

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

MONSANTO COMPANY and
MONSANTO TECHNOLOGY, LLC,

Plaintiffs,

Case No.
Hon.

v.

EARL SCHROEDER and
RICHARD SCHROEDER,

Defendants.

COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF

Plaintiffs, Monsanto Company, and Monsanto Technology, LLC (sometimes referred to collectively as “Monsanto”), for their Complaint against Earl Schroeder and Richard Schroeder (sometimes referred to as “Defendants”) make the following allegations:

THE PLAINTIFFS

Monsanto Company

1. Monsanto Company is a company organized and existing under the laws of the State of Delaware with its principal place of business in St. Louis, Missouri. It is authorized to do and is doing business in Missouri and this judicial district.

2. Monsanto Company is in the business of developing, manufacturing, licensing, and selling agricultural biotechnology, agricultural chemicals, and agricultural products. After the investment of substantial time, expense, and expertise, Monsanto Company developed a plant biotechnology that involves the transfer of a gene into crop seed that causes the plant to be resistant to glyphosate-based herbicides such as Roundup Ultra®, Roundup UltraMAX®,

Roundup WeatherMAX®, and Touchdown®.

3. This biotechnology has been utilized by Monsanto Company in soybeans. The genetically improved soybeans are marketed by Monsanto Company as Roundup Ready® soybeans.

4. Monsanto's Roundup Ready® biotechnology is protected under United States Patent Numbers 5,352,605 and RE 39,247 E, which are attached hereto as Exhibits "A" and "B". The 5,352,605 and RE 39,247 E patents (commonly referred to as the '605 and '247 patents, respectively) were issued prior to the events giving rise to this action.

5. Monsanto Company is and has been the exclusive licensee of the '605 and '247 patents from Monsanto Technology, LLC.

Monsanto Technology LLC

6. Monsanto Technology, LLC is a company organized and existing under the laws of the State of Delaware with its principal place of business in St. Louis, Missouri.

7. Monsanto Technology, LLC is and has been the owner of the '605 and '247 patents prior to the events giving rise to this action.

THE DEFENDANTS

8. Defendant Earl Schroeder is an individual who resides in Sanilac County, Michigan at 4226 Wagner Road, Croswell, Michigan 48422.

9. Defendant Richard Schroeder is an individual who resides in Sanilac County, Michigan at 4426 Wagner Road, Croswell, Michigan 48422.

10. Defendants are a father and son engaged in a farming business that involves the planting of crops, including soybeans. Upon information and belief, the Defendants farm land in Sanilac County, Michigan.

JURISDICTION AND VENUE

11. This is an action for patent infringement arising under the patent laws of the United States of America, 35 U.S.C. § 1, et. seq., including 35 U.S.C. § 271. This court has subject matter jurisdiction pursuant to 28 U.S.C. §1331, in that one or more of Monsanto's claims arise under the laws of the United States, as well as 28 U.S.C. §1338, granting district courts original jurisdiction over any civil action regarding patents. Additionally, this Court has supplemental jurisdiction pursuant to 28 U.S.C. § 1367 over all of Monsanto's non-federal question claims, such that they form part of the same case or controversy.

12. This Court has personal jurisdiction over the Defendants and venue is proper in this judicial district because the Defendants reside and are domiciled within the Eastern District of Michigan. Moreover, a substantial part of the events giving rise to Monsanto's claims, including the cleaning, planting, and harvesting of the seed in violation of Monsanto's rights all occurred in the Eastern District of Michigan. *See* 28 U.S.C. 1391(b).

GENERAL ALLEGATIONS

13. Roundup® is a non-selective herbicide manufactured by Monsanto, which causes severe injury or crop destruction to soybean varieties that are not Roundup Ready®. Soybeans display a unique and identifiable symptomatology after having been sprayed with Roundup® or other herbicide containing glyphosate, unless said soybeans are Roundup Ready® soybeans.

14. Monsanto's Roundup Ready® technology is protected under the '605 patent and the '247 patent. These patents were issued and assigned to Monsanto prior to the events giving rise to this action.

15. Monsanto licenses the use of Roundup Ready® seed technology to farmers at the retail marketing level.

16. Authorized purchasers of Roundup Ready® seed are required to pay an established royalty (once referred to as a “technology fee”) for each commercial unit of seed in addition to the price of the base germplasm.

17. Monsanto places the required statutory notice that its Roundup Ready® technology is patented on the labeling of all bags containing Roundup Ready® seed. In particular, each bag of Roundup Ready® seed is marked with notice of at least U.S. Patent No. 5,352,605.

