

No. 20-440

IN THE
Supreme Court of the United States

MINERVA SURGICAL, INC.,

Petitioner,

v.

HOLOGIC, INC., *et al.*,

Respondents.

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

**BRIEF *AMICUS CURIAE* OF AMERICAN
INTELLECTUAL PROPERTY LAW
ASSOCIATION IN SUPPORT
OF NEITHER PARTY**

RICHARD T. MATTHEWS

Counsel of Record

WILLIAMS MULLEN

301 Fayetteville Street, Suite 1700

Raleigh, NC 27601

(919) 981-4000

rmatthews@williamsmullen.com

JOSEPH R. RE

President

AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION

1400 Crystal Drive, Suite 600

Arlington, VA 22202

(703) 415-0780

Counsel for Amicus Curiae

302600



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INTEREST OF *AMICUS CURIAE*¹

The American Intellectual Property Law Association (“AIPLA”) is a national bar association representing the interests of approximately 8,500 members engaged in private and corporate practice, government service, and academia. AIPLA’s members represent a diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. AIPLA’s mission includes providing courts with objective analyses to promote an intellectual property system that stimulates and rewards invention, creativity, and investment while accommodating the public’s interest in healthy competition, reasonable costs, and basic fairness. AIPLA has no stake in any of the parties to this litigation or in the result of this case. AIPLA’s only interest is in seeking correct and consistent interpretation of the law as it relates to intellectual property issues.

**INTRODUCTION AND SUMMARY
OF THE ARGUMENT**

The courts in this country have successfully employed estoppel by deed to patent assignments for over 140 years.

1. In accordance with this Court’s Rule 37.6, *amicus curiae* states that this brief was not authored in whole or in part by counsel for any party, and that no person or entity other than *amicus curiae* and its counsel made a monetary contribution to the preparation or submission of this brief. Petitioner filed a blanket consent on October 14, 2020 and Respondents provided express consent on February 22, 2021.

It rightfully precludes an inventor or assignor in privity, in appropriate circumstances, from upending an assignment of a patent to the detriment of the assignee. This estoppel is based on law governing the assignment of a deed to land. Drawing from estoppel by deed, assignment of a patent right should carry with it some protections against challenges to the validity of the patent. Because the doctrine traces its lineage back to real property law, it is not a patent-specific rule.

Petitioner argues that the Court's abolishment of licensor estoppel in *Lear* warrants abolishing estoppel by deed or assignor estoppel here. AIPLA takes no position on application of the assignor estoppel doctrine to the facts of this case. Nonetheless, AIPLA encourages the Court to retain the doctrine, which was established and sustained by this Court for compelling policy reasons.

The Federal Circuit in *Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 803–04 (Fed. Cir. 2018), ruled assignor estoppel does not bar an assignor from challenging the validity of a patent in *inter partes* review proceedings before the Patent Trial and Appeal Board (“PTAB”). The parties assert this created a split of authority with assignor estoppel in district court cases. It did not. That ruling presents no “split” in the case law because Congress gave the right to petition for *inter partes* review to everyone, while giving the PTAB the discretion to consider equitable issues in deciding whether to institute *inter partes* review.

Abolishing assignor estoppel could be profound. From employment agreements with patent assignment provisions to corporate transactions with transfers of

patented technology, many patent owners would face a cloud of uncertainty regarding their assigned patents. Assignor estoppel has not been challenged in this Court since *Westinghouse* because the doctrine has worked effectively for well over the last century.

For at least these reasons, AIPLA respectfully requests that this Court uphold the doctrine of assignor estoppel as a bar against an inventor or assignor in privity challenging the validity of the assigned patent. AIPLA recognizes, however, that the doctrine may be inapplicable in cases where an inventor could not have known of the patent rights being asserted, as discussed in *Westinghouse*.

