

In the Supreme Court of the United States

MINERVA SURGICAL, INC., PETITIONER

v.

HOLOGIC, INC., ET AL.

*ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT*

**BRIEF FOR THE UNITED STATES
AS AMICUS CURIAE SUPPORTING NEITHER PARTY**

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QUESTION PRESENTED

Whether, or under what circumstances, a defendant in a patent-infringement action who previously assigned his rights to the patented invention, or who is in privity with such an assignor, may raise a defense of patent invalidity.

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INTEREST OF THE UNITED STATES

This case presents the question whether, or under what circumstances, the doctrine of assignor estoppel may be applied in a patent-infringement action. The United States Patent and Trademark Office (USPTO) is responsible for “the granting and issuing of patents,” 35 U.S.C. 2(a)(1), as well as for advising the President on issues of patent policy and advising federal departments and agencies on matters of intellectual-property policy, 35 U.S.C. 2(b)(8) and (9). The United States is also an assignee of various patent rights and thus could be in a position to assert assignor estoppel. The government therefore has a substantial interest in the Court’s resolution of the question presented.

STATEMENT

1. a. The Constitution authorizes Congress to “promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” Art. I, § 8, Cl. 8. The Intellectual Property Clause and the patent laws enacted to implement it reflect “a balance between fostering innovation and ensuring public access to discoveries.” *Kimble v. Marvel Entm’t, LLC*, 576 U.S. 446, 451 (2015); see *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 146 (1989).

Congress accordingly has established a patent system that grants a patentee certain exclusive rights in his invention, but only for a limited term and only where several statutory requirements are met. The patent must claim eligible subject matter, 35 U.S.C. 101; the invention must be novel, 35 U.S.C. 102; the invention must not be obvious, 35 U.S.C. 103; and the application must satisfy “written description,” “enablement,” and “definiteness” standards, 35 U.S.C. 112. This Court has repeatedly emphasized that when the statutory requirements for issuance of a patent are not met, the claimed invention belongs in the public domain. See, e.g., *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 231 (1964).

The asserted invalidity of the patent-in-suit “shall be [a] defense[] in any action involving the validity or infringement of a patent.” 35 U.S.C. 282(b). Congress has also created various administrative mechanisms through which the USPTO can reconsider its grant of a patent. Those include inter partes review, in which “a person who is not the owner of a patent” may file a petition alleging, on the basis of certain forms of prior art, that the patented invention was not novel under Section

102 or was obvious under Section 103. 35 U.S.C. 311(a); see 35 U.S.C. 311(b).

b. In *Westinghouse Electric & Manufacturing Co. v. Formica Insulation Co.*, 266 U.S. 342 (1924), this Court acknowledged that lower courts had adopted a rule, “well settled by forty-five years of judicial consideration,” “that an assignor of a patent right is estopped to attack the utility, novelty or validity of a patented invention which he has assigned or granted as against any one claiming the right under his assignment or grant.” *Id.* at 349. The Court observed, however, that it had never applied that rule, *ibid.*—which has come to be known as “assignor estoppel”—and it declined to do so in that case, *id.* at 355. Instead, the Court concluded that an assignor could invoke the prior art to “construe and narrow the claims of the patent,” though not to “destroy the patent and defeat the grant.” *Id.* at 351; see *id.* at 350-351.

In *Scott Paper Co. v. Marcalus Manufacturing Co.*, 326 U.S. 249 (1945), this Court held that assignor estoppel does not apply when an assignor contests a patent’s validity on the ground that the invention practices an expired patent. *Id.* at 257-258. The Court explained that “the application of the doctrine of estoppel” in those circumstances would be “inconsistent with the patent laws which dedicate to public use the invention of an expired patent.” *Ibid.*

After the Court acknowledged but limited the assignor-estoppel doctrine in *Westinghouse* and *Scott Paper*, it abolished altogether the related patent doctrine of licensee estoppel. See *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969). In determining that a licensee was not estopped from challenging the validity of the patent that he had licensed, the Court balanced “the equities

of the licensor” against “the important public interest in permitting full and free competition in the use of ideas which are in reality a part of the public domain.” *Id.* at 670. The Court also examined the history of “patent estoppel” and observed that *Westinghouse* and *Scott Paper* had undermined the “‘general rule’” favoring estoppel. *Id.* at 665; see *id.* at 664-666.

After *Lear*, some lower courts initially questioned whether assignor estoppel remained a viable doctrine. See, e.g., *Coastal Dynamics Corp. v. Symbolic Displays, Inc.*, 469 F.2d 79 (9th Cir. 1972) (per curiam). In 1988, however, the Federal Circuit distinguished licensee estoppel from assignor estoppel and concluded that the latter doctrine had survived *Lear*. See *Diamond Scientific Co. v. Ambico, Inc.*, 848 F.2d 1220, cert. dismissed, 487 U.S. 1265 (1988). The court explained that “[t]he public policy favoring allowing a licensee to contest the validity of the patent”—in particular, the possibility that a licensee would otherwise be forced “to continue to pay for a potentially invalid patent”—“is not present in the assignment situation.” *Id.* at 1224. The Federal Circuit has since applied assignor estoppel in a variety of circumstances, including in cases where defendants were in privity with assignors, see, e.g., *Mentor Graphics Corp. v. Quickturn Design Sys., Inc.*, 150 F.3d 1374 (1998); cases involving assignments for which the assignor did not receive specific revenue, see, e.g., *Carroll Touch, Inc. v. Electro Mech. Sys.*, 15 F.3d 1573 (1993); and cases involving assignments of pre-patent rights where the claims at issue were drafted after the assignments had been made, see, e.g., *Q.G. Prods., Inc. v. Shorty, Inc.*, 992 F.2d 1211, cert. denied, 510 U.S. 868 (1993).

