

Supreme Court Upholds—But Narrows—Doctrine of Patent Assignor Estoppel

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In a closely divided decision issued on June 29, 2021, the Supreme Court upheld, but narrowed, the doctrine of patent assignor estoppel. The doctrine has traditionally limited an inventor's or other assignor's ability to assign a patent to another for value and later argue that the patent is invalid. Justice Kagan, writing for the majority, clarified that assignor estoppel applies only when the assignor's claim of invalidity contradicts explicit or implicit representations made in assigning the patent. Chief Justice Roberts and Justices Breyer, Sotomayor, and Kavanaugh joined. Justice Alito filed a dissenting opinion, as did Justice Barrett, who was joined by Justices Thomas and Gorsuch.

This case arose out of a dispute surrounding a patent for the NovaSure System, a device used to treat abnormal uterine bleeding by using a moisture-permeable applicator head to destroy targeted cells in the uterine lining. Respondent Hologic, Inc. eventually acquired the company to which the inventor had assigned the patent application and any future continuation applications. The inventor later founded Minerva Surgical, Inc., the petitioner, and developed the Minerva Endometrial Ablation System, a supposedly improved device to treat the same issue using a moisture-impermeable applicator head to remove cells in the uterine lining. Meanwhile, Hologic had filed a continuation application seeking to add claims to the NovaSure System patent, one of which encompassed applicator heads generally (without regard to whether they were moisture permeable). The continuation of the patent issued in 2015.

When respondent sued petitioner for patent infringement, petitioner argued that the continuation patent was invalid because the newly added claim did not match the invention's written description, which addressed moisture-permeable applicator heads. Respondent, in turn, raised the doctrine of assignor estoppel. The district court agreed that the doctrine barred petitioner's invalidity defense, and the Federal Circuit affirmed.

The Supreme Court recognized the doctrine but narrowed its bounds. Pursuant to the clarified standard, the Supreme Court vacated the judgment and remanded the case for the Federal Circuit to address whether respondent's new claim was materially broader than the ones the inventor assigned.

The Court's rationale was threefold. First, the doctrine of assignor estoppel, which has its roots in late-18th-century England, has long been applied by courts, including the Supreme Court. The first recorded case discussing the doctrine dates back to 1789, with the rule taking inspiration from an earlier real property law doctrine that prevented

a conveyor of land from later asserting she lacked good title at the time of sale. The earliest American decision applying the doctrine dates back to 1880, and the Supreme Court itself first considered (and unanimously approved) the doctrine in 1924 in *Westinghouse Elec. & Mfg. Co. v. Formica Insulation Co.*, noting that the rule had been well-settled and should not be disturbed lightly. The *Westinghouse* Court also made clear that the doctrine had limits but left the determination of those limits for another day.

Second, abandoning assignor estoppel would conflict with both federal legislation and the Court’s precedent. The majority of the Court rejected petitioner’s argument that Congress had repudiated the doctrine in the Patent Act of 1952. The Court explained that petitioner’s argument—that the language of the Act, which states that invalidity “shall” be a defense, instructs that invalidity must always be available as a defense—was untenable and in conflict with the Court’s precedent. Nor had Congress given any indication of a desire to terminate or alter the doctrine, which was “a background principle of patent adjudication” by the time of the Patent Act of 1952.

The Court also rejected petitioner’s argument that the Court’s post-*Westinghouse* cases disavowed the doctrine. The Court noted that two of its subsequent cases that addressed assignor estoppel—*Scott Paper Co. v. Marcalus Mfg. Co.* in 1945, and *Lear, Inc. v. Adkins* in 1969—had done nothing more than decline to apply the doctrine in “novel and extreme” situations and certainly had not questioned or abolished the doctrine. Further, the Court rejected petitioner’s policy argument that the doctrine keeps bad patents alive by making invalidity challenges too difficult. The Court explained that, like many estoppel rules, assignor estoppel “reflects a demand for consistency in dealing with others”; it would be unfair for an assignor to gain both the financial benefit of assigning the patent *and* maintain the right to use the invention covered if the doctrine applies.

Third, the Court made clear that the underlying principle of assignor estoppel—fair dealing—must be considered when determining whether assignor estoppel applies. That principle, the Court explained, demands that representations about a patent’s validity made in assigning patent rights be consistent. If an assignor has not made explicit or implicit representations in assigning those rights that conflict with an invalidity defense, no unfairness exists, and assignor estoppel will not apply.

The decision is available [here](#).

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