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   Her Majesty the Queen in Right of Canada as
   represented by the Minister of Agriculture and
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   Agri-Food.
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13
                      UNITED STATES DISTRICT COURT
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                    EASTERN DISTRICT OF WASHINGTON
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   HER MAJESTY THE QUEEN IN
                                        Case No. CaseNumber
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   RIGHT OF CANADA AS
   REPRESENTED BY THE MINISTER
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                                        COMPLAINT FOR: (1) PLANT
   OF AGRICULTURE AND AGRI-FOOD, )
                                        PATENT INFRINGEMENT; (2)
   a Canadian governmental authority,
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                                        CORRECTION OF INVENTORSHIP;
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                            Plaintiff,
                                        (3) DECLARATION OF
                                        OWNERSHIP; (4) UNFAIR
20
              VS.
                                        COMPETITION AND FALSE
                                        DESIGNATION OF ORIGIN UNDER
21
    VAN WELL NURSERY, INC., a
                                        THE LANHAM ACT; (5) FALSE
   Washington
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                                        ADVERTISING UNDER THE
   Corporation, MONSON FRUIT
                                        LANHAM ACT; (6) CONVERSION;
   COMPANY, INC., a Washington
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                                        (7) TORTIOUS INTERFERENCE
   Corporation, GORDON GOODWIN, an
                                        WITH BUSINESS RELATIONS; AND
24
   individual, and SALLY GOODWIN, an
                                        (8) UNFAIR COMPETITION.
   individual.
25
                          Defendants
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                                        DEMAND FOR JURY TRIAL
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COMPLAINT

1. Plaintiff Her Majesty the Queen in Right of Canada as represented by the Minister of Agriculture and Agri-Food ("Plaintiff" or "AAFC"), brings this Complaint against Defendants Van Well Nursery, Inc., Monson Fruit Company and Gordon and Sally Goodwin (collectively "Defendants"), for injunctive relief and monetary damages as well as such other relief as specified herein, as follows:

INTRODUCTION

- 2. This case relates to the protection and enforcement of intellectual property rights in a Canadian bred sweet cherry called Staccato®. Pursuant to a Canadian government funded tree fruit breeding program, Canadian breeder, W. David Lane bred a new sweet cherry tree. One of the most distinguishing characteristics of the new variety was its late maturity. This late fruit maturity extends the cherry harvest season and gives a distinct financial advantage to growers. Agriculture and Agri-Food Canada ("AAFC") patented the new variety and called it Staccato®. Knowing that Staccato® is an AAFC variety, knowing that it is a patented variety, and knowing that is known to consumers as Staccato®, Defendants Van Well, Monson and Goodwin have and are asexually propagating, possessing, growing, and selling trees and/or fruit they call "Glory," which is actually AAFC's Staccato®. AAFC brings this lawsuit to stop this flagrant and willful infringement of AAFC's Staccato® patent and false, misleading, deceptive and unfair business practices.
- 3. Defendant Van Well came into possession of the variety, when under the protection of a testing agreement, Plaintiff AAFC provided Defendant Van Well with Staccato® for testing and evaluation. The agreement expressly prohibited Van Well from distributing or selling Staccato®. Many years later, Van Well entered into an agreement with AAFC's commercialization licensee, Summerland Varieties Corporation ("SVC"), then known as PICO, to propagate, market and sell a different



AAFC bred cherry variety, Sonata. Pursuant to Van Well's agreement with PICO, Van Well, obtained, planted, and propagated AAFC's Sonata. Sometime after Defendant Van Well received Sonata from PICO, Defendant Goodwin purchased from Defendant Van Well, AAFC's Sonata trees.