2. This case involves a patent on a medical device used for endometrial ablation, a treatment that involves destroying the lining of the uterus to stop or reduce abnormal uterine bleeding. Pet. App. 2a.

a. In 1993, Csaba Truckai co-founded the company NovaCept, Inc. Pet. App. 5a. In the late 1990s, Truckai and the design team at NovaCept developed an ablation device called NovaSure. *Ibid.* The NovaSure system first applies carbon dioxide gas to the uterus to detect perforations in the uterine wall. *Ibid.* It then uses an applicator head to heat the endometrial lining, while a “moisture transport” function removes steam and moisture from the uterus to avoid unintended ablation, embolism, or burning. *Ibid.*; see J.A. 824. In 1998, Truckai filed a provisional patent application relating to an invention titled “A Moisture Transport System for Contact Electrocoagulation,” and he assigned to NovaCept the rights in the invention, the patent application, and any continuation applications. J.A. 909 (capitalization altered; emphasis omitted); see Pet. App. 5a.¹ In 2001, the NovaSure system received FDA approval for commercial distribution. Pet. App. 5a.

In 2004, Cytoc Corporation acquired NovaCept, including NovaCept’s patents and patent applications, for \$325 million. Pet. App. 5a. In 2007, Hologic acquired

¹ Truckai also filed a provisional patent application relating to an invention titled “System and Method for Detecting Perforations in a Body Cavity,” and he assigned those patent rights to NovaCept as well. C.A. App. 17,208 (capitalization altered; emphasis omitted). That patent application was the basis for a continuation application that became U.S. Patent No. 6,872,183 (issued Mar. 29, 2005)—a related system-and-method patent that was found unpatentable in inter partes review proceedings and is not directly at issue here. Pet. App. 5a-8a; see *Hologic, Inc. v. Minerva Surgical, Inc.*, 764 Fed. Appx. 873 (Fed. Cir. 2019).

Cytoc Corporation. *Id.* at 6a. Hologic (a respondent here) markets and sells the NovaSure system throughout the United States. *Ibid.*

In 2008, after leaving NovaCept, Truckai founded Minerva (petitioner here). Pet. App. 6a. He serves as Minerva's President, its Chief Executive Officer, and a member of its Board of Directors. *Ibid.* At Minerva, Truckai and others developed and brought to market the Minerva Endometrial Ablation System. *Id.* at 6a, 36a. Minerva's device uses an applicator head that, in contrast with the NovaSure system, is impermeable to moisture. See D. Ct. Doc. 127, at 10-12 (June 2, 2016). In 2015, Minerva received FDA approval to use the Endometrial Ablation System for the same indication as the NovaSure system, and Minerva began commercial distribution. Pet. App. 6a.

b. Meanwhile, in 2013, Hologic drafted new patent claims and filed a continuation application based on the patent application that Truckai had previously assigned to NovaCept. Pet. App. 6a. The continuation application issued in 2015 as U.S. Patent No. 9,095,348 (issued Aug. 4, 2015) (the '348 patent). *Ibid.*; see *id.* at 35a. The '348 patent is titled "Moisture Transport System for Contact Electrocoagulation," and it claims an ablation device. *Id.* at 3a. The patent states that the device eliminates the "steam and liquid buildup at the ablation site" that was associated with prior-art devices; it also "allows the depth of ablation to be controlled" and "automatically discontinues ablation once the desired ablation depth has been reached." *Ibid.* (quoting '348 patent col. 2 ll. 25-30); see J.A. 824. As relevant here, claim 1 includes the following limitation:

an applicator head coupled to the distal portion, the applicator head defining an interior volume and having a contracted state and an expanded state, the contracted state being configured for transcervical insertion and the expanded state being configured to conform to the shape of the uterus, the applicator head including one or more electrodes for ablating endometrial lining tissue of the uterus[.]

Pet. App. 4a (quoting '348 patent col. 19 ll. 14-21) (emphasis omitted); see J.A. 833. That limitation does not expressly limit the invention to a moisture-permeable applicator head. See *ibid.*

3. Shortly after the '348 patent issued, Hologic sued Minerva for patent infringement. Pet. App. 6a.

As relevant here, Minerva argued that the asserted claim from the '348 patent was invalid under 35 U.S.C. 112 for lack of enablement and failure to provide an adequate written description. Pet. App. 6a. Specifically, Minerva contended that claim 1 was invalid because the specification described only a permeable applicator head, not an impermeable applicator head. See D. Ct. Doc. 300, at 24 (Jan. 16, 2018). Hologic moved for summary judgment, contending that assignor estoppel barred Minerva from asserting the invalidity of the '348 patent as a defense to the infringement suit. Pet. App. 7a.

The district court granted Hologic's motion for summary judgment on validity and infringement. Pet. App. 54a-74a. The court first held that "Truckai is in privity with Minerva" and that assignor estoppel therefore "applies to Minerva's defenses to Hologic's patent infringement claims." *Id.* at 58a; see *id.* at 54a-58a. In the alternative, the court rejected Minerva's invalidity defense on the merits. *Id.* at 58a-64a. Finally, the court

determined that the Minerva Endometrial Ablation System practiced claim 1 of the '348 patent. *Id.* at 67a-74a.

The district court held a jury trial on the issues of willful infringement, damages, and certain of Minerva's state-law counterclaims. Pet. App. 8a. The jury awarded Hologic nearly \$5 million in damages, and the court awarded supplemental damages and pre- and post-judgment interest. *Id.* at 8a-9a. Both parties appealed. *Id.* at 10a.

4. The court of appeals affirmed in part, vacated in part, and remanded. Pet. App. 1a-32a.

As relevant here, the court of appeals held that the district court had not abused its discretion in concluding that assignor estoppel barred Minerva's challenge to the validity of claim 1 of the '348 patent. Pet. App. 17a-20a. The court of appeals relied on its previous determination that this Court's decision in *Lear, supra*, had not abrogated the doctrine of assignor estoppel. Pet. App. 17a-18a (citing, *inter alia*, *Diamond Scientific*, 848 F.3d at 1222-1226). The court then concluded that "the equities weigh in favor of" applying assignor estoppel in this case. *Id.* at 18a. The court observed that Truckai had "executed a broad assignment of his patent rights to NovaCept and later sold NovaCept to Hologic's predecessor for \$325 million." *Ibid.* (citation omitted). It also noted that Truckai had founded Minerva and had used his expertise to create, and obtain approval for, the allegedly infringing ablation system. *Ibid.*

Minerva argued that assignor estoppel should not bar its Section 112 invalidity challenge because Hologic had broadened its patent claims after Truckai's assignment, including by expanding the claims to cover non-moisture-permeable applicator heads. Pet. App. 19a;

see Pet. C.A. Br. 68. The court of appeals rejected that contention. The court explained that *Diamond Scientific* had “considered it ‘irrelevant that, at the time of the assignment,’ the inventor’s ‘patent applications were still pending’ and that [the assignee] ‘may have later amended the claims in the application process.’” Pet. App. 19a (quoting *Diamond Scientific*, 848 F.2d at 1226). The court concluded that, “[t]o the extent” Hologic had broadened claim 1 “beyond what could be validly claimed in light of the prior art,” Minerva could introduce evidence of prior art to narrow the claim but could not avoid assignor estoppel altogether. *Id.* at 20a (citations omitted).