ARGUMENT

I. Assignor Estoppel Should Remain a Defense in Appropriate Circumstances.

The original reasons for adopting the doctrine of assignor estoppel remain relevant today—an inventor or assignor in privity should normally not be permitted to challenge the validity of a patent for which they were fully compensated, similar to the transfer of a deed of trust in real property. See *Westinghouse Elec. & Mfg. Co. v. Formica Insulation Co.*, 266 U.S. 342, 348 (1924) (“[T] here seems to be no reason why the principles of estoppel by deed should not apply to assignment of a patent right.”) (citing *Faulks v. Kamp*, 3 F. 898, 900–01 (C.C.S.D.N.Y. 1880) (“Whosoever assumes to sell a patent assumes to sell that property, and assumes that he had it to sell.”)). This Court has always analogized patents with deeds for land. “A patent for an invention is as much property as a

patent for land. The right rests on the same foundation, and is surrounded and protected by the same sanctions.” *Consol. Fruit-Jar Co. v. Wright*, 94 U.S. 92, 96 (1867).

The *Westinghouse* decision upholding assignor estoppel was premised on circuit court cases dating back to 1880. *Faulks v. Kamp*, 3 F. 898 (C.C.S.D.N.Y. 1880). *Westinghouse* preserved what was at the time “a rule well settled by forty-five years of judicial consideration and conclusion in those courts.” *Westinghouse*, 266 U.S. at 349. This Court based its holding and application of *stare decisis* on the same policy considerations underlying transfers of real property.

The analogy between estoppel in conveyances of land and estoppel in assignments of a patent right is clear. If one lawfully conveys to another a patented right to exclude the public from the making, using and vending of an invention, fair dealing should prevent him from derogating from the title he has assigned, just as it estops a grantor of a deed of land from impeaching the effect of his solemn act as against his grantee. The grantor purports to convey the right to exclude others, in the one instance, from a defined tract of land, and in the other, from a described and limited field of the useful arts. The difference between the two cases is only the practical one of fixing exactly what is the subject matter conveyed.

Id. at 350. The *Westinghouse* Court observed that a patent assignment was “manifestly intended by Congress to surround the conveyance of patent property with

safeguards resembling those usually attaching to that of land.” *Id.* at 349. Regardless, what is called assignor estoppel is not an exclusive patent rule. Rather, it is an estoppel based on principals of “fair dealing” to guard against inventors or assignors in privity with them going back on their word. *Id.* at 350.

Westinghouse confirmed that the assignment does not leave the assignor defenseless. It can still contest infringement, and therefore claim construction and the prior art (to determine “scope of the right of exclusion granted”) can be litigated. *Westinghouse*, 266 U.S. at 353. This Court has since reiterated that assignor estoppel applies only to invalidity challenges, and does not preclude the assignor from raising other defenses or contesting infringement. *Scott Paper Co. v. Marcalus Mfg. Co., Inc.*, 326 U.S. 249, 257-58 (1945).

II. The Estoppel Should Not Apply Where the Assignor Has Represented Nothing with Regard to The Issued Claims.

The estoppel should be limited to the rights that the assignors intended to assign, not to other rights they could not have imagined when making the assignment. For example, *Westinghouse* recognized that the doctrine may not be applicable where the issued claims bear little resemblance to those claims assigned by the inventor. Often, when the inventor assigns draft patent applications, and the patents issue well after the assignment and without the inventors’ input or assistance, the reasoning for applying the estoppel may no longer apply. As *Westinghouse* explained:

It is apparent that the scope of the right conveyed in [a patent application] assignment is much less certainly defined than that of a granted patent, and the question of 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. When the assignment is made before patent, 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. This difference might justify the view that the range of relevant and competent evidence in fixing the limits of the subsequent estoppel should be more liberal than in the case of an assignment of a granted patent.

Id. at 352-353. This scenario is often the case where employees are obligated to assign all of their work to their employers. This obligation is a condition of their employment and in no way reflects their judgment that what they assign is worthy of patent protection or is accurately reflected in the issued claims. To the extent an inventor plays no part in the prosecution of an assigned patent application through grant of the patent with broader claims, that fact alone may preclude any estoppel. *Id.* But to the extent inventor-employees were involved in prosecuting the patent application, and understood the rights assigned, they should be estopped from challenging the validity of any patent issued therefrom.

