Supreme Court in Minerva Surgical Inc. v. Hologic Inc., Upholds but Limits the Scope of the Equitable Doctrine of Assignor Estoppel

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The judicially-derived patent-law doctrine of "assignor estoppel" prevents an inventor from assigning a patent to another for value and then later arguing in litigation that the patent is invalid. In *Minerva Surgical Inc. v. Hologic Inc.*, the Supreme Court reined in that doctrine.

In this case, inventor Truckai filed patent applications and assigned them to his company, Novacept, Inc. (later acquired by Hologic, Inc.). After leaving Novacept/Hologic, Truckai founded Minerva Surgical, Inc. Hologic sued for patent infringement. During prosecution of the Truckai patents, Hologic broadened the scope of the claims. Minerva argued that because the scope of the claims had been broadened after Truckai assigned the rights, it would be "unfair to block Truckai (or Minerva) from challenging the breadth of those claims," and that the written description did not support the broadened claims. The district court found that assignor estoppel barred Minerva from asserting invalidity, and the Federal Circuit affirmed, holding that whether Hologic expanded the assigned claims after Truckai assigned the patent was irrelevant to the analysis.

The Supreme Court vacated the Federal Circuit's decision in a 5-4 decision, holding that the appeals court gave an overly broad interpretation of assignor estoppel. Although the Supreme Court declined to end the doctrine, it remanded with instructions limiting assignor estoppel to where the "assignor's claim of invalidity contradicts explicit or implicit representations he made in assigning the patent." Examples of where an assignor may be able to argue invalidity – and not equitably be blocked by assignor estoppel – include: (1) certain employee arrangements where the employee automatically assigns to an employer all future inventions; (2) situations where legal developments invalidated warranties given at the time of the assignment; and (3) where the claims are altered post-assignment (which is the situation in this case).

Justice Barret, joined by Justices Thomas and Gorsuch, dissented. Justice Barrett questioned how assignor estoppel – which was judicially created while the Patent Act of 1870 was in effect – could survive under the Patent Act of 1952. The language of the 1952 Act stated that invalidity "shall" be a defense "in any action involving the validity or infringement of a patent." This language does not include an exception for assignor estoppel, and therefore the dissent argued that there is no assignor estoppel under the 1952 Act.

Justice Alito, in a separate dissent, argued that neither the majority nor the dissent address whether or not to overrule *Westinghouse v. Formica Insulation*, the 1924 Supreme Court decision first approving the doctrine of assignor estoppel, and as such, the writ should have never been granted.

Take Away

Although now limited, the doctrine of assignor estoppel continues as an equitable matter. A defendant facing an infringement charge can still assert patent invalidity as a defense if there is an equitable reason to allow a patent challenge. Patent owner assignees, on the other hand, should be careful when deciding whether to expand the scope of assigned patent applications or reissued patents, since doing so may eliminate the later shield of assignor estoppel. Further, anyone acquiring a patent should ensure that the assignor makes representations that would bar later validity challenges.

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