The court of appeals did not apply assignor estoppel to the related ’183 system-and-method patent that had already been found unpatentable in inter partes review proceedings. Pet. App. 14a-17a; see p. 5, n.1, *supra* (describing procedural history involving the ’183 patent). The court observed that its earlier affirmance of the Patent Trial and Appeal Board’s unpatentability decision had “‘an immediate issue-preclusive effect on’ * * * the instant action.” Pet. App. 16a (citation omitted). Accordingly, the court affirmed the district court’s denial of Hologic’s motions for a permanent injunction, enhanced damages, and royalties based on Minerva’s alleged infringement of the ’183 patent. *Id.* at 17a. The court of appeals also affirmed the district court’s claim-construction, infringement, and damages rulings, except for the award of interest on the supplemental-damages award, which it vacated and remanded. *Id.* at 23a-30a.

SUMMARY OF ARGUMENT

Under the doctrine of “assignor estoppel,” a defendant in a patent-infringement suit “is estopped to attack the utility, novelty or validity of a patented invention

which he has assigned * * * as against any one claiming the right under his assignment.” *Westinghouse Elec. & Mfg. Co. v. Formica Insulation Co.*, 266 U.S. 342, 349 (1924). Courts have recognized that equitable doctrine for more than a century, and this Court should not jettison it now. But the Court should clarify its contours to ensure that assignor estoppel is not applied broadly and reflexively to circumstances where there is no logical inconsistency between an assignor’s prior representations and its current challenge to a patent’s validity.

I. This Court has never actually applied assignor estoppel in a case before it, but it has recognized the doctrine’s deep historical roots. In *Westinghouse*, the Court explained that assignor estoppel arose by analogy to the real-property concept of estoppel by deed. 266 U.S. at 348-350. Just as estoppel by deed prevents a transferor of real property from later claiming that he had no rights to the property he purported to transfer, assignor estoppel prevents a transferor of a patent from later claiming that the patent he transferred was worthless. The animating principle in both scenarios is the same basic principle that underlies all estoppel doctrines: In certain circumstances, parties should not be allowed to profit from contradicting their earlier actions or representations.

No subsequent developments justify abolishing assignor estoppel. In particular, although the Patent Act authorizes parties to raise invalidity defenses “in any [infringement] action,” 35 U.S.C. 282(b), that provision cannot reasonably be construed to eliminate all background preclusion principles that might apply in a particular case. And when Congress enacted the relevant statutory language in 1952, this Court had already

deemed assignor estoppel “well settled” in the lower courts. *Westinghouse*, 266 U.S. at 349.

Although there is no sound basis for eliminating assignor estoppel entirely, this Court’s decisions—and the strong policy interest in ridding the marketplace of invalid patents—counsel in favor of limiting the doctrine to its equitable core. Courts should therefore apply assignor estoppel only where the assignor sells patent rights for valuable consideration in an arm’s-length transaction, then either contests the validity of a claim materially identical to a claim issued or pending at the time of the assignment, or otherwise contradicts pre-assignment representations about the patent’s validity. As may be relevant here, assignor estoppel should *not* apply where the claim asserted to be invalid is broader than or otherwise different from the patent rights that were assigned.

II. The court of appeals did not apply an appropriately cabined assignor-estoppel doctrine in this case. Although the parties disputed whether Hologic had broadened the claims of the ’348 patent after Truckai’s assignment, the court deemed that dispute “irrelevant” to its application of assignor estoppel. Pet. App. 19a (citation omitted). That approach was misguided. A material change in the patent’s scope would eliminate any potential contradictions on Truckai’s part and would thus undermine the basis for applying estoppel here. Because the factual record is unclear and because no lower court has applied the appropriate test for assignor estoppel, this Court should vacate and remand for the court of appeals to determine in the first instance whether the issued claim that is the subject of this infringement action is materially identical to a

claim issued or pending at the time of the relevant assignment, or whether the asserted invalidity defense otherwise contradicts some express warranty.

ARGUMENT

Assignor estoppel is an equitable doctrine that this Court deemed “well settled” almost a century ago. *Westinghouse Elec. & Mfg. Co. v. Formica Insulation Co.*, 266 U.S. 342, 349 (1924). The doctrine rests on an analogy between grants of real property and grants of intellectual property, and on concerns about fairness in commercial transactions. Historically, assignor estoppel applied when an inventor obtained a patent, represented to a buyer that the patent was valid and valuable, and sold the patent in an arm’s-length transaction—then turned around and sought to persuade a court that what it had sold was invalid and worthless. See *id.* at 349-350. As this case illustrates, however, see Pet. App. 19a-20a, the Federal Circuit has applied the doctrine more broadly, including in circumstances where there is no logical inconsistency between an assignor’s defense of invalidity and any explicit or implicit representations it made at the time of assignment.

The appropriate solution is not to abolish assignor estoppel, which was a background equitable principle against which Congress enacted the Patent Act of 1952 (Patent Act), ch. 950, 66 Stat. 792 (35 U.S.C. 1 *et seq.*). Instead, this Court should cabin the doctrine to its equitable core. Courts should apply assignor estoppel only where (1) an inventor sells patent rights for valuable consideration in an arm’s-length transaction, then later contends that a patent claim is invalid; and (2) either the contested claim is materially identical to a claim issued or pending at the time of the relevant assignment, or the assignor’s invalidity defense otherwise

contradicts earlier representations pertaining to the validity of the claim.