III. The Policy and Legal Benefits of Assignor Estoppel Support Keeping the Doctrine, Unlike Licensee Estoppel

Petitioner argues that the abolishment of licensee estoppel in *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969), supports abolishing assignor estoppel in the present case. Like many doctrines concerning patent law, they are both judicially created doctrines that must be balanced against the federal policy that supports free public access to formerly patented or unpatentable inventions.² But assignor estoppel differs significantly from licensee estoppel in many respects.

First, inventors (unlike licensees) sign an oath or declaration attesting that “(1) the application was made or was authorized to be made by the affiant or declarant; and (2) such individual believes himself or herself to be the original inventor or an original joint inventor of a claimed invention in the application.” 35 U.S.C. 115. An inventor’s oath or declaration has the full force and effect

2. See *Kimble v. Marvel Entm’t, LLC*, 576 U.S. 446, 451 (2015) (“In case after case, the Court has construed [patent] laws to preclude measures that restrict free access to formerly patented, as well as unpatentable, inventions.”); *Blonder Tongue Labs, Inc. v. Univ. of Illinois Found.*, 402 U.S. 313, 349-50 (1971) (reaffirming *Lear* in 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 or that is beyond the scope of the patent monopoly granted”); *Edward Katzinger Co. v. Chicago Metallic Mfg. Co.*, 329 U.S. 394, 402 (1947) (“[The] specific contract not to challenge the validity of the patent cannot override congressional policy against contracts in restraint of interstate trade any more than can an implied estoppel.”).

of the law under 18 U.S.C. § 1001. Licensees are normally not in a position to execute an oath or declaration about the novelty of the licensed invention. A named inventor who executed the required oath or declaration attesting to their original inventorship should not later be allowed to derogate such representations made under penalty of perjury as against their assignee. In the face of all public policy considerations currently and previously before this Court on the subject, any proposed abolition of assignor estoppel should again be “rejected by this Court on basic principles of ‘fair dealing’.” *Scott Paper*, 326 U.S. at 259 (Frankfurter dissenting).

Second, as noted in many decisions, inventors and assignors in privity have received the benefit of their bargain when they assigned the patent, unlike licensees who are generally paying a royalty over time to practice the invention without fear of suit. *Westinghouse*, 266 U.S. at 350; *see also Diamond Sci. Co. v. Ambico, Inc.*, 848 F.2d 1220, 1224 (Fed. Cir. 1988) (“[A]n assignor should not be permitted to sell something and later to assert that what was sold is worthless, all to the detriment of the assignee.”) “As to the rest of the world, the patent may have no efficacy and create no right of monopoly; but the assignor can not be heard to question the right of his assignee to exclude him from its use.” *Scott Paper*, 326 U.S. at 252 (collecting cases).

Third, assignors have transferred title to a patent analogous to a deed, where estoppel by deed is a form of legal estoppel. *AMP, Inc. v. United States*, 389 F.2d 448, 452 (Ct.Cl. 1968), *cert. denied*, 391 U.S. 964. As such, “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.” *Westinghouse*, 266 U.S. at 349. In contrast, there is no transfer of title to a patent licensee. Because the doctrine of assignor estoppel came from real property law, the doctrine is not a unique patent-specific rule.

Further, an inventor could have greater influence over a trier of fact deciding the validity of the patent conveyed as compared to the testimony from a licensee. This influence looms large even when the inventor testifies contrary to their own oath and declaration, assignment, and prior transfer of title.

And, assignor estoppel is narrowly tailored. It applies only to assignors and their privies, leaving “the rest of the world” (including licensees) free to challenge the patent’s validity. *Westinghouse*, 266 U.S. at 349; *see also* Mark A. Lemley, *Rethinking Assignor Estoppel*, 54 *Hous. L. Rev.* 513, 540-42 (2016) (recognizing a continued role for the doctrine when, for example, interested inventors concoct false factual claims to try to defeat their patents, and that those claims will have particular force for a jury because the inventor is seen to be testifying against their own interest by denigrating their own invention.).

