

Supreme Court Upholds, But Limits, The Doctrine Of Patent Assignor Estoppel

Client Alert | June 29, 2021

Decided June 29, 2021

Minerva Surgical Inc. v. Hologic Inc., No. 20-440

Today, the Supreme Court upheld the doctrine of assignor estoppel in patent cases, concluding in a 5-4 decision that a patent assignor cannot, with certain exceptions, subsequently challenge the patent's validity.

Background:

Csaba Truckai co-invented the NovaSure system, a medical device that uses radiofrequency energy to perform endometrial ablations. In 1998, Truckai and his four co-inventors filed a patent application covering the NovaSure system and later assigned their interest in the patent application and any future continuing applications to Truckai's company, Novacept. Truckai sold Novacept to Cytac Corporation in 2004, and Hologic acquired Cytac in 2007.

In 2008, Truckai founded Minerva and developed a new device that uses thermal energy, rather than radiofrequency energy, to perform endometrial ablations. In 2015, Hologic sued Minerva, alleging that Minerva's device infringed one of its NovaSure patents. The district court held that the doctrine of assignor estoppel barred Minerva from challenging the patent's validity. The Federal Circuit affirmed in relevant part, declining to abrogate the doctrine, which federal courts have applied since 1880.

Issue:

May a defendant in a patent infringement action who assigned the patent, or is in privity with an assignor of the patent, have a defense of invalidity heard on the merits?

Court's Holding:

Sometimes. The doctrine of assignor estoppel survives, although it applies only when the invalidity defense conflicts with an explicit or implicit representation the assignor made in assigning her patent rights. Absent that kind of inconsistency, a defendant in a patent infringement action who assigned the patent may have a defense of invalidity heard on the merits.

What It Means:

- This decision marks the first time that the Supreme Court has directly considered the viability of the assignor estoppel doctrine (the Supreme Court implicitly approved of the doctrine in 1924), and it largely secures the interests of assignees who have relied on the unanimous consensus of federal courts upholding this longstanding doctrine.
- However, the Court indicated that the doctrine may have been applied too broadly in the past, and that assignors should be estopped from contesting validity only when they have made a representation regarding validity as part of the assignment.

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[Lucas C. Townsend](#)

[Bradley J. Hamburger](#)

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[Jane M. Love, Ph.D.](#)

[Daniel R. Adler](#)

- The Court provided three examples of when an assignor has an invalidity defense: (1) when an employee assigns to her employer patent rights to future inventions before she can possibly make a warranty of validity as to specific patent claims, (2) when a later legal development renders irrelevant the assignor's warranty of validity at the time of assignment, and (3) when the patent claims change after assignment and render irrelevant the assignor's validity warranty.
- The Court reasoned that assignor estoppel furthers patent policy goals: The doctrine gives assignees confidence in the value of what they have purchased by preventing assignors (who are "especially likely infringers because of their knowledge of the relevant technology") from raising invalidity defenses. The Court explained that this confidence will raise the price of patent assignments and in turn may encourage invention.

The Court's opinion is available [here](#).

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding developments at the Supreme Court. Please feel free to contact the following practice leaders:

Appellate and Constitutional Law Practice

Allyson N. Ho +1 214.698.3233 aho@gibsondunn.com	Mark A. Perry +1 202.887.3667 mperry@gibsondunn.com	Lucas C. Townsend +1 202.887.3731 ltownsend@gibsondunn.com
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Bradley J. Hamburger
+1 213.229.7658
bhamburger@gibsondunn.co

[m](#)

Related Practice: Intellectual Property

Kate Dominguez +1 212.351.2338 kdominguez@gibsondunn.co	Josh Krevitt +1 212.351.4000 jkrevitt@gibsondunn.com	Y. Ernest Hsin +1 415.393.8224 ehsin@gibsondunn.com
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[m](#)
Jane M. Love, Ph.D.
+1 212.351.3922
jlove@gibsondunn.com

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