreeing to pay undisclosed financial compensation to Pod-ners.<sup>24</sup>

Tutuli Produce however, not only denied importing Enola beans, but wouldn't settle with Pod-ners. As a result, the lawsuit progressed and, because of a quirk in timing, it is still pending. Consequently, Tutuli has been unable to import yellow beans for the last 9 years. When the Patent Office initiates a reexamination of a patent, pending litigation is often suspended (called a "stay" in proceedings) until the reexamination is finished. The lawsuit against Tutuli was filed in October 1999; CIAT requested reexamination in December 2000; the lawsuit was stayed mid-2001. Recently, Tutuli petitioned the court (U.S. District Court, Central District of California) to lift the stay. The Court appears to have lifted the stay. Just prior to the Federal Circuit decision, Tutuli indicated that it would file a petition to dismiss (based on the rejections upheld at the BPAI) and Pod-ners indicated that it would file an amended complaint to include infringement under its PVPC.

Not all growers and processors however, are disenchanted with the Enola bean intellectual property protection. For example, a bean farmer cooperative in the Central Valley of California recognized a lucrative market for yellow beans and so pays a license fee to Pod-ners to grow Enola. The coop finds value in the patent because production will be controlled under the patent, assuring farmers a decent profit from year to year.

So what about those poor Mexican farmers that according to CIAT and ETC Group suffered great economic harm and were victims of biopiracy? By the time that CIAT filed a request for reexamination the lawsuit against Tutuli had been filed. CIAT and ETC were aware of the lawsuit.<sup>25</sup> Accordingly, they should have been aware that the lawsuit would likely be stayed and that staying the lawsuit would lengthen the time frame that the U.S. market was off limits for the Mexican farmers. Meanwhile, Tutuli's yellow bean business has been interrupted, a business that Mexican bean farmers depended upon, if ETC Group is to be believed. Had CIAT not filed for a reexamination, Tutuli's lawsuit may well have been resolved. As it turns out, the patent reexamination has been ongoing for nearly seven years, although even if it took a few years Tutuli's bean business would have taken a severe hit. Thus, in one view, CIAT and ETC Group also have a moral responsibility for worsening the economic situation of Mexican bean farmers, the very people they were trying to assist<sup>26</sup>.

As an example of mis-information supplied by opponents of the patent, CIAT Director General Geoff Hawtin proclaims that "for several years now, farmers in Mexico, the USA

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<sup>23</sup> R. Fujii "U.S. Dry Bean Production Business Gets Ugly", Knight Ridder/Tribune Business News, 15 Sept 2002; D. Goldberg, "Jack and the Enola Bean", TED Case Study, 2003 ([www.american.edu/TED/enola-bean.htm](http://www.american.edu/TED/enola-bean.htm)).

<sup>24</sup> D. Goldberg, "Jack and the Enola Bean", TED Case Study, 2003 ([www.american.edu/TED/enola-bean.htm](http://www.american.edu/TED/enola-bean.htm)).

<sup>25</sup> ETC Group "Proctor's Gamble: Yellow bean patent owner sues 16 farmers and processors in US [sic]", News Release 17 December 2001.

<sup>26</sup> See Story of the Month, June 2008 at [www.cgjar.org](http://www.cgjar.org).

and elsewhere have unnecessarily endured legal threats and intimidation for simply planting, selling and exporting a bean that they have been growing for generations.”<sup>27</sup> The legal actions have been against U.S. farmers and a U.S. importer, not against Mexican farmers or other non-U.S. farmers. There is no evidence that Mr Proctor sought to stop any farmer or any marketing of the bean outside the United States.

#### 2.4 Options in the face of the Enola bean patent and PVPC

Patenting, licensing, litigation are pieces of business strategy. In response to a patent that restricts freedom to operate or freedom to commercialize, a variety of options are available. Generally, the options include:

- negotiate a license (e.g., farmers’ cooperative in California);
- find or develop an alternative that falls outside the patent (e.g., grow or import a yellow bean that is not covered by the patent);
- cease infringing activity (e.g., Colorado farmers);
- request reexamination of U.S. patent (if meet requirements to lodge a request) or file opposition of European, Australian, etc. patent (if within time limits and other requirements satisfied) (e.g., CIAT and ETC Group);
- continue activity to provoke litigation (e.g. Tutuli Produce).

Each of these options has its place, depending on facts and circumstances. Interestingly, the various parties each chose a different strategy. A detailed discussion of the advantages and disadvantages of each option and when each option might be optimal or desirable is beyond the scope of this commentary. The decision as to which option is a business decision, however, with consequences. Moreover, when several parties pursue different options, additional consequences may occur – as we’ve seen with the dual pursuits of reexamination request, in the case of CIAT and ETC Group, and litigation, in the case of Tutuli.

#### 2.5 Final thoughts

The Enola Bean controversy is not over because of Pod-ner’s ownership of a Plant Variety Protection Certificate and because of the ongoing and recently re-opened litigation between Pod-ner and Tutulli Produce. For many, the length of time for the re-examination at the Patent Office is troublesome. The ETC Group criticizes the U.S. Patent Office for the lengthy reexamination process, a viewpoint that most patent (practitioners) would probably agree with. It is unfortunate as all parties lacked resolution during this time period. Unfortunately, this re-examination lasted longer than the average pendency of about 3 years<sup>28</sup>. No doubt that the lengthy process has increased cost for all parties. For example, during the nearly eight years of reexamination and appeal – along with the litigation, Pod-ners monetary outlays must have been quite large. Pod-ners has commented that license income has gone to paying legal fees, instead of to research and development where it was intended. [Knight-Ridder] Moreover, generally a patent under reexamination is not perceived to be as valuable, which could limit its licensing income potential.

There’s no doubt that the Enola bean patent offended the sensibilities of many people, as exemplified in the multiple news releases, quotes, and analyses by CIAT, ETC Group

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<sup>27</sup> Ibid.

<sup>28</sup> see “Reexamination Statistics II” at [www.patentlyo.com](http://www.patentlyo.com), 25 June 2008

and Dr Kelly. Their moral outrage however, is expressed along with mis-statements and mis-understandings of patent law. Assuming that their intentions were not to mislead their readership, it is still disappointing that fact-checking and accurate statements weren't the norm. Patents are business tools, and, in the view of this author, keeping that in mind is an important lesson of Enola bean.

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