Monsanto, DuPont Pioneer in Licensing Deals

NEW YORK (AP) — Agricultural products giant Monsanto and DuPont on Tuesday said they reached a deal to dismiss pending patent lawsuits against one another and entered a series of multi-million dollar licensing agreements.

The lawsuits included antitrust and first-generation Roundup Ready soybean patent lawsuits pending in U.S. federal court in St. Louis.

The licensing deals include a multi-year, royalty-bearing license for Monsanto Co.'s next-generation soybean technologies in the U.S. and Canada.

The companies said the agreements will allow DuPont Pioneer — an arm of E.I. DuPont de Nemours & Co. — to offer Genuity Roundup Ready 2 Yield soybeans as early as next year, and Genuity Roundup Ready 2 Xtend glyphosate and dicamba tolerant soybeans as early as 2015, pending regulatory approvals.

The deals also give DuPont Pioneer regulatory data rights for the soybean and corn traits previously licensed from Monsanto. In turn, Monsanto will receive access to some of DuPont Pioneer's disease resistance and corn defoliation patents.

DuPont Pioneer President Paul E. Schickler said in a statement that the licensing agreements will allow the company to expand its soybean lineup and give it more flexibility in developing combinations of genetics and traits.

Under the agreements, DuPont Pioneer will make a series of upfront and variable based royalty payments subject to future delivery of enabling soybean genetic material. It will make four annual fixed royalty payments from 2014 to 2017 totaling $802 million for trait technology, associated data and soybean lines to support commercial introduction.

Starting in 2018 the company will pay royalties on a per-unit basis of Genuity Roundup Ready 2 Yield and Genuity Roundup Ready 2 Xtend for the life of the agreement for continued technology access, subject to annual minimum payments through 2023 totaling $950 million.

Additional terms of the deals were not disclosed.

Monsanto shares added $1.72 to $101.13 shortly after the market opened. DuPont shares gave up a penny to $49.10.

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