No. 20-440

IN THE

Supreme Court of the United States

MINERVA SURGICAL, INC.,

Petitioner,

v.

HOLOGIC, INC., CYTYC SURGICAL PRODUCTS, LLC,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

REPLY IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI

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INTRODUCTION

The parties agree that the law of assignor estoppel, as developed by the Federal Circuit, has produced inconsistencies that require this Court's review. The Federal Circuit has concluded that assignor estoppel has no place in patent office proceedings, based on the same bedrock principles the Federal Circuit has ignored in continuing to apply assignor estoppel in cases which—like this one—arise in district court. As Hologic agrees, "[t]hat makes no sense, and this Court should resolve the conflict." Opp. 3.

The parties dispute only whether this Court should accept review of Minerva's petition or Hologic's cross-petition to consider the issue. None of the supposed vehicle problems that Hologic asserts should deter this Court from granting Minerva's petition survive inspection. Hologic repeatedly claims that the Federal Circuit rejected Minerva's invalidity arguments on the merits. Opp. 3, 10, 11, 12, 28-29. But the Federal Circuit was clear: it affirmed the judgment of no invalidity "[b]ecause" of assignor estoppel, not on the merits. Pet. App. 20a. And the Federal Circuit's ruling neither discusses the legal standards relevant to written description or enablement nor cites a word of the patent disclosing a permeable applicator head, the core factual issue relevant to these section 112 issues. Hologic cites *only* the concluding statement describing that the judgment of no invalidity is affirmed, Opp. 10, 29, which is precisely the conclusion that follows from the Federal Circuit's assignor estoppel ruling. Pet. App. 30a-31a. *Because* the Federal Circuit determined that assignor estoppel barred it from even considering whether Hologic's broadly drawn patent claims lack support in the specification, the judgment of no inva-

lidity was affirmed. That is no bar to this Court's consideration of the issue; it is *the reason* this Court should consider the issue. Hologic's broadly drawn patent can and should be tested against the legal standards governing written description and enablement.

Hologic also suggests that granting Minerva's petition would constrain the range of options available to this Court in reviewing assignor estoppel. That, too, is wrong. Minerva properly preserved *both* the wholesale elimination of the doctrine and a ruling that would halt the expansion of the doctrine beyond its equitable roots. Minerva Fed. Cir. Opening Br. 66-70; Minerva Fed. Cir. Reply Br. 24-28. If this Court grants Minerva's petition, it will be free to consider any option that best aligns the doctrine with the statute's text, taking into consideration its common-law roots and the evolution of patent law. Minerva's petition thus presents the issue in a context ideally suited to a comprehensive consideration of whether, and if so in what form, assignor estoppel should be used to bar consideration of invalidity.

By contrast, Hologic's cross-petition presents insuperable barriers to considering assignor estoppel *at all*. As detailed in Minerva's contemporaneously filed Brief in Opposition to Hologic's cross-petition, the '183 patent that is the subject of Hologic's cross-petition has been *conclusively* determined to be invalid in a *separate* proceeding. When that patent was determined to be invalid by the Federal Circuit, Hologic did not seek this Court's review. Hologic's cross-petition asks this Court to enforce its "patent" against Minerva *despite* the fact that the '183 patent was invalidated in a *separate* proceeding that has concluded and cannot be reopened. In short, Hologic's cross-petition presents only its novel views about the enforcement of final judg-

ments, not about assignor estoppel. Only Minerva's petition presents *any* opportunity for this Court to consider what both parties agree is an important and controversial issue meriting this Court's review: whether, and if so in what form, assignor estoppel should bar consideration of a patent's validity.

On the merits of that issue, Hologic ignores that assignor estoppel is contrary to the text of the Patent Act, sets up bad patents as barriers to innovation, and is inconsistent with this Court's precedent—not to mention the Federal Circuit's own precedent. Hologic relies primarily on a 75-year-old *dissent* which objected to this Court's refusal to apply assignor estoppel. Opp. 1 (quoting *Scott Paper Co.* v. *Marcalus Mfg. Co.*, 326 U.S. 249, 263 (1945) (Frankfurter, J., dissenting)). This Court has in fact consistently criticized and limited the doctrine, and, as Hologic does not dispute, has *never* applied it. And while Hologic emphasizes the doctrine's common-law roots, Hologic cannot deny that the Federal Circuit expanded assignor estoppel in this case beyond any common law precedent, applying it to bar enablement and written description arguments for the first time. See Opp. 28. As even Hologic agrees, assignor estoppel was intended to prevent an inventor from selling a patent and then "later … assert[ing] that what was sold is worthless." *Id.* at (I). When an assignee prosecutes a post-assignment patent claim that goes beyond the scope of what the inventor invented and assigned, that overbroad claim is not "what was sold." And there is no equitable basis or common law tradition for preventing the inventor from defending against infringement claims by pointing out that the overbroad claim goes beyond what was assigned.

