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Supreme Court Trims Sails of Assignor Estoppel Doctrine

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Yesterday, in a 5-4 decision the United States Supreme Court held, in *Minerva Surgical, Inc. v. Hologic, Inc.* (No. 20-440) (J. Kagan) that, while “well grounded in centuries-old fairness principles,” the doctrine of assignor estoppel has its limits.

When an inventor sells his/her patent rights, at least an implicit representation is made to the buyer that the patent at issue, or the then-current claim scope of a pending application, is valid. Assignor estoppel prevents inventors from later questioning the patent’s validity and disavowing that implied warranty, since doing so would allow the inventor to retain both the price of assigning the patent and the continued right to use the invention.

In *Minerva*, inventor Csaba Truckai filed a patent application on a device to treat abnormal uterine bleeding, and later assigned the application and any future continuation applications to Novacept, Inc. A patent eventually issued for the device, and Novacept, along with its patent portfolio, was acquired by Hologic, Inc. Truckai later started Minerva Surgical, Inc., where he developed and patented an improved device to treat abnormal uterine bleeding.

Meanwhile, Hologic filed a continuation application claiming priority to Truckai’s original parent application and subsequently sued Minerva for patent infringement based on patent claims issued in the continuation application.

In District Court proceedings, Minerva argued that Hologic’s patent was invalid, while Hologic invoked the doctrine of assignor estoppel claiming that because Truckai had assigned the original patent application, he and Minerva could not attack the patent’s validity. The District Court agreed, and on appeal, the Federal Circuit affirmed in relevant part.

On appeal, the Supreme Court upheld assignor estoppel but clarified that “[t]he doctrine applies only when an inventor says one thing (explicitly or implicitly) in assigning a patent and the opposite in litigating against the patent’s owner.” Here, Minerva argued that

Hologic's continuation claims were materially broader than the claims originally assigned by Truckai and simultaneously warranted as valid.

The Court reasoned that “[a]ssuming that the new claims are materially broader than the old claims, the assignor did not warrant to the new claims’ validity. And if he made no such representation, then he can challenge the new claims in litigation: Because there is no inconsistency in his positions, there is no estoppel.”

Accordingly, the Court held that assignor estoppel does not prevent an inventor from challenging the validity of an assigned patent in a scenario where the claims are altered to a scope different from what the inventor intended. “The limits of the assignor’s estoppel go only so far as, and not beyond, what he represented in assigning the patent application,” Justice Kagan wrote.

The Federal Circuit considered “irrelevant” whether Hologic’s new claims were materially broader than the ones Truckai assigned. The Court disagreed and remanded to address whether the claim scope of Hologic’s patent was expanded in view of the claims assigned by Truckai, which “will determine whether assignor estoppel applies.”

Chief Justice Roberts and Justices Breyer, Sotomayor, and Kavanaugh joined the majority opinion. Justices Alito and Barrett each dissented in separate opinions. Justice Barrett’s dissent was joined by Justices Thomas and Gorsuch.

PRACTICE NOTE

Assignor estoppel generally states that an inventor cannot sell his/her rights in a patent and then later attack the patent’s validity. Following *Minerva*, however, assignors will be more confident in mounting invalidity challenges, especially if the scope of the claims at issue was materially changed from the time of assignment.

Going forward, the effectiveness of assignor estoppel will necessarily be viewed through the lens of initial and current claim scope, and whether the assignor is somehow changing positions or not. If you have questions regarding how this opinion may affect your particular situation, please contact your Vorys attorney.