

Cantor Colburn Client Alert:
Supreme Court Maintains, and Identifies Exceptions, to Assignor Estoppel

Summary

On June 29, 2021, the U.S. Supreme Court issued its opinion in [*Hologic, Inc. v. Minerva Surgical, Inc.*](#), upholding the centuries-old doctrine of assignor estoppel while simultaneously clarifying the boundaries of the doctrine's application.

Background

Hologic involves a patent covering a medical device – the NovaSure System – used to treat abnormal uterine bleeding. The patent was issued to Csaba Truckai, who assigned his interests in the original patent application and any continuations to Novacept, Inc. After several asset sales, respondent Hologic, Inc. acquired all rights to the NovaSure System patent. Meanwhile, Truckai left Novacept and founded petitioner Minerva Surgical, Inc. in 2008, where he developed an improved medical device to treat abnormal uterine bleeding. In response, Hologic filed a continuation to add claims to the NovaSure System patent, resulting in the issuance of an amended patent in 2015. Shortly thereafter, Hologic filed suit against Minerva alleging Minerva's improved device infringed the NovaSure System patent. Of importance, Minerva asserted Hologic's amended patent was invalid. Hologic countered that "assignor estoppel" barred Minerva's (*i.e.*, Truckai's) invalidity defense. Assignor estoppel prevents an assignee from claiming a patent granted from his invention is invalid on the centuries-old theory that "if one lawfully conveys to another a patented right...fair dealing should prevent him from derogating from the title he has assigned". The District Court agreed with Hologic. Before the Fed. Cir., Minerva's main argument was that assignor estoppel should be, and indeed already has been, eliminated. The Fed. Cir. disagreed with Minerva and instead found that assignor estoppel applied in this case.

Court Findings

As with the Fed. Cir., the Court disagreed with Minerva's position that assignor estoppel has been eliminated. The Court, however, identifies three notable exceptions or limitations to the doctrine of assignor estoppel. The doctrine does not apply where: (1) an assignment is based on "a common employment arrangement" where an "employee assigns to his employer patent rights in any future inventions developed during his employment"; (2) "a later legal development renders irrelevant the warranty [that the patent is valid] given [by the inventor] at the time of assignment"; and (3) the claims change in scope after the assignment is executed "which arises most often when an inventor assigns a patent application, rather than an issued patent". This is because the assignee "may return to the PTO to enlarge the patent's claims" and the new claims "may go beyond what the assignor attempted to claim as patentable."

The Court found that the Fed. Cir. did not consider the third exception to the doctrine when determining that assignor estoppel applied. Thus, the Court vacated the Fed. Cir. judgment and remanded to address whether Hologic's new claim is materially broader than the claims Truckai assigned, in which case "there is no basis for estoppel."

Implications

Hologic highlights the importance in establishing best practices for perfecting ownership of intellectual property. For example, ownership issues may arise when third parties assist in the innovative process and are named as inventors on resultant patents. *Hologic* indicates that assignments may not prevent third party assignors from later claiming, in defense to an accusation of infringement by the assignee, that the patents are invalid because the granted claims differed from the claims as presented when the assignment was executed. This also has implications for a common scenario where employee assignors, named as inventors in provisional applications filings, are terminated prior to the non-provisional conversions, are uncooperative in the conversion process, and are then hired by a competitor.

What This Means To You

Hologic may impact how businesses develop and implement their strategies to perfect ownership of their intellectual property. If you have questions, please contact us.

For Further Information and Assistance

Cantor Colburn's [IP Transactional Practice Group](#) has substantial experience representing clients in matters regarding ownership of intellectual property. Please do not hesitate to contact the Firm's IP Transactional Practice Chair [Charlie O'Brien](#) at cobrien@cantorcolburn.com and +1 (860) 286-2929, ext. 1159 or your Cantor Colburn attorney with any questions you may have regarding this matter and your IP in general.

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