I. ASSIGNOR ESTOPPEL SHOULD BE CONFINED TO ITS HISTORICAL ROLE IN ENSURING EQUITY IN ASSIGNMENTS OF PATENT RIGHTS

A. This Court Has Recognized That Assignor Estoppel Is A Narrow Equitable Doctrine

This Court has twice considered the doctrine of assignor estoppel and has twice construed that doctrine narrowly. In 1924, it implicitly approved of a limited form of assignor estoppel in *Westinghouse, supra*. Twenty years later, it again narrowed the doctrine but expressly declined to overrule it. *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249, 257-258 (1945). The same general course is appropriate here: Assignor estoppel retains some value, but only if properly cabined to its equitable core.

1. Courts have long applied assignor estoppel in patent-infringement disputes. In *Westinghouse*, this Court described the prevailing rule that “an assignor of a patent right is estopped to attack the utility, novelty or validity of a patented invention which he has assigned or granted as against any one claiming the right under his assignment or grant.” 266 U.S. at 349. The Court observed that, although it had not “fully considered” the assignor-estoppel doctrine, lower courts had applied it since 1880, see *Faulks v. Kamp*, 3 F. 898 (C.C.S.D.N.Y. 1880), “followed by a myriad” of other cases. *Westinghouse*, 266 U.S. at 349. The Court explained that it would “not now lightly disturb a rule well settled by forty-five years of judicial consideration and conclusion in those courts.” *Ibid.*

The Court in *Westinghouse* offered two theoretical underpinnings for assignor estoppel: an analogy to estoppel by deed and an invocation of general fairness concerns. Estoppel by deed is a real-property doctrine that prevents a party to a valid deed from later contesting its effects or the facts recited therein. In particular, a transferor of real property cannot later claim that he had no rights to the property he purported to transfer. See 3 Robert T. Devlin, *The Law of Real Property and Deeds* § 1273 (3d ed. 1911) (Devlin); George W. Thompson, *A Practical Treatise on Abstracts and Titles with Forms* § 129 (2d ed. 1930); see also *Westinghouse*, 266 U.S. at 350 (explaining that “a grantor of a deed of land” is estopped “from impeaching the effect of his solemn act as against his grantee”). Estoppel by deed “is founded on the general doctrine that a man shall not defeat his own act or deny its validity to the prejudice of another.” Henry M. Herman, *The Law of Estoppel* § 212 (1871) (Herman). Historically, the doctrine also reflected the “solemnity and importance attached to the act which made the instrument a deed, that is, the affixing of a seal,” though the “common-law principles giving security to conveyances of real estate” now apply more broadly. Devlin § 1274.²

² Estoppel by deed (and, by analogy, assignor estoppel) differs from equitable estoppel in that it emphasizes a formal written instrument rather than a party’s conduct, and thus does not require “showing a change in position of the party asserting the estoppel.” 3 *American Law of Property: A Treatise on the Law of Property in the United States* § 15.18, at 841 (A. James Casner, ed. 1952). In addition, because assignor estoppel pertains to the validity of an issued patent, see *Westinghouse*, 266 U.S. at 349, it need not involve knowing factual misrepresentations. Cf. Restatement (Second) of Torts § 894(1) (1979) (noting that equitable estoppel involves “a definite misrepresentation of fact”).

In *Westinghouse*, the Court determined that “[t]he analogy between estoppel in conveyances of land and estoppel in assignments of a patent right is clear.” 266 U.S. at 350. Specifically, the Court referred to existing statutory directives that patents and interests therein “shall be assignable in law by an instrument in writing,” and that assignments not recorded in the Patent Office within three months were void. *Id.* at 348; see 35 U.S.C. 261 (current statute making unrecorded interests void against subsequent purchasers). The Court found that “[i]t was manifestly intended by Congress to surround the conveyance of patent property with safeguards resembling those usually attaching to that of land.” *Westinghouse*, 266 U.S. at 349.

Even beyond the specific patent-assignment safeguards that the *Westinghouse* Court identified, inventors must exhibit a high degree of candor in filing patent applications and prosecuting patents. For example, a patent applicant must sign an inventor’s oath, attesting that he “believes himself * * * to be the original inventor or an original joint inventor of a claimed invention in the application.” 35 U.S.C. 115(b)(2); see 37 C.F.R. 1.63(a). Regulations further specify that “[e]ach individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the [USPTO], which includes a duty to disclose to the [USPTO] all information known to that individual to be material to patentability.” 37 C.F.R. 1.56(a); see 37 C.F.R. 1.63(c).

For both real-property conveyances and patent grants, the assignor purports to convey, in writing, a right to exclude others. See *Westinghouse*, 266 U.S. at 350. Because the assignor implicitly represents that—at least in his view—the conveyed right to exclude is

valid, “fair dealing should prevent him from derogating from the title he has assigned.” *Ibid.*; see *Faulks*, 3 F. at 901 (reasoning that, “in justice, [assignors] ought not to be * * * allowed to derogate from their own grant by setting up that it did not pass”); see also, *e.g.*, 1 James Love Hopkins, *The Law of Patents and Patent Practice in the Patent Office and Federal Courts: With Rules and Forms* § 359, at 461 (1911) (Hopkins) (“Where the defendant is a former owner of the patent he may be estopped by matter of deed, from contesting the validity of the patent.”); William Macomber, *The Fixed Law of Patents: As Established By The Supreme Court of the United States and the Nine Circuit Courts of Appeals* 35 (2d ed. 1913) (Macomber) (“It does not lie in the mouth of an inventor to attack that which he has assigned.”); Albert H. Walker, *Text-Book of the Law of Patents for Inventions* § 469, at 546 (5th ed. 1917) (Walker) (“[W]here an assignor or grantor of a patent right, afterward infringes the right which he conveyed, he is estopped by his conveyance from denying the plaintiff’s title, or the validity of the patent, when sued for infringement.”).