I. THIS CASE PRESENTS AN IDEAL VEHICLE FOR THIS COURT TO ADDRESS ASSIGNOR ESTOPPEL.

This petition presents assignor estoppel to this Court in an ideal posture for its comprehensive consideration.

1. The Federal Circuit did not consider Minerva's invalidity arguments on the merits. Hologic cites only a fragment of a sentence from the conclusion of the Federal Circuit's opinion which "affirm[ed]" "the district court's summary judgment of no invalidity." Opp. 10 (quoting Pet. App. 30a-31a). The judgment of invalidity was affirmed *because Minerva was estopped from asserting invalidity*. The Federal Circuit said not one word about whether the '348 patent claim was enabled or described. Indeed, the Federal Circuit was explicit that the basis of its affirmance was assignor estoppel, explaining that "*[b]ecause the district court did not abuse its discretion in applying the doctrine of assignor estoppel*, we affirm the district court's grant of summary judgment of no invalidity." Pet. App. 20a (emphasis added).

2. Hologic claims Minerva waived the argument that assignor estoppel cannot apply to written description and enablement claims by not raising that argument until its reply brief in the Federal Circuit. Opp. 27-28. There has been no waiver as a matter of fact or law.

Minerva has consistently argued, in district court and the Federal Circuit, that assignor estoppel should be rejected outright, but that, if assignor estoppel survives, it should not apply to bar "invalidity arguments created by [Hologic's] own overreach"—specifically, the written description and enablement defenses Minerva has consistently raised. Minerva Fed. Cir. Opening Br. 68 ("Hologic is deploying assignor estoppel to

shield its unwarranted expansion of the patent's scope from the invalidity arguments created by its own overreach. That is not the doctrine's purpose."); Minerva Fed. Cir. Reply Br. 24-28; Pet. App. 58a.

Minerva has always argued that assignor estoppel does not bar Minerva's invalidity challenges. And, having made the broader argument challenging the application of assignor estoppel against it, Minerva is free to "make any argument in support of that claim," including that the doctrine should be narrowed. *Yee* v. *City of Escondido*, 503 U.S. 519, 534-35 (1992).

3. This case presents an opportunity to abandon assignor estoppel, or if this Court were inclined to retain the doctrine in some form, this case presents a rich set of equitable and legal considerations that can inform this Court's decision and guide future rulings.

For example, Hologic can try to argue its mistaken view that equitable considerations favor estoppel here because Minerva supposedly "deliberately copied core features" of Hologic's device. Opp. 1-2. But patent law *permits* copying *features* of a patented device, so long as the device does not incorporate every limitation of a patent claim. See, *e.g.*, *Convolve, Inc.* v. *Compaq Comput. Corp.*, 812 F.3d 1313, 1317-18 (Fed. Cir. 2016). Indeed, the "copied" feature Hologic refers to, the overall shape of the device, is dictated by anatomy, and had been disclosed in devices predating *both* products. Minerva's view is not that its new device is *nothing* like the device Truckai invented and that Hologic sells. Rather, it is that Minerva's moisture-impermeable, plasma-based device reflects a sharp turn *away* from Hologic's moisture-permeable and "moisture transport" family of patents.

Hologic further distorts the equitable considerations present here when it suggests that the jury rejected

the argument that Hologic expanded its patent claims to encompass Minerva's device. The jury decided that Hologic had not breached a non-disclosure agreement with Minerva, but Hologic had argued that Minerva's information was not confidential. Regardless, what matters for the equitable considerations potentially relevant here is undisputed: Hologic was well aware of Minerva's new device when it sought, for the first time roughly a decade after acquiring the moisture transport family of patents, to obtain a patent with claims not tied to moisture permeability.

A comprehensive review of the doctrine in light of all the equitable considerations and legal foundations present here will ensure that this Court's ruling in this case will inform whether, and if so how, the Federal Circuit should reconsider in a future case arising out of the patent office any aspect of its decision in *Arista Networks, Inc.* v. *Cisco Systems, Inc.*, 908 F.3d 792 (Fed. Cir. 2018), that assignor estoppel does not apply to *inter partes* reexamination proceedings. Put simply, granting this petition, not Hologic's, is the only way for this Court to provide overarching guidance for the application, if any, of assignor estoppel in both forums going forward.

