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Life science groups face lawsuits

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The world's biggest life science companies and grain processors will face a multi-billion dollar antitrust action to be launched in up to 30 countries later this year.

The unprecedented lawsuits will claim that companies such as Monsanto, DuPont and Novartis are exploiting bioengineering techniques to gain a stranglehold on agricultural markets.

The action is being brought jointly by the Foundation on Economic Trends, run by Washington-based biotech activist Jeremy Rifkin, and the US-based National Family Farm Coalition, together with individual farmers

across Latin America, Asia, Europe and North America.

It will be the biggest antitrust suit ever brought, with the possible exception of that against Microsoft.

"It has literally global implications," said Michael Hausfeld of Cohen Milstein Hausfeld and Toll, one of the 20 US law firms that have agreed to take the cases on a "no-win no-fee" basis.

The move represents the first global challenge to controversial techniques for exploiting genetically modified crops commercially.

Companies take out patents on GM seeds and then lease, rather than sell, them to farmers to be used for one season only. In the

US, where GM crops are rapidly becoming the norm, farmers have been sued for replanting GM seeds.

Companies have also developed "terminator" genes that cause GM crops to produce sterile seeds.

Concerns about the potential control this gives life science companies over food, particularly in the developing world, have been exacerbated by a bout of takeovers and mergers within the sector.

Ten companies now own 30 per cent of the \$23bn annual commercial seed trade, according to recent estimates, and five of those - Monsanto, Novartis, AstraZeneca, Aventis and

DuPont - control virtually all GM crops.

"By the early part of the next century, less than a handful of corporations will possess control over the entire agricultural foundation for every society. You can see the potential for market abuse and manipulation," said Mr Hausfeld.

The legal action comes at a sensitive time for the biotech industry, which is facing growing consumer and political resistance to GM crops in Europe and in developing countries such as India.

The issue seems likely to be raised at November's World Trade Organisation talks in Seattle.

The companies can be expected to fight the lawsuit tooth and nail. They reject any charge of market control.

"There is fierce competition around the world. We have a 42 per cent market share [of the \$20bn corn crop] in the US and we've had to work hard for it," said Pioneer Hibred International, the US seed company which is about to be bought by DuPont.

"We've had to prove to farmers that our hybrid is better than any other."

Pioneer added that farmers retained the choice of whether to buy GM or conventional seeds.