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Petitioner And Amicus Briefs Lay Out Arguments In Supreme Court Fight Over Assignor Estoppel

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[As previously reported](#), in January 2021, the Supreme Court granted a petition for a writ of certiorari filed by Minerva Surgical, Inc. on the question of “whether a defendant in a patent infringement action who assigned the patent, or is in privity with an assignor of the patent, may have a defense of invalidity heard on the merits.”^{1,2}

At issue is the doctrine of assignor estoppel, an equitable doctrine that prevents a party (or other entities in privity) who assigned a patent to another from later challenging the validity of the assigned patent in district court.³ Minerva argues for the abolition of the doctrine, which prevents it from challenging the validity of two patents owned by Hologic because these patents were assigned by Minerva’s founder and president to a company that was eventually acquired by Hologic.⁴

While the district court granted summary judgment estopping Minerva from challenging the validity of the asserted patents under the doctrine of assignor estoppel, a parallel *inter partes* proceeding in the PTAB was granted on one of the patents, and the PTAB subsequently issued a final written decision finding the challenged claims unpatentable.⁵ The split between the PTAB and the federal court system revealed in this case presents a discrepancy and an opportunity for assignors to skirt the doctrine of assignor estoppel by challenging the validity of their assigned patents in IPR proceedings.

Petitioner’s Brief

On February 22, 2021, Minerva filed its appellate brief urging the Supreme Court to abolish the doctrine of assignor estoppel.⁶ On March 1, 2021, the federal government and several groups with interests in intellectual property law filed amicus briefs in support of clarifying or limiting this doctrine, although they do not support ending it outright.⁷

In its brief, Minerva argues that the doctrine is “uncommonly lawless” because it is without textual support in the Patent Act.⁸ Minerva argues that, to the contrary, the Patent Act makes an invalidity defense available to every accused infringer, because invalidity is one of the defenses enumerated in 35 U.S.C. § 282 under the broad and commanding phrase, “[t]he following **shall be** defenses in **any** action involving the validity or infringement of a patent and shall be pleaded.”⁹ Minerva further argues that Congress’s deliberate effort to protect the public from invalid patents, including through the challenge of validity in the courts, is constitutionally significant because the Constitution’s patent clause acts as a barrier against extending

monopoly power to inventors on materials they did not invent.¹⁰ According to Minerva, assignor estoppel thwarts federal patent policy, which supports innovation, competition, and encourages “authoritative testing of patent validity.”¹¹ In further support of its position, Minerva argues that Congress did not contemplate the use of assignor estoppel to limit the availability of an invalidity defense to a certain type of defendant in an infringement suit. For example, Congress never codified assignor estoppel in the Patent Act, despite passing several revisions of this law after the doctrine was formulated and used by the courts.¹²

Minerva challenges the idea that common-law real-property doctrines offer support for assignor estoppel, noting several significant differences between the two. For example, an estoppel by deed prevents a grantor from later claiming to own the same property she purportedly sold, while an assignor challenging patent validity claims no ownership interest in the allegedly invalid patent.¹³ There can also be no warranty of validity for a patent assignment, especially when the assignment is made prior to the grant of the patent, whereas by contrast, a grantor of land makes warranties about the qualities of the title being passed and the grantee relies on these warranties.¹⁴

In addition, Minerva argues that, while the Court has not directly considered whether to abandon assignor estoppel in decades, it abolished the doctrine of licensee estoppel, which closely mirrors the rationale and common-law roots of assignor estoppel.¹⁵ Licensee estoppel arose because courts deemed it “unfair and impermissible under the common law of contracts for ‘a licensee . . . to enjoy the benefit afforded by the agreement while simultaneously urging that the patent which forms the basis of the agreement is void.’”¹⁶ In rejecting the doctrine of licensee estoppel, the Court found that private contractual equities do not outweigh the public interest equities of eliminating invalid patents to allow full and free competition. Minerva argues the Court now should find the same balance of the equities with respect to assignor estoppel.¹⁷

Minerva argues the Supreme Court had already narrowed the doctrine of assignor estoppel so significantly as to render it practically dead. Citing to *Westinghouse Electric & Manufacturing Co. v. Formica Insulation Co.*¹⁸ and *Scott Paper Co. v. Marcalus Manufacturing Co.*,¹⁹ Minerva notes the Court allowed an assignor to point to prior art to narrow claims, and to argue a complete defense to infringement because the assignor’s device practiced a prior-art expired patent, respectively.²⁰

Finally, Minerva argues that, if assignor estoppel survives, it should be severely constrained.²¹ First, the estoppel should no longer protect patent claims issued after assignment because, by definition, the assignor did not and could not have assigned such claims.²² Second, Minerva argues that assignor estoppel should not apply to invalidity defenses available under section 112, including enablement and written description, because these defenses turn on an objective analysis of the claims and the specification, not on any knowledge uniquely in the inventor’s possession.²³