Thus, this Court’s precedent and policy considerations regarding assignor estoppel warrant retaining the doctrine and applying it when it makes sense. It should not apply in the scenarios outlined in *Westinghouse*, such as when the assignment involves a patent application and the applicant takes no part advancing the application to a granted patent having broader claims than those presented in the original application. 266 U.S. at 352-53.

But simply because the doctrine is inapplicable in some cases does not justify completely abolishing the doctrine.

IV. There is No “Split” Between District Courts and the Patent Trial and Appeal Board Proceedings

Both Petitioner and Respondent refer to *Arista Networks* to argue mistakenly that there is a “split” between district courts permitting assignor estoppel and the Patent Trial and Appeal Board (“PTAB”) not permitting the doctrine. They ignore that Congress gave *anyone* the right to petition for *inter partes* review. 35 U.S.C. § 314(d). Moreover, the PTAB has always been able to consider a variety of equitable matters in determining whether to institute an *inter partes* review proceeding. *See generally* Consolidated Trial Practice Guide (Nov. 2019) <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf?MURL> (last visited Feb. 9, 2021); *see also* *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, No. IPR2016-01357, 2017 WL 3917706 (P.T.A.B. Sept. 6, 2017); *ZTE (USA), Inc. v. Fractus, S.A.*, No. IPR2018-01457, 2019 WL 994643 (P.T.A.B. Feb. 28, 2019) (extending PTAB’s equitable analysis to parallel proceedings). The doctrine of licensee estoppel remains part of jurisprudence at both the district court and before the Trademark Trial and Appeal Board at the U.S. Patent & Trademark Office. *Beer Nuts, Inc. v. King Nut Co.*, 477 F.2d 326, 328–29 (6th Cir.1973) (distinguishing *Lear* and upholding licensee estoppel for trademark licenses); *see also* 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 18:63 (54th ed. 2020).

The public policy considerations in *Lear* do not outweigh the important public policy considerations

explained in Sections I and III *supra*. A Court sitting in equity should be permitted to consider assignor estoppel the same as any other estoppel:

But as so often is the case, no one set of facts, no one collection of words or phrases, will provide an automatic formula for proper rulings on estoppel pleas. In the end, decision will necessarily rest on the trial courts' sense of justice and equity.

Blonder Tongue, 402 U.S. at 333-34; *see also Diamond Sci.*, 848 F.2d at 1228 (Newman, J., concurring) (“Patent rights are indeed vested with strong elements of public interest, but this does not exclude giving due weight to all the interests involved.”) One author has suggested the *Diamond Scientific* case distinguishing assignor estoppel from licensee estoppel removed the need for legislation to overrule *Lear*. William C. Rooklidge, *The Federal Circuit, Assignor Estoppel, and the Progeny of Lear v. Adkins*, 70 J. Pat. & Trademark Off. Soc’y 805, 816 (1988) (explaining the history of assignor estoppel).

For the reasons discussed above, in addition to the risks outlined in Section V *infra*, the equities weigh strongly in favor of retaining the assignor estoppel doctrine consistent with the doctrine of fair dealing. Lemley, *supra* at 542 (recognizing another basis for keeping assignor estoppel where an “inventor sold the patent to the assignee as valuable, made factual representations about the validity of that patent, and then contradicted those representations when it was in their interest to do so”).

V. The Risks Associated with Abolishing Assignor Estoppel and Disrupting *Stare Decisis* are Potentially Far Reaching

The real-world impact of abolishing assignor estoppel and failing to follow this Court’s prior precedent could be profound. *Kimble v. Marvel Entm’t, LLC*, 576 U.S. 446, 447 (2015) (implicating “property and contract law, two contexts in which considerations favoring stare decisis are ‘at their acme’ ... because parties are especially likely to rely on such precedents when ordering their affairs”) (citations omitted).

