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Biotechnology

Judges Weigh Whether to Combine Lawsuits On GMO Corn, Where to Hear Combined Case

BNA Snapshot

In re: Syngenta AG MIR162 Corn Litigation, M.D.L., 2591, 12/4/14

Key Development: A panel of federal judges hears oral arguments about whether more than 175 lawsuits against Syngenta over its genetically modified corn should be combined and, if so, where that combined case should be heard.

Impact: If the plaintiffs ultimately succeed, "it will be a warning to the entire GMO market that you have to exercise care in what you're creating and what you're saying about your creations," a lawyer for one of the plaintiffs said.

What's Next: The lawyer said the panel could issue a decision before the end of this month.

By David Schultz

Dec. 5 — A panel of seven federal judges heard oral arguments Dec. 4 on whether more than 175 lawsuits against Syngenta over the marketing of its genetically modified corn should be combined into one case and, if so, where that combined case should be heard (*In re: Syngenta AG MIR162 Corn Litigation*, M.D.L., 2591, 12/4/14).

The parties in the case, Syngenta on one side and corn farmers and exporters on the other, both agree that these cases should be combined, Paul Hanly, a lawyer for one of the plaintiffs, told Bloomberg BNA. However, he said they don't agree on what the proper venue for this combined case should be.

That will be up to the Judicial Panel on Multidistrict Litigation, which heard arguments Dec. 4 in Charleston, S.C. Hanly said the panel could issue its decision as early as later this month.

The parties in the case are requesting venues in roughly half a dozen different federal courts, all of them in the Midwest. Hanly's client, the corn exporter Trans Coastal Supply Co., wants the case to be heard in the U.S. District Court for the Eastern District of Missouri, which is based in St. Louis. Syngenta is requesting the case be heard in the District of Minnesota, where one of its headquarters is located.

A spokesman with the company did not respond to a request for comment.

False Marketing?

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The litigation centers on Viptera, a line of GMO corn developed and sold by Syngenta.

The plaintiffs are arguing that Syngenta was overzealous in marketing Viptera in the U.S. before the corn received approval from agricultural authorities in China, one of the U.S.'s largest trading partners.

Late last year, China discovered traces of Viptera in shipments of corn from the U.S. that was intended to be GMO-free. Citing its zero-tolerance policy for GMO foods, China then banned all imports of corn from the U.S., causing the global price of corn to collapse (234 DEN A-20, 12/5/13).

The plaintiffs say this has caused them tremendous financial losses and they say Syngenta's lack of caution in marketing and selling Viptera is to blame.

Hanly said that, after rolling out Viptera, Syngenta gave farmers a false sense of confidence by telling them that Chinese authorities would approve their product imminently. That didn't happen, but Hanly said these false claims led to widespread planting of Viptera, which, in turn, led to the contamination of non-GMO corn exports.

Though it's still in the early stages, Hanly said the litigation could force agribusinesses like Syngenta, Monsanto, Dow and Bayer to change the way they sell their products.

"If the case results in a GMO manufacturer having to pay billions of dollars, I can guarantee that will catch the attention of every other GMO company in the world," he said. "They will likely want to be much more careful on the marketing side. ... It will be a warning to the entire GMO market that you have to exercise care in what you're creating and what you're saying about your creations."

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