Amicus Briefs

While *Minerva* seeks to abolish the doctrine of assignor estoppel outright, amicus briefs by a number of interested parties do not advocate for this outcome. Rather, they urge the Court to provide a consistent and clear interpretation of assignor estoppel.²⁴ For example, the American Intellectual Property Law Association (AIPLA) notes assignor estoppel has been employed by the courts for over 140 years, and it is appropriate in certain circumstances.²⁵ It argues that abolishing assignor estoppel can have far-reaching consequences and impact a variety of relationships and transactions, from employment agreements with assignment provisions to corporate transfers of patented technology. Without the estoppel, the AIPLA argues, many patent owners will be under a cloud of uncertainty about their assigned patents.²⁶

Unlike *Minerva*, the AIPLA finds prior Supreme Court support for the assignor estoppel doctrine, noting the Supreme Court preserved this doctrine in *Westinghouse*.²⁷ The AIPLA stated that in *Westinghouse*, the Supreme Court observed that “a patent assignment was ‘manifestly intended by Congress to surround the conveyance of patent property with safeguards resembling those usually attaching to that land’; and that the estoppel is based on principles of ‘fair dealing’ to guard against inventors or assignors in privity with them going back on their word.”²⁸

The AIPLA’s brief also rebuts *Minerva*’s assertion that the abolishment of licensee estoppel supports abolishing assignor estoppel. First, it argues that inventors, unlike licensees, sign a declaration attesting to the novelty of their invention, and they should not be later allowed to derogate the representations they made under oath against their assignee. Second, while licensees who are generally paying a royalty to practice the patented invention, inventors and their assignors in privity have received the benefit of the bargain in assigning the patent. And third, assignors transfer title to a patent, which is analogous to a deed, while there is no transfer of a title in a licensing arrangement.²⁹

The AIPLA does, however, support limiting the estoppel only to claims on which the assignor made representations. Thus, for example, claims that were allowed after the assignment should not be subject to the estoppel according to the AIPLA.³⁰

In addition to the AIPLA, amicus briefs were filed by the United States government, New York Intellectual Property Law Association, the New York City Bar Association, the Intellectual Property Owners Association, and a group of IP law professors, which includes Professor Mark Lemley of Stanford University.³¹

Oral Argument and Potential Outcome

The oral argument before the Supreme Court is set for April 21, 2021,³² and we anticipate a decision by the end of June. The potential outcome of this case and survival of the long-standing doctrine of assignor estoppel in district court proceedings is unclear. Please, contact the authors with any questions, and stay tuned for updates regarding this important topic.

Footnotes

¹ Petition for Writ of Certiorari at *i, *Minerva Surgical, Inc. v. Hologic, Inc.*, No. 20-440, 2020 WL 5947901 (U.S. Sept. 30, 2020).

² See *Hologic, Inc. v. Minerva Surgical, Inc.*, 957 F.3d 1256 (Fed. Cir. 2020), *cert. granted*, 141 S. Ct. 975 (2021), and *cert. denied*, No. 20-631, 2021 WL 78178 (Jan. 11, 2021).

³ See 957 F.3d at 1260.

⁴ See *id.* at 1261-62.

⁵ *Id.*

⁶ See Brief for Petitioner, *Minerva Surgical, Inc. v. Hologic, Inc.*, No. 20-440 (filed Feb. 22, 2021).

⁷ See U.S. Supreme Court Docket, *Minerva Surgical*, No. 20-440, <https://www.supremecourt.gov/docket/docketfiles/html/public/20-440.html>.

⁸ Brief for Petitioner, *supra* note 6, at 2.

⁹ 35 U.S.C. § 282(b) (emphasis added). See Brief for Petitioner, *supra* note 6, at 17.

¹⁰ *Id.* at 18.

¹¹ *Id.* at 37 (citation omitted).

¹² *Id.* at 29-30.

¹³ *Id.* at 33-34.

¹⁴ *Id.*

¹⁵ *Id.* at 22-23 (citing *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969))

¹⁶ *Id.* (quoting *Lear*, 395 U.S. at 656).

¹⁷ *Id.* at 23.

¹⁸ 266 U.S. 342 (1924).

¹⁹ 326 U.S. 249 (1945).

²⁰ *Id.* at 20-21.

²¹ *Id.* at 41.

²² *Id.* at 43-44.

²³ *Id.* at 45-46.

²⁴ See Docket, No. 20-440, *supra* note 7.

²⁵ Brief *Amicus Curiae* of Am. Intell. Prop. Law Ass'n in Support of Neither Party at 1, *Minerva Surgical*, No. 20-440 (filed Mar. 1, 2021).

²⁶ *Id.* at 2-3.

²⁷ *Id.* at 3-4.

²⁸ *Id.* at 4-5 (quoting *Westinghouse*, 266 U.S. at 349, 350).

²⁹ *Id.* at 8-9.

³⁰ *Id.* at 6.

³¹ See Docket, No. 20-440, *supra* note 7.

³² See *id.*