



Rhone-Poulenc Agro v. Dekalb Genetics Corp., 284 F.3d 1323 (Fed. Cir. 2002)

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TOPIC

State law/federal law, bona fide purchaser

CASE HISTORY

Appeal from a trial court decision dismissing infringement claims against Monsanto (sublicensee of DeKalb).

CASE FACTS

RPA granted a license to DeKalb with a sublicensing right. DeKalb sublicensed its rights to Monsanto. Later, it was found that DeKalb had fraudulently induced RPA to enter into the licensing agreement. RPA sued DeKalb and Monsanto for infringement. The court invalidated DeKalb's right. Monsanto insisted on the bona fide purchaser defense.

ISSUE

Will the non-exclusive licensee be protected as a bona fide purchaser, when the grantor's right was obtained by fraud and became void?

HOLDING

No

ANALYSIS

The bona fide purchaser rule in 35 USC § 261 does not apply to this case because the statute is limited to situations in which the grantor is a patent owner. However, there is a need for a uniform national rule. Therefore, the bona fide purchaser defense to patent infringement is decided as a matter of federal law.

At common law, it was quite clear that one who did not acquire title to the property could not assert the protection of the bona fide purchase rule. Therefore, the bona fide purchaser defense does not apply to non-exclusive licensees.

NOTE

UCC's approach rejects the requirement of title in bona fide purchaser defenses. However, the drafters of the UCC concluded that the rule does not apply to the licensing of intellectual property.