The *Westinghouse* Court acknowledged that the analogy between estoppel by deed and assignor estoppel is imperfect, in part because the scope of the right conferred is clearer for a land grant than for a patent assignment. See 266 U.S. at 350 (“A tract of land is easily determined by survey. Not so the scope of a patent right for an invention.”). The Court suggested that the conveyance of a patent does not imply any particular view about the scope of the patent’s claims, so that an assignor remains free to contest “the scope of the right of exclusion granted.” *Ibid.* The Court therefore concluded that an assignor who contends that he did not

infringe the assigned patent may rely on prior art as a ground for narrowly construing the claims. *Id.* at 350-351; see Hopkins § 359, at 462 (“But he is not estopped from showing how the claims of the patent assigned should be construed.”); Macomber 35 (“[H]e is not estopped from denial of infringement.”); Walker § 469, at 548 (“[A]n assignor or grantor is not estopped, by his conveyance, from showing how narrowly the patent must be construed.”).³

2. In *Scott Paper*, this Court likewise left intact the doctrine of assignor estoppel but restricted its application. As in *Westinghouse*, the Court emphasized that the “basic principle” animating assignor estoppel “is said to be one of good faith, that one who has sold his invention may not, to the detriment of the purchaser, deny the existence of that which he has sold.” *Scott Paper*, 326 U.S. at 251. It declined the accused infringer’s request to eliminate the doctrine altogether. See *id.* at 254 (“find[ing] it unnecessary” to consider whether “the doctrine of estoppel by patent assignment as stated by the [*Westinghouse*] case should be rejected”).

The Court in *Scott Paper* observed, however, that assignor estoppel had never been applied “so as to penalize the use of the invention of an expired patent,” and that such a result “is foreclosed by the patent laws themselves.” 326 U.S. at 254. The Court explained that,

³ The approach to claim construction in *Westinghouse* may not reflect the modern practice, as validity and infringement are now generally assessed separately. See, e.g., *Tate Access Floors, Inc. v. Interface Architectural Res., Inc.*, 279 F.3d 1357, 1365 (Fed. Cir. 2002) (explaining that the Federal Circuit no longer applies a “‘practicing the prior art’ defense to literal infringement”); Pet. Br. 21; see also Mark A. Lemley, *Rethinking Assignor Estoppel*, 54 Hous. L. Rev. 513, 522-523 (2016).

“[i]f a manufacturer or user could restrict himself, by express contract, or by any action which would give rise to an ‘estoppel,’ from using the invention of an expired patent, he would deprive himself and the consuming public of the advantage to be derived from his free use of the disclosures.” *Id.* at 255-256. The Court therefore narrowed assignor estoppel to avoid “inconsisten[cy] with the patent laws which dedicate to public use the invention of an expired patent,” *id.* at 257-258, but it did not jettison the doctrine altogether.

3. This Court should adhere to the approach it took in *Westinghouse* and *Scott Paper*. No pressing need exists to eliminate a doctrine that lower courts have applied since at least 1880, that this Court recognized in 1924, and that the Federal Circuit reaffirmed more than three decades ago. Congress’s failure to abrogate the doctrine during that period, see pp. 21-23, *infra*, reinforces that conclusion. Cf. *Kimble v. Marvel Entm’t, LLC*, 576 U.S. 446, 456 (2015) (explaining that “*stare decisis* carries enhanced force when a decision * * * interprets a statute,” including when it “announce[s] a ‘judicially created doctrine’ designed to implement a federal statute,” because “Congress can correct any mistake it sees”) (citation omitted).

This Court should reserve assignor estoppel, however, for circumstances that reflect the doctrine’s equitable moorings. The doctrine’s fundamental purpose is to prevent a party from profiting through strategic disavowal of prior representations or conduct. See Devlin § 1273 (“The word ‘estoppel’ is applied to those conclusive admissions which the policy of the law will not permit to be denied or controverted.”); Herman § 3 (“An estoppel is an obstruction or bar to one’s alleging or

denying a fact contrary to his own previous action, allegation or denial.”). The foundational analogy to estoppel by deed logically applies only where an assignor’s later assertion of patent invalidity contradicts either the implicit warranty that might be said to attach to the specific patent claims previously assigned, or other pre-assignment representations regarding the patentability of the invention.

As the Court suggested in *Westinghouse*, some assignments made even before the issuance of a patent might justify a narrow and case-specific application of assignor estoppel. See 266 U.S. at 352-353 (explaining that “the extent of the estoppel against the assignor of such an inchoate right is more difficult to determine than in the case of a patent assigned after its granting”). Where an assignor communicates that an assigned invention satisfies the patentability criteria, including by assigning a pending patent application, she implicitly warrants that (in her view) any materially identical claims that later issue are valid. Alternatively, where the assignor makes or induces others to make representations to the USPTO in order to secure a patent, a later invalidity challenge that contravenes those representations would similarly represent a clear about-face. In either circumstance, a court could legitimately apply assignor estoppel based on the assignor’s pre-issuance conduct and the fairness concerns that have long formed the doctrine’s foundations.

If none of those circumstances applies, however, an assignor should be free to contend that the assignee has claimed something the assignor did not convey, and that what the assignee has claimed is invalid—just as the assignor is free to challenge the assignee’s claim construction and argue that the assignor has not infringed the

patent. See *Westinghouse*, 266 U.S. at 350-353. For example, if an employee assigns to his employer all patent rights to any inventions he may develop in the course of his employment, the assignment generally would not imply any representation as to the patentability of particular inventions. See Mark A. Lemley, *Rethinking Assignor Estoppel*, 54 Hous. L. Rev. 513, 525-527 (2016) (Lemley). The same is true when an inventor assigns rights to an invention before a patent has been issued, and the USPTO later approves patent claims that are broader, or cover different subject matter, than the claims the inventor assigned (or the claims the inventor initially prosecuted in USPTO proceedings). In that circumstance as well, the assignment would not logically be construed as an implicit representation by the inventor that the subsequent claims are valid. See *Westinghouse*, 266 U.S. at 353 (observing that “[w]hen the assignment is made before” the patent is issued, “the claims are subject to change by curtailment or enlargement by the Patent Office with the acquiescence or at the instance of the assignee, and the extent of the claims to be allowed may ultimately include more than the assignor intended to claim”). Finally, if an inventor assigns claims before a clear change in the prevailing interpretation of the applicable law, a later invalidity defense would not contradict an earlier implicit warranty about the assigned claims’ validity. Cf. *Bobby v. Bies*, 556 U.S. 825, 834 (2009) (recognizing exception to issue preclusion for an intervening “change in the applicable legal context”) (brackets and citation omitted). In any of those scenarios, assignor estoppel should not apply.

