



THINK FORWARD

SCOTUS to Review the Doctrine of Assignor Estoppel

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On January 8, 2021, the Supreme Court granted certiorari in [Minerva Surgical, Inc. v. Hologic, Inc.](#) to consider the doctrine of assignor estoppel. The Court will review whether a defendant in a patent infringement action who assigned a patent, or is in privity with an assignor of the patent, may have a defense of invalidity heard on the merits. 957 F.3d 1256 (Fed. Cir. 2020), *cert. granted*, 2021 U.S. LEXIS 480 (Jan. 8, 2021) ([No. 20-440](#)). Assignor estoppel is “an equitable doctrine that prevents one who has assigned the rights to a patent (or patent application) from later contending that what was assigned is a nullity.” *Diamond Sci. Co. v. Ambico, Inc.*, 848 F.2d 1220, 1224 (Fed. Cir. 1988). The rationale for assignor estoppel is that the assignor has been paid for its patent rights and should not be able to later argue that what was previously sold is now worthless. *Id.*

In [Hologic, Inc. v. Minerva Surgical, Inc.](#) 957 F.3d 1256 (Fed. Cir. 2020), the Federal Circuit examined U.S. Patent Nos. 6,872,183 and 9,095,348. An inventor for both patents, Mr. Csaba Truckai, assigned his interest in the patents to NovaCept. NovaCept was acquired by Cytoc Corporation, which was then acquired by Hologic. Mr. Truckai left NovaCept and founded Minerva in 2008. Hologic filed suit against Minerva in November of 2015 in district court, alleging that Minerva’s product infringed the two patents. Minerva asserted invalidity, lack of enablement, and inadequate written description for both patents in district court, and filed *inter partes* review (“IPR”) petitions for both patents. The Patent Trial and Appeal Board (“The Board”) only instituted review on the 6,872,183 patent, denying review of the 9,095,348 patent. The Board held that the ‘183 patent was unpatentable, and Hologic appealed to the Federal Circuit. The Federal Circuit held that the ‘183 patent was invalid.

The Federal Circuit additionally held that Minerva was not barred from challenging the validity of the ‘183 patent in an IPR proceeding, but that Minerva was barred from challenging the validity of the ‘348 patent in district court under the doctrine of assignor estoppel. In the opinion, the Federal Circuit reaffirmed the validity of assignor estoppel and distinguished assignor estoppel from other doctrines like licensee estoppel. While there is a desire to encourage the public to challenge potentially invalid patents, the court emphasized that the injustice of an assignor stating a patent has worth and then repudiating that statement is of greater concern.

A plain reading of 35 U.S.C. § 311(a) allowed the court to determine that an assignor that no longer owns the patent may challenge the patent’s validity via *inter partes* review. The court additionally noted that an assignor is not without remedy against accused infringement, as it may argue that the patent deserves a narrower claim construction or that the product in question is covered under the prior art and cannot infringe.

A concurring opinion, authored by Judge Stoll, emphasized the discrepancy in the law between the court system and the United States Patent and Trademark Office (“Patent Office”) and pointed out that

Federal Circuit precedent presents an odd situation where an assignor can circumvent the doctrine of assignor estoppel by attacking the validity of a patent in the Patent Office but cannot do the same in district court.

In [*Arista Networks, Inc. v. Cisco Sys., Inc.*](#), the Federal Circuit held that assignor estoppel does not apply in *inter partes* review. 908 F.3d 792, 803-04 (Fed. Cir. 2018). However, in cases like [*Mentor Graphics Corp. v. EVE-USA, Inc.*](#), the Federal Circuit held that assignor estoppel applies in the district court context. 851 F.3d 1275, 1280-83 (Fed. Cir. 2017).

Judge Stoll asked whether the principles underlying assigning estoppel – unfairness in allowing one who profited from the sale of a patent to attack it – apply in district court but not in Patent Office proceedings. Judge Stoll suggested that the Federal Circuit should consider *en banc* the doctrine of assignor estoppel as it applies both in district court and in the Patent Office. A petition for *en banc* rehearing was filed with the Federal Circuit on the question of diverging assignor estoppel precedent, but the petition was denied.

Minerva then petitioned the Supreme Court to review whether a defendant in a patent infringement action who assigned a patent, or is in privity with an assignor of the patent, may have a defense of invalidity heard on the merits.

Key Takeaway

With the case now before the Supreme Court, it is likely that the question posed by Judge Stoll – whether it is proper to have two different systems of assignor estoppel depending on the forum – will be determined. Until then, assignor estoppel continues to be the law in the courts, while an assignor may challenge the validity of a patent in *inter partes* review proceedings.