18. In 2008 (and in prior years), the Defendants knowingly, intentionally, and willfully planted and used saved Roundup Ready® seed (produced from Roundup Ready® soybean seed planted in 2007, or earlier) without authorization from Monsanto, in violation of Monsanto’s patent rights.

19. Earl Schroeder admits that he and his son Richard Schroeder planted Roundup Ready® soybean seeds in 2008 and that they have planted 100% Roundup Ready® soybean seeds for the last three to four years. The Affidavit of Donald Finch (“Finch Aff.”) attesting to this discussion is attached hereto and incorporated herein as Exhibit C.

20. Earl Schroeder admits that in 2008 they had Roundup Ready® soybean seeds cleaned at UAP in Croswell, Michigan. Finch Aff. ¶ 8.

21. Defendants applied a weed controlling agent to the soybean fields that they planted with saved soybean seed. That spraying was “over the top” of germinated soybean plants. The Affidavit of Kyle Kidwell (“Kidwell Aff.”) attesting to this observation is attached hereto and incorporated as Exhibit D.

22. The weed controlling agent Defendants applied contained glyphosate. The Affidavit of Dr. Fritz Koppatschek (“Koppatschek Aff.”) attesting to that observation is attached hereto and incorporated herein as Exhibit E.

23. The fields farmed by Defendants showed no soybean crop injury even in the presence of a glyphosate-based herbicide. This indicates the presence of Monsanto's patented Roundup Ready® biotechnology. Koppatschek Aff. ¶¶ 4-7.

24. The Defendants harvested the soybean plants that survived the 2008 growing season.

COUNT I
PATENT INFRINGEMENT-Patent No. 5,352,605

25. Each and every allegation set forth in the above-numbered paragraphs is hereby incorporated by reference just as if it was explicitly set forth hereunder.

26. On October 4, 1994, the '605 Patent was duly and legally issued to Monsanto for an invention in Chimeric Genes for Transforming Plant Cells Using Viral Promoters.

27. Monsanto is the owner by assignment of all rights, title and interest in and to the '605 Patent.

28. Monsanto placed the required statutory notice that its Roundup Ready® technology was protected by U.S. Patent No. 5,352,605 on the labeling of all bags containing Roundup Ready® soybean seed sold to growers during the 2008 growing season.

29. On information and belief, the Defendants have infringed the '605 Patent by making, using, offering for sale or selling Roundup Ready® soybean seed embodying the patented invention without authorization from Monsanto, and will continue to do so unless enjoined by this court.

30. Upon information and belief, Defendants' infringing activities were taken with full knowledge and with notice that the Defendants were in violation of Monsanto's patent rights.

31. Defendants' actions have damaged Monsanto and will continue to injure Monsanto, unless and until such infringement is enjoined by this Court.

32. Pursuant to 35 U.S.C. § 283, Monsanto is entitled to injunctive relief in accordance with the principles of equity to prevent the infringement of rights secured by its patents.

33. Pursuant to 35 U.S.C. § 284, Monsanto is entitled to damages adequate to compensate for the infringement, although in no event less than a reasonable royalty, together with interest and costs to be taxed to the infringer. Further, on information and belief, damages should be trebled pursuant to 35 U.S.C. § 284 in light of the Defendants' knowing, willful, conscious, and deliberate infringement of the patent rights at issue.

34. The infringing activity of the Defendants brings this cause within the ambit of the exceptional case contemplated by 35 U.S.C. § 285, and thus Monsanto requests the award of reasonable attorneys fees and costs.

COUNT II
PATENT INFRINGEMENT-Patent No. RE 39,247 E

35. Each and every allegation set forth in the above-numbered paragraphs is hereby incorporated by reference just as if it was explicitly set forth hereunder.

36. On August 22, 2006, United States Patent Number 5,633,435 was duly and legally reissued to Monsanto as U.S. Patent No. RE 39,247 E. U.S. Patent No. 5,633,435 was initially issued on May 27, 1997. The '247 patent is for an invention of Glyphosate-Tolerant 5-Enolpyruvylshikimate-3-Phosphate Synthases. This invention is in the fields of genetic engineering and plant biology.

37. Monsanto is the owner by assignment of all rights, title and interest in and to the '247 Patent.

38. On information and belief, the Defendants have infringed Monsanto's patent rights by making, using, offering for sale or selling Roundup Ready® soybean seed embodying or using

the patented invention without authorization from Monsanto, and will continue to do so unless enjoined by this court.