**B. More Recent Legal Developments Have Not Abolished
Assignor Estoppel**

Minerva contends (Br. 17-19, 22-26) that Congress’s enactment of the Patent Act and this Court’s decision in *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969), have rendered the assignor-estoppel doctrine defunct. That is incorrect. The *Lear* Court’s emphasis on permitting challenges to invalid patents counsels in favor of cabining the assignor-estoppel doctrine to its equitable core. But neither of those intervening events supports eliminating the doctrine altogether.

1. Minerva contends (Br. 17-19) that the Patent Act abrogated the assignor-estoppel doctrine. The Patent Act specifies that invalidity “shall be” a defense “in any action involving the validity or infringement of a patent.” 35 U.S.C. 282(b); see Patent Act § 282, 66 Stat. 812. In Minerva’s view (Br. 17-18), that language “instructs that invalidity *must* be available as a defense in *every* action involving the validity or infringement of a patent” and “leaves no room for assignor estoppel.” That argument is unsound.

The Patent Act did not eliminate courts’ equitable discretion to apply estoppel doctrines in patent-infringement cases. “Congress is understood to legislate against a background of common-law adjudicatory principles.” *Astoria Fed. Sav. & Loan Ass’n v. Solimino*, 501 U.S. 104, 108 (1991). Accordingly, “where a common-law principle is well established, as are the rules of preclusion, the courts may take it as given that Congress has legislated with an expectation that the principle will apply except when a statutory purpose to the contrary is evident.” *Ibid.* (citations and internal quotation marks omitted); see, e.g., *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 148 (2015);

Lozano v. Montoya Alvarez, 572 U.S. 1, 10-11 (2014); see also *Impression Prods., Inc. v. Lexmark Int’l, Inc.*, 137 S. Ct. 1523, 1532 (2017) (explaining that “Congress enacted and has repeatedly revised the Patent Act against the backdrop” of patent-exhaustion principles); *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 25-28 (1997) (concluding that the doctrine of equivalents “survive[d] the 1952 revision of the Patent Act,” and observing that “Congress in 1952 could easily have” rejected that doctrine expressly).

In 1924, this Court implicitly approved of assignor estoppel and recounted its “well settled” history. *Westinghouse*, 266 U.S. at 349. In 1945, the Court expressly declined to reconsider the doctrine. *Scott Paper*, 326 U.S. at 251. Yet in enacting Section 282, Congress specified only which *defenses* could be raised in patent actions. See Patent Act § 282, 66 Stat. 812. It said nothing about particular *defendants*, such as assignors, and it certainly did not make “evident” any expectation that assignor estoppel would no longer apply. *Astoria Fed. Sav. & Loan*, 501 U.S. at 108 (citation omitted).

The fact that Section 282 applies “in any action” cannot reasonably be construed to eliminate all common-law preclusion doctrines. Under that reading, such general doctrines as collateral estoppel, *res judicata*, law of the case, and equitable estoppel likewise would not limit an infringement defendant’s ability to contest the validity of a patent. That result would be inconsistent with this Court’s precedents. See, e.g., *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 137 S. Ct. 954, 967 (2017) (acknowledging availability of equitable estoppel in infringement actions). Indeed, *Minerva* itself relied on collateral estoppel in urging the court of appeals to hold that the ’183 patent is invalid.

See Pet. App. 11a, 14a-17a; p. 9, *supra*. And in *Lear*, the Court assessed the equities of licensee estoppel, see pp. 3-4, *supra*, without suggesting that the enactment of Section 282 had eliminated that patent-specific estoppel doctrine.

2. In *Lear*, the Court overturned its prior decisions recognizing the related doctrine of licensee estoppel, under which a patent licensee was estopped from “prov[ing] that his licensor was demanding royalties for the use of an idea which was in reality a part of the public domain.” 395 U.S. at 656 (citing *Automatic Radio Mfg. Co. v. Hazeltine Research, Inc.*, 339 U.S. 827, 836 (1950)); see *id.* at 671. Minerva contends (Br. 22-26) that assignor estoppel is irreconcilable with that decision. But the *Lear* Court did not purport to determine the fate of the separate assignor-estoppel doctrine that both *Westinghouse* and *Scott Paper* had previously narrowed but left intact.

To be sure, the *Lear* Court’s description of a steady contraction of “patent estoppel” doctrines, 395 U.S. at 663, and its emphasis on “the important public interest in permitting full and free competition in the use of ideas which are in reality a part of the public domain,” *id.* at 670, are logically relevant to the continued vitality of assignor estoppel. In two critical respects, however, licensee estoppel and assignor estoppel are distinct. First, in analyzing the equities of the licensee-estoppel doctrine, see *id.* at 669-671, the *Lear* Court explained that it made little sense “that courts should permit [a licensor] to recover royalties despite his licensee’s attempts to show that the patent is invalid,” *id.* at 670. Assignor estoppel, by contrast, does not unfairly compel a defendant to choose between paying license fees or risking significant liability. See *Blonder-Tongue Labs.*,

Inc. v. University of Ill. Found., 402 U.S. 313, 349-350 (1971) (describing *Lear*'s reasoning "that the holder of a patent should not be insulated from the assertion of defenses and thus allowed to exact royalties for the use of an idea that is not in fact patentable"). Second, the foundational analogy to estoppel by deed, see *Westinghouse*, 266 U.S. at 348-350, does not apply to licensee estoppel. See *Mentor Graphics Corp. v. EVE-USA, Inc.*, 870 F.3d 1298, 1306 (Fed. Cir. 2017) (per curiam) (Moore, J., concurring in the denial of panel rehearing) (explaining that a licensee has not made "an implicit representation that what he sold has value" and has not "ma[d]e assertions implicitly or explicitly about the patent's validity before inducing another to make an investment based on the perceived worth of the patent").