- 4. However, on information and belief, when Van Well delivered Sonata trees to Goodwin, Van Well also, without permission from AAFC, delivered AAFC's Staccato® to Goodwin. The Sonata and Staccato® trees were both planted in Goodwin's orchard. Defendant Goodwin later rightfully observed that one of his Sonata trees was different from the others. It was different because the tree he observed was not Sonata but was AAFC's Staccato®.
- 5. When Goodwin noticed that one of the trees was different he filed for a U.S. patent, entitled "Sweet Cherry Tree Named 'Goodwin;" on the allegedly different tree he observed in his orchard and commercially called it "Glory."
- 6. Goodwin was granted a U.S. plant patent for Glory on May 1, 2012 which he subsequently assigned to Defendant Van Well. However, the variety described and claimed in the "Glory" patent was actually Staccato®. Because the Glory patent claims the Staccato® variety, AAFC breeder W. David Lane is the proper inventor of the variety and AAFC the owner of the "Glory" patent.
- 7. Around 2012, AAFC and SVC learned that Goodwin had an allegedly new variety he called "Glory" in his orchard, had filed for patent protection and that Defendant Van Well was the owner of the patent. In early 2014, after a number of genetic tests were conducted, SVC demanded Van Well stop marketing and selling "Glory" since test results showed that "Glory" was actually AAFC's Staccato®. In 2014, SVC and Defendant Van Well settled their dispute, whereby Defendant Van Well agreed not to sell Glory, to sell to SVC whatever Glory trees Van Well had in its possession, and destroy the Glory trees. And, in 2015 Van Well further confirmed to

- SVC that it had terminated its agreement with Defendant Goodwin relating to "Glory". Thus, in 2015, AAFC understood and relied upon Van Well's representations that Van Well was no longer going to grow, asexually propagate, distribute, market or sell Glory trees, that Van Well no longer possessed Glory and that all of Van Well's business activities relating to Glory had ceased.
- 8. However, in approximately October of 2017, SVC learned Van Well reneged on its agreement with SVC by resuming its propagation of Glory trees for sale of the trees in 2018 and 2019. Accordingly, in February of 2018, SVC repeatedly demanded that Van Well not propagate or sell any Glory trees. And, on March 26, 2018, AAFC formally notified Defendant Van Well that it did not have permission from AAFC to propagate or sell Glory and demanded Van Well not to do so.
- 9. In approximately October of 2017, SVC also learned that the Glory trees Van Well planted in 2017 were intended to be shipped and sold to Defendant Monson Fruit Company, a Washington State grower. It was later confirmed by Van Well in March of 2018 that the trees were ready to be shipped to Monson. Thus, beginning in early April of 2018, SVC contacted Defendant Monson regarding Glory and warned Defendant Monson not to take delivery of any Glory trees. But, on May 31, 2018, after SVC followed-up with Monson regarding the Glory trees, Defendant Monson told SVC that the Glory trees had already been planted. On information and belief, Defendant Goodwin also provided Glory budwood to Defendant Monson. And, on information and belief, Defendant Monson has also used the budwood obtained from Goodwin to propagate hundreds of acres of Glory trees.
- 10. Despite unambiguous demands from AAFC and SVC in 2018 to Van Well not to propagate and sell Glory trees and for Monson not to accept the trees, on information and belief, Defendant Van Well has sold thousands of Glory trees to Defendant Monson so that Defendant Monson could plant the trees and sell their fruit.



Despite their knowledge that propagating, making, using, offering for sale, and selling Glory, *i.e.*, the patented Staccato® trees and their fruit, are unlicensed activities that infringe the '551 Staccato Patent, Defendant Van Well and Monson refused to refrain from conducting these activities, and misled consumers.

11. On information and belief, each Defendant has grown and continues to grow, has offered for sale and continues to offer for sale, and has sold or continues to sell Glory trees or their fruit, which is the patented Staccato®, and will continue to do so unless enjoined by this court.

THE PARTIES

- 12. Plaintiff Her Majesty the Queen in Right of Canada as represented by the Minister of Agriculture and Agri-Food ("AAFC") is a governmental authority recognized under the federal laws of Canada. AAFC's principal place of business is located at 1341 Baseline Road, Ottawa, Ontario, Canada. The AAFC tree fruit breeding program was established in 1924 to provide new varieties for the tree fruit industry of British Columbia, Canada, and the world. Work at AAFC continues to develop fruit varieties with specific traits and qualities. This breeding program at AAFC's Summerland Research and Development Centre, has produced many new tree fruit varieties over the years including, the sweet cherry variety Staccato®. There are three broad objectives of the cherry breeding program: (1) to diversify the product to allow growers to take advantage of niche markets; (2) to improve environmental adaptation to major fruit growing areas, for consistent production of high quality fruit; and (3) to reduce the cost of production.
- 13. On information and belief, Defendant Van Well Nursery Inc. ("Van Well"), is a Washington state corporation, having a principal place of business at 2821 Grant Road, East Wenatchee, Washington. Van Well is engaged in the business of growing and selling fruit trees including, sweet cherry trees.



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