39. Upon information and belief, Defendants have infringed Monsanto's patent rights by infringing claim 130 of the '247 patent through selectively controlling weeds in a field having been planted with crop seeds or plants which are glyphosate tolerant and applying to the crop and weeds a sufficient amount of glyphosate herbicide to control the weeds without significantly affecting the crop.

40. Upon information and belief, Defendants' infringing activities were taken with full knowledge and with notice that the Defendants were in violation of Monsanto's patent rights.

41. Defendants' actions have damaged Monsanto and will continue to injure Monsanto, unless and until such infringement is enjoined by this Court.

42. Pursuant to 35 U.S.C. § 283, Monsanto is entitled to injunctive relief in accordance with the principles of equity to prevent the infringement of rights secured by its patents.

43. Pursuant to 35 U.S.C. § 284, Monsanto is entitled to damages adequate to compensate for the infringement, although in no event less than a reasonable royalty, together with interest and costs to be taxed to the infringer. Further, on information and belief, damages should be trebled pursuant to 35 U.S.C. § 284 in light of the Defendants' knowing, willful, conscious, and deliberate infringement of the patent rights at issue.

44. The infringing activity of the Defendants brings this cause within the ambit of the exceptional case contemplated by 35 U.S.C. § 285, thus Monsanto requests the award of reasonable attorneys fees and costs.

COUNT III - CONVERSION

45. Each and every material allegation set forth in the above-numbered paragraphs is hereby incorporated by reference just as if it were explicitly set forth hereunder.

46. Upon information and belief, by making, using, offering to sell or selling Roundup Ready® soybean seed without authority, the Defendants intentionally and wrongfully exercised dominion, ownership and control over Roundup Ready® technology which was the property of Monsanto under the terms of the '605 and '247 Patents and which is only legitimately available to third parties through a license agreement with Monsanto.

47. Upon information and belief, Defendants' conversion of Monsanto's property rights was malicious and willful.

48. As a result, Monsanto is entitled to damages equal to the value of the Roundup Ready® seed at the time of the conversion; which is an amount equal to the applicable technology fee and the purchase price which the Defendants would otherwise have been required to pay.

49. As Defendants' conversion of Monsanto's property rights was malicious and willful, Monsanto is entitled to punitive damages.

COUNT IV - UNJUST ENRICHMENT

50. Each and every material allegation set forth in the above-numbered paragraphs is hereby incorporated by reference just as if it were explicitly set forth hereunder.

51. Upon information and belief, the Defendants' conduct has resulted in a benefit being conferred upon the Defendants and the Defendants' appreciation of the benefit in that the Defendants illegally made, used, sold and/or offered to sell, or otherwise used transferred unlicensed Roundup Ready® soybean seed, in at least 2008, in contravention of Monsanto's patent rights and in violation of the license agreement system.

52. As a result, the Defendants have been unjustly enriched and obtained profits that in equity and good conscience belong to Monsanto.

53. Defendants' acceptance and retention of this benefit under the circumstances renders the Defendants' retention of these benefits inequitable.

54. As a result, Monsanto is entitled to damages in an amount equal to the applicable technology fee and seed purchase price which the Defendants would otherwise have been required to pay.

PRAYER FOR RELIEF

WHEREFORE, Monsanto prays that process and due form of law issue to the Defendants requiring them to appear and answer the allegations of this complaint, and that after due proceedings are had, there be judgment in favor of Plaintiffs and against the Defendants, providing the following remedies to Plaintiffs:

- A. Entry of judgment that the Defendants are infringing and have infringed the '605 and '247 Patents, and that such infringement has been willful and deliberate;
- B. Entry of judgment for damages, together with interest and costs, to compensate Monsanto for the Defendants' patent infringement;
- C. Find this case exception under 35 U.S.C. § 285, thereby trebling of damages awarded for the infringement of patents together with reasonable attorney's fees;
- D. Entry of judgment for damages, together with interest and costs, to compensate Monsanto for the Defendants' conversion of Plaintiffs' property rights;
- E. Entry of a punitive damages award against the Defendants for their willful and malicious conversion of Monsanto's property;

- F. Entry of judgment for damages, together with interest and costs to compensate Monsanto for Defendants' unjust enrichment and the profits obtained that in equity and good conscience belong to Monsanto;
- G. Entry of a permanent injunction against the Defendants to prevent them from making, using, saving, cleaning, planting, selling, offering to sell or otherwise transferring, any of Monsanto's proprietary seed technologies, without express written permission from Monsanto;
- H. Entry of judgment for costs, expenses, and reasonable attorney's fees incurred by Monsanto; and
- I. Such other relief as the Court may deem appropriate.

Respectfully submitted,

By /s/ Dennis W. Archer

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