**C. Properly Limited, The Doctrine Of Assignor Estoppel
Balances Competing Policies Of Fair Dealing And
Robust Competition**

At its core, assignor estoppel applies when a seller of patent rights either implicitly or explicitly represents that a patent is valid, then later contradicts those representations by asserting an invalidity defense in an infringement suit. Limited to those core applications, the doctrine strikes a balance between encouraging fair dealing and the alienability of patents, and avoiding the significant and unwarranted restraints on competition that invalid patents can impose.

1. a. At bottom, assignor estoppel ensures fair dealing in arm's-length commercial transactions involving patents. See pp. 13-16, *supra*. When one party voluntarily sells a patent to another party for value, basic notions of equity should prevent him from later contending that the patent was valueless and the rights he sold do not exist. See *Diamond Scientific Co. v. Ambico*,

Inc., 848 F.2d 1220, 1224 (Fed. Cir.) (explaining that the assignment constitutes an “implicit representation by the assignor that the patent rights that he is assigning (presumably for value) are not worthless”), cert. dismissed, 487 U.S. 1265 (1988). Allowing “the assignor to make that representation at the time of the assignment (to his advantage) and later to repudiate it (again to his advantage) could work an injustice against the assignee.” *Ibid.*

Those concerns may apply when an assignor conveys issued claims, or when an assignor has prosecuted claims that are materially identical to those asserted in the infringement suit. In other circumstances, however, there may be no logical inconsistency between a later invalidity argument and any explicit or implicit representation that was made at the time of the assignment. Absent any such inconsistency, there is no sound equitable basis for barring an assignor from raising invalidity defenses that would be available to other alleged infringers.

b. Assignor estoppel also serves the public interest in free and secure assignments of patents. The assignability of patents, see 35 U.S.C. 261, increases their value and encourages innovation. Preventing an assignor from challenging the validity of a patent that he sold promotes confidence in such transactions by assuring the assignee that the assignor—the person who likely knows the most about the patent or the invention—will not thereafter attack the conveyed patent rights as valueless. That policy is particularly important in the modern patent context, where commercial actors engage in arm’s-length transactions for patent rights that may

cost huge sums (in this case, hundreds of millions of dollars, see Pet. App. 5a), and a company can structure its entire business operations around a purchased patent.

Estoppel by deed, see *Westinghouse*, 266 U.S. at 350; pp. 14-17, *supra*, similarly encourages the alienability of real property. “Estoppel by deed promotes the judicious policy of making certain formal documents final and conclusive evidence of their contents.” *McLaughlin v. Lambourn*, 359 N.W.2d 370, 372 (N.D. 1985) (*per curiam*); see *Shedden v. Anadarko E. & P. Co.*, 136 A.3d 485, 492 (Pa. 2016) (same). Again, however, any benefits for the alienability of patents and any analogy to estoppel by deed apply only with respect to issued patents, to claims pending at the time of assignment that are materially identical to the issued claims, or to other express warranties.

2. Although assignor estoppel can serve an important role in promoting free-market patent assignments, competing policy considerations favor limiting the doctrine to its core applications. Public policy strongly favors eliminating invalid patents, which can undermine free competition and decrease the public availability of useful knowledge.

To “promote the Progress of Science and useful Arts,” U.S. Const. Art. I, § 8, Cl. 8, Congress has established a patent system that grants a patentee certain exclusive rights in his invention only for a limited term, and only when various statutory requirements are met. See 35 U.S.C. 101-103, 112. When the applicant does not satisfy those requirements, the claimed invention belongs in the public domain so that it can be practiced freely. In *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964), for example, the Court held that federal patent law preempted a state unfair-competition law that

prohibited the copying of an article that the patent laws did not protect. *Id.* at 232-233. The Court explained that Congress had carefully designed the patent system “to promote invention while at the same time preserving free competition.” *Id.* at 230-231. The Court concluded that “[a]n unpatentable article, like an article on which the patent has expired, is in the public domain and may be made and sold by whoever chooses to do so.” *Id.* at 231.

This Court has repeatedly cleared the way to challenge the enforcement of invalid patents. For example, the Court has refused to enforce a licensee’s promise not to dispute the licensor’s title to various patents, in part on the ground that “the right to make the defense is not only a private right to the individual, but it is founded on public policy which is promoted by his making the defense.” *Pope Mfg. Co. v. Gormully*, 144 U.S. 224, 235 (1892). Similarly in *Scott Paper*, the Court emphasized that the patent laws grant exclusive rights to use an invention only for a limited term and that, once that term expires, “the consuming public at large shall receive the benefits of the unrestricted exploitation, by others, of [the expired patent’s] disclosures.” 326 U.S. at 255. And in abolishing licensee estoppel in *Lear*, the Court again explained that the patent system “requires that all ideas in general circulation be dedicated to the common good unless they are protected by a valid patent.” 395 U.S. at 668; see, e.g., *Kimble*, 576 U.S. at 449 (reaffirming that a patent holder cannot charge royalties for the use of his invention after the patent term has expired); *Blonder-Tongue Labs.*, 402 U.S. at 349-350 (holding that, where a court has declared a patent invalid after the patentee had a full and fair opportunity

to defend its claims, the patentee is estopped from asserting the patent against other parties).

Given the strong federal policy favoring “full and free competition in the use of ideas which are in reality a part of the public domain,” *Lear*, 395 U.S. at 670, and the corollary that doctrines precluding private parties from challenging invalid patents are disfavored, assignor estoppel should be restricted to its equitable core. See pp. 18-20, *supra*. To bar an inventor-assignor from challenging “any patent claim, no matter how far removed from the inventor's actual contribution and no matter how little role the inventor played in drafting the patent or the claim in question,” would “make[] it harder for society to find and weed out invalid patents” and thereby chill innovation. Lemley 536. Such a rule could also restrict employee mobility by discouraging inventors from changing employers or starting new businesses, because the new employer could be saddled with a sweeping prohibition on challenging patents related to the assigned rights. See *id.* at 537-538.