II. ASSIGNOR ESTOPPEL IS CONTRARY TO THE PATENT ACT'S TEXT AND PURPOSES AND ONLY THIS COURT CAN CONSTRAIN ITS CONTINUED MISUSE BY THE FEDERAL CIRCUIT.

1. Hologic ignores the text of the Patent Act, which allows invalidity as a defense in "any action" for patent infringement. 35 U.S.C. § 282(b). "When the words of a statute are unambiguous, … judicial inquiry is complete." *Barnhart* v. *Sigmon Coal Co.*, 534 U.S. 438, 462 (2002). This is especially true in the context of the Patent Act, where this Court has emphasized that courts

"should not read into the patent laws limitations and conditions which the legislature has not expressed." *Bilski* v. *Kappos*, 561 U.S. 593, 602-03 (2010).

With no textual support in the statute, Hologic seeks refuge in the common law, arguing that Congress legislated "with an expectation that" assignor estoppel would apply because the "common-law principle is well established." Opp. 22 (quoting *Astoria Fed. Sav. & Loan Ass'n* v. *Solimino*, 501 U.S. 104, 108 (1991)). But the essential premise for this argument—that Congress has legislated against the backdrop of a settled common law principle—does not hold.

By 1945—prior to the enactment of the Patent Act in 1952—this Court had called the continued vitality of the doctrine into serious question. *Scott Paper* questioned the "extent [assignor estoppel] may be deemed to have survived the *Formica* decision." *Scott Paper Co.*, 326 U.S. at 254. Justice Frankfurter, in dissent, concluded that *Scott Paper* in effect eliminated assignor estoppel, noting that, under the majority's reasoning "the assignor in raising invalidity in a suit for infringement is just a part of the general public and can ask the Court to enforce every defense open to the rest of the public." *Id.* at 261 (Frankfurter, J., dissenting). This Court later agreed: the "*Scott* exception had undermined the very basis of" assignor estoppel. *Lear, Inc.* v. *Adkins*, 395 U.S. 653, 666 (1969).

After *Lear*, courts concluded that assignor estoppel had been abolished. See, *e.g.*, *Coastal Dynamics Corp.* v. *Symbolic Displays, Inc.*, 469 F.2d 79 (9th Cir. 1972) (per curiam). Congress heard testimony from witnesses agreeing that *Lear* "completely overruled" assignor estoppel. *Patent Law Revision: Hearings Before the Subcomm. on Patents, Trademarks, & Copyrights of the S. Comm. on the Judiciary*, 92d Cong. 231 (1971)

(statement of James T. Lynn, Under Secretary of Commerce); *id.* at 218 (statement of Chamber of Commerce of the United States); *id.* at 383 (supplemental statement of Nathaniel B. French, President, American Patent Law Association). It was not until 1988 that the Federal Circuit resurrected assignor estoppel, and it has gradually and unilaterally expanded the doctrine in the decades since, without the benefit of review from this Court.[1]

In short, although the doctrine had a long history, "each time a patentee sought to rely upon his estoppel privilege before this Court, the majority created a new exception to permit judicial scrutiny into the validity of the Patent Office's grant" until the doctrine "had been so eroded that it could no longer be considered the 'general rule,' but was only to be invoked in an ever-narrowing set of circumstances." *Lear*, 395 U.S. at 664. By the end of this "erosion" the Court had no difficulty eliminating the doctrine of licensee estoppel in *Lear*, despite the doctrine's history.

2. Assignor estoppel also runs contrary to the purposes of the patent law because it stifles innovation by propping up bad patents. Amici—thirty-one prominent intellectual property law professors and a non-profit organization which advocates on behalf of start-ups—agree: assignor estoppel prevents those "in the best position to challenge bad patents" from performing that "important public good," "harm[s] innovation," and "is

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[1] Further, by 1952, this Court had been clear that courts "should not read into the patent laws limitations and conditions which the Legislature has not expressed." *United States* v. *Dubilier Condenser Corp.*, 289 U.S. 178, 198-99 (1933), *amended*, 289 U.S. 706 (1933) (mem.). Yet Congress did not include the limitation of assignor estoppel in the Act. See *SCA Hygiene Prods. Aktiebolag* v. *First Quality Baby Prods., LLC*, 137 S. Ct. 954, 963-64 (2017).

particularly taxing on startups and the most innovative inventors." Br. *Amici Curiae* of Intellectual Property Professors 1-2; Br. of Engine Advocacy as *Amicus Curiae* 3.