For corporate transactions involving patents, a cloud of uncertainty would hang over patent assignments for the current patent term – 20 years. 35 U.S.C. § 154; *Kimble*, 576 U.S. at 446. Commercial transactions involving the transfer of intellectual property often include representations and warranties regarding the validity and ownership of such intellectual property assets. Christopher M. Turoski, *IP in Mergers & Acquisitions*, Representations and warranties—Validity and enforceability, § 5:19. The parties to these transactions negotiated and placed value on these representations and warranties. Being unable to rely on them would impair private contract rights, allowing a transferor to assert that the rights it expressly represented and warranted are invalid. Encouraging this behavior flies in the teeth of “basic considerations of ‘fair dealing.’” *Scott Paper*, 326 U.S. at 259. Future deals or agreements involving the assignment of patents might not be able to warrant against the “unfairness and injustice that would be suffered by the assignee if the assignor were allowed to raise defenses of patent invalidity.” *Diamond Sci.*, 848 F.2d at 1225 (“Yet

despite the public policy encouraging people to challenge potentially invalid patents, there are still circumstances in which the equities of the contractual relationships between the parties should deprive one party (as well as others in privity with it) of the right to bring that challenge.”).

And the number of corporate patent assignments pales in comparison to the number of employment agreements implicated by abolition of the assignor estoppel doctrine. Companies developing patentable technology want certainty that their employees will remain committed to their intellectual property assignments, particularly those executed at the time when assignor estoppel provided added security against surreptitious validity attacks. In *Stanford University v. Roche Molecular Systems, Inc.*, 563 U.S. 776 (2011), this Court held that a present assignment of rights precluded a future assignment of the same rights. Following *Stanford*, employers had to scramble to shore up their employment agreements, and confirm employees were bound by more explicit and immediately effective assignment agreements. Ted Hagelin, *The Unintended Consequences of Stanford v. Roche*, 39 AIPLA Q.J. 335, 351 (2011).

Former employee inventors are often the greatest source of trade secret misappropriation and related claims, often involving competing start-ups. David S. Almeling et. al., *A Statistical Analysis of Trade Secret Litigation in State Courts*, 46 Gonz. L. Rev. 57, 68 (2011). Were assignor estoppel eliminated, employers would face the possibility that no contract language would keep employees from later challenging a patent naming them as an inventor. Abolishing assignor estoppel could promote bad behavior. As the *Diamond Scientific* court noted,

“the primary consideration in now applying the doctrine is the measure of unfairness and injustice that would be suffered by the assignee if the assignor were allowed to raise defenses of patent invalidity.” 848 F.2d at 1225. Practically, inventors who depart from one company to start a new competitive company should be barred from being able to challenge the validity of their own patents. If assignor estoppel is abolished under the same policy considerations provided in *Lear*, then that employer would be left with little recourse. Fraud allegations are a poor substitute for the stabilizing effect of the assignor estoppel doctrine.

AIPLA submits that the doctrine has worked efficiently in preventing assignors from challenging the validity of the patents they have assigned. Consequently, there are not many assignor estoppel cases. Setting aside the title of the assignor estoppel doctrine, this estoppel is not a patent-specific rule, but rather the “the functional equivalent of estoppel by deed” derived from real property law considerations that have not changed in the last 140 years. *Id.* There is no sound reason to upset these long-settled expectations now.

CONCLUSION

For all the foregoing reasons, the doctrine of assignor estoppel should be preserved to bar inventors or assignors in privity from challenging a patent they have assigned for value.

Respectfully submitted this first day of March, 2021.

RICHARD T. MATTHEWS

Counsel of Record

WILLIAMS MULLEN

301 Fayetteville Street, Suite 1700

Raleigh, NC 27601

(919) 981-4000

rmatthews@williamsmullen.com

JOSEPH R. RE

President

AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION

1400 Crystal Drive, Suite 600

Arlington, VA 22202

(703) 415-0780

Counsel for Amicus Curiae