II. THE COURT OF APPEALS’ ANALYSIS OF ASSIGNOR ESTOPPEL IN THIS CASE WAS INADEQUATE

As discussed above, assignor estoppel should not apply to the assignment of pre-patent rights when the later invalidity defense does not contradict the assignor’s position at the time of the assignment—including when an assignor ultimately challenges patent claims that are broader than or otherwise different from those he previously transferred. Minerva argued below that assignor estoppel should not apply here because Hologic had “broadened the claims during prosecution and after Mr. Truckai’s assignment.” Pet. App. 19a. The court of appeals concluded, however, that “[t]o the extent Hologic ‘may have broadened the claims’ in the application that

issued as the '348 patent,” Minerva could argue that, “in light of the prior art,” the claims must be construed more narrowly, but it could not invoke that expansion as a basis for contesting the claims’ validity. *Id.* at 20a (quoting *Diamond Scientific*, 848 F.2d at 1226). That conclusion was incorrect.

A. In the court of appeals, the parties disputed whether the patent rights that Truckai had assigned to Hologic’s predecessor were narrower than the patent claims that Hologic later prosecuted and that ultimately issued in the '348 patent. Minerva argued that assignor estoppel should not apply because claim 1, if construed to cover a non-moisture-permeable applicator, was broader than the invention that Truckai had assigned, which was limited to moisture-permeable applicators. See Pet. C.A. Br. 67-70. Accordingly, Minerva contended that it would not be unfair to allow Truckai (and, by extension, Minerva) to challenge the validity of the broader claim 1 that issued after the assignment. See *ibid.* In response, Hologic argued that a patent application that Truckai had filed in 1998 included one claim that was not expressly limited to moisture-permeable applicators. Resp. C.A. Response & Reply Br. 40-41. But the parties disputed the import of that claim’s cancellation during patent prosecution, before Hologic’s predecessor acquired NovaCept in 2004. See *id.* at 41.

The court of appeals did not examine those facts to determine whether Minerva’s invalidity defense contravened implicit or explicit representations made at the time of the assignment. Instead, the court deemed it “irrelevant that, at the time of the assignment,” [Truckai’s] ‘patent applications were still pending’ and that [the assignee] ‘may have later amended the claims in the application process (a very common occurrence in

patent prosecutions), with or without [Truckai's] assistance.'" Pet. App. 19a (quoting *Diamond Scientific*, 848 F.2d at 1226). That reasoning was faulty, since the propriety of applying assignor estoppel depends on whether Minerva's invalidity defense was logically inconsistent with Truckai's position at the time of the assignment.

The court of appeals appeared to believe that any fairness concerns could be resolved by permitting Minerva to argue that claim 1 did not cover a non-permeable applicator. See Pet. App. 20a (explaining that Minerva remained free to "introduce evidence of prior art to narrow the scope of" claim 1 so as to bring its accused product 'outside the scope of' claim 1") (quoting *Diamond Scientific*, 848 F.2d at 1226). But any such non-infringement argument is distinct from the challenge to patent validity that Minerva sought to assert below (and is potentially in tension with modern claim-construction principles, see p. 17 n.3, *supra*). Minerva's continued ability to dispute infringement does not justify the court of appeals' application of assignor estoppel to foreclose Minerva's invalidity argument.

The court of appeals' cursory analysis of the assignor-estoppel issue was particularly inadequate given the nature of Minerva's invalidity argument. Minerva argues that claim 1 of the patent it allegedly infringed (the '348 patent) does not satisfy Section 112's written-description and enablement requirements because the common specification that Truckai had drafted and assigned required a moisture-permeable applicator head, while claim 1 of the '348 patent swept more broadly. See Pet. Br. 12-13. Minerva thus has invoked the purported disconnect between what Truckai assigned and the patent-

in-suit as a ground for holding the patent invalid. Minerva’s asserted ground for resisting assignor estoppel—*i.e.*, that its invalidity arguments did not contradict any of Truckai’s prior representations because the patent claim whose validity is contested is different from the invention that Truckai assigned—thus overlaps substantially with the merits of the Section 112 argument itself. Yet the court of appeals held that principles of assignor estoppel precluded Minerva from asserting that invalidity challenge. The court below thus effectively treated a doctrine designed to prevent assignors from taking inconsistent positions as barring the court from determining whether any such inconsistency existed.

The court of appeals instead should have examined whether claim 1—the issued claim that Minerva had allegedly infringed—was materially identical to a claim that was pending at the time of the relevant assignment, or whether Truckai had otherwise made some express warranty about its validity. More generally, the court should have determined whether the scope of the claim at issue was broader than the patent rights that Truckai had assigned and that he could have represented were (in his view) patentable and valuable. If claim 1 was indeed broader than any assigned claims that had been issued or were pending at the time of the relevant assignment, Truckai’s assignment could not properly be construed as a representation that the claims of the subsequently issued patent were valid, and assignor estoppel should not apply.

B. The record before this Court does not make clear how that case-specific question should be resolved. Although Minerva asserted in its petition for a writ of certiorari that Hologic had “broadened the scope of the

patent beyond anything the inventor had claimed,” Pet. 3 (emphasis omitted); see Pet. 4, 10, 22, 29, Hologic did not respond by comparing the claims that the USPTO ultimately found to be patentable with the claims that were pending at the time of the relevant assignment, see Br. in Opp. 25-27. Neither the court of appeals nor the district court resolved that factual dispute. See Pet. App. 18a-20a, 58a. Consistent with this Court’s role as “a court of review, not of first view,” *Cutter v. Wilkinson*, 544 U.S. 709, 718 n.7 (2005), the Court should vacate the court of appeals’ judgment and remand for that court to determine in the first instance whether the assignor-estoppel doctrine, properly confined to its narrow equitable core, precludes Minerva from asserting the invalidity defense that it sought to raise here.

CONCLUSION

The judgment of the court of appeals should be vacated and the case remanded for further proceedings.

Respectfully submitted.

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