Hologic nonetheless makes a half-hearted argument that assignor estoppel somehow serves the goals of the patent laws. Opp. 23-24. But the suggestion that trust in patent assignments will fail is baseless; companies already independently assess the value of intellectual property they acquire, given that assignor estoppel can only be asserted against an assignor. And the notion that assignor estoppel "encourages innovation," *id.* at 24, is absurd. What it does, in the form Hologic would have it take, is effectively treat a patent assignment as a covenant not to compete, potentially locking out an expert in the field who might be best suited to develop important advances on previous inventions that are the lifeblood of innovation. In fact, an inventor's ability to continue to innovate is often contingent on the inventor's ability to challenge an assignee's overbroad extension of a prior patent. Pet. 24-25; Br. of Engine Advocacy as *Amicus Curiae* 8-11.

Finally, Hologic protests that eliminating assignor estoppel will make it "difficult to contractually *prohibit* assignors from challenging assigned patent rights," Opp. 24, because courts may not enforce a contract not to challenge a patent's validity, see *Kimble* v. *Marvel Entm't, LLC*, 135 S. Ct. 2401, 2407 (2015). Exactly. Assignor estoppel does through "equity" what this Court has held parties are not permitted to achieve through contract. There is no justification for this odd state of affairs.

3. Only this Court can settle the controversy both parties acknowledge surrounds assignor estoppel. The gulf between the Federal Circuit's rejection of the doctrine in *inter partes* reviews, *Arista Networks, Inc.*, 908

F.3d at 804, and its consistent expansion of the doctrine in court highlights the need for this Court's review. Contrary to Hologic's assertions, Federal Circuit judges have called for assignor estoppel to be revisited and have concluded they are "precluded from doing away with the doctrine in its entirety." *Mentor Graphics Corp.* v. *EVE-USA, Inc.*, 870 F.3d 1298, 1305 (Fed. Cir. 2017) (per curiam) (Moore, J., concurring in denial of panel rehearing); see also Pet. App. 32a (Stoll, J., additional views).

III. AT A MINIMUM, THIS COURT SHOULD CONSTRAIN THE FEDERAL CIRCUIT'S RUNAWAY ASSIGNOR ESTOPPEL DOCTRINE.

Even if assignor estoppel survives, the way the Federal Circuit applied assignor estoppel in this case is inconsistent with the common-law roots of the doctrine. Hologic does not dispute that assignor estoppel has *never* been applied in this way, to bar written description and enablement claims or defenses.

As Hologic agrees, that doctrine was intended to prevent an inventor from selling a patent and then "later … assert[ing] that what was sold is worthless." Opp. (I). When an assignee obtains a post-assignment patent claim that goes beyond what the inventor assigned, that overbroad claim is not "what was sold." Hologic asserts that Truckai's assignment "included the rights to the invention itself and to any patents that might eventually be issued in connection with it." *Id.* at 1. But that is question-begging: what Truckai assigned are any patents that might validly be issued in light of what Truckai disclosed in his specification. Minerva simply seeks Federal Circuit review of whether what Truckai assigned covers a moisture-impermeable device. What Hologic is really saying is that *regardless* of what Truckai disclosed in his moisture

transport specification, whatever patent Hologic manages later to get issued based on that specification, even if it is invalid, can be enforced to frustrate further innovation by Truckai.

The comparison of assignor estoppel to estoppel in conveyances of land, so favored by Hologic, does not help it. Opp. 19 (citing *Westinghouse Elec. & Mfg. Co.* v. *Formica Insulation Co.*, 266 U.S. 342, 349 (1924)). Under the real property principles discussed in *Formica*, a seller could not say a deed the seller conveyed is void, but that has never precluded a court from determining, at the seller's insistence, the metes and bounds of the conveyance. Minerva is not arguing that Truckai gave Hologic nothing; it simply asks the Court to consider the scope of what was conveyed. Traditional estoppel doctrine would not preclude Minerva from having a court consider that question. Indeed, *Formica* was clear that assignor estoppel does not prevent an assignor from proving "the extent of the grant … which the [inventor] assigned." *Formica*, 266 U.S. at 350-51.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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