Client Alert.

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Beineke v. Kappos – Are Discovered Plants Patentable?

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In November, Walter Beineke petitioned the Supreme Court for review of a Federal Circuit decision affirming the rejection of two plant patents on tree varieties that he discovered as not patent-eligible. This month, the PTO responded to Mr. Beineke's petition. Oddly, despite its position that the case does not warrant the Supreme Court's intervention, the PTO admitted that the Federal Circuit's decision conflicts with prior case law on plant patent eligibility. This issue, and the fact that plant patent cases only rarely receive appellate review, make *Beineke v. Kappos* an interesting case to follow.

BACKGROUND

Unlike the eligibility requirements for utility patents, 35 U.S.C. § 161 provides that "[w]hoever invents or discovers and asexually reproduces any distinct and new variety of plant, including cultivated sports, mutants, hybrids, and newly found seedlings" may be eligible for a plant patent. In this case, Mr. Beineke observed two 100 year-old white oak trees that appeared to have superior genetic traits, including excellent timber quality and strong central stem tendency. To confirm the existence of these traits, Mr. Beineke planted acorns from each of the trees and, over the next few years, observed the progeny trees. After observing the same superior traits in the progeny trees, he asexually reproduced the trees. When the asexually reproduced trees ran "true to type"— meaning they showed the same traits — Mr. Beineke concluded that he had discovered two new and distinct varieties and applied for plant patents on both trees.

At the PTO, the examiner rejected the patents because, in his view, § 161 required a plant to have been "found in a cultivated state," which in his opinion, the original white oak trees were not. Mr. Beineke contested this fact, noting that he discovered the trees on a maintained lawn. But this position did not satisfy the examiner, nor did it convince the Board, which noted that the lawn was planted around the trees long after they began growing. In the words of the Board, "[s]urrounding a tree with a lawn does not change the state of the tree itself." However, several judges dissented from the Board's decisions affirming the examiner, and two of them explained that they understood the word "cultivated" in the statute "to be a requirement that the plant be the recipient of human labor only after its discovery." On appeal, the Federal Circuit affirmed but took an even more stringent approach to the question of patent-eligibility. It found that the trees Mr. Beineke discovered were not patent-eligible because (1) they were not "created in [their] inception by human activity," and (2) Mr. Beineki did not "contribute[] to the creation" of the trees in the first place.

ARGUMENTS IN THE PETITION

In his petition, Mr. Beineke argued that the Federal Circuit ignored the language of § 161 providing patent eligibility for one who "invents *or discovers*" a new plant. (Emphasis added.) According to him, "[h]undreds of issued plant patents on trees and pending and future applications are now subject to validity challenges because 'creation' was not previously required by the Patent Office and is not required by the statute." Mr. Beineke also argued that the Federal Circuit's decision conflicts with how § 161 was interpreted by the Patent Office Board of Appeals in *Ex Parte Moore,* 115 U.S.P.Q. 145 (Pat. Bd. of Appeals 1957). According to the Board in *Moore*, one

"discovers" a new variety when "he appreciate[s] that it [is] distinct and new and [takes] steps to prove that fact by asexual reproduction through several generations and thus preserve[s] for posterity a variety that otherwise would have been lost." Indeed, the discovery of "sports"[1] in a cultivated field is a relatively common way for new plant varieties to be developed. Such variations can be lost if they are not recognized and appreciated, as the distinct and new material may be harvested or discarded in the normal agricultural cycle. In its responding brief, the PTO recognized that "the second of [the PTO's] requirements" — that the inventor must have created the plant for which protection is sought — "is inconsistent with the Board's reasoning in *Moore*." However, because the trees Mr. Beineke discovered also were not created or cultivated by human hands at their inception, the PTO explained that "even if a conflict between the Federal Circuit and the board could in some circumstance warrant this Court's intervention, no such conflict exists in this case."

WILL THE SUPREME COURT GRANT REVIEW?

Despite the tension in the case law identified by the PTO, review by the Supreme Court remains statistically unlikely. However, because *Beineke* has the potential to change the law for plant patent eligibility in a significant way, companies that have a plant patent portfolio — or are considering developing one — will want to watch the case closely and consider how it may impact their businesses.

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[1] A sport is a mutation at the bud of a plant that can be preserved by asexually reproducing a cutting of the sport.