

No. 20-440

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IN THE  
**Supreme Court of the United States**

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MINERVA SURGICAL, INC.,  
*Petitioner,*

v.

HOLOGIC, INC., CYTYC SURGICAL PRODUCTS, LLC,  
*Respondents.*

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

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**REPLY BRIEF FOR PETITIONER**

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## INTRODUCTION

According to Hologic, this Court in 1924 settled whether assignor estoppel is part of the Patent Act in *Westinghouse Electric & Manufacturing Co. v. Formica Insulation Co.*, 266 U.S. 342 (1924), and Congress acquiesced when it did not expressly reject assignor estoppel in 1952. But *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969), has already determined that, by 1952, assignor estoppel “could no longer be considered the ‘general rule.’” *Id.* at 664-66.

Hologic’s argument thus rests on an unsound foundation. Congress cannot have silently adopted a doctrine that was, at best, in evident decline by 1952. Assignor estoppel has never been the kind of settled common-law doctrine that Congress can be thought to assume applies in patent cases. And *stare decisis* cannot be used to save a doctrine this Court has never applied but only limited, including in *Formica*.

Assignor estoppel is an ill-conceived atextual doctrine developed by lower courts. It should, like licensee estoppel, be abandoned. Doing so would serve the paramount public interest in invalidating bad patents, without meaningful countervailing costs. There is no reason to believe that abandoning assignor estoppel would inhibit patent transactions. And other law remains in place to preserve the public interest in good faith that concerns the Government.

If this Court retains the doctrine, it should set clear limits. (1) Not-yet-issued patent claims have no analogy in the rights protected by estoppel by deed and cannot form the basis of estoppel. (2) Section 112 defenses should be allowed because the scope of what was invented must be determined to assess the scope of any estoppel. And (3) requiring reliance on a

representation of validity ensures that assignor estoppel is used only as a shield to prevent unfairness, not a sword to defeat legitimate competition.

## ARGUMENT

### I. ASSIGNOR ESTOPPEL SHOULD BE ELIMINATED.

#### A. Assignor Estoppel Contradicts The Patent Act's Text.

The Patent Act mandates that invalidity “shall be” a defense in “any action.” 35 U.S.C. § 282(b). Hologic and the Government simply ignore what this Court said just three years ago about remarkably similar language in *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018). They also ignore the cases rejecting atextual glosses on such clear language in the Patent Act. See Br. 19 (citing cases).

Instead, Hologic argues that the text says nothing about whether particular defendants may assert invalidity. Resp. 23; U.S. Br. 22. But Hologic cannot square the requirement that invalidity be a defense in “any action” for infringement with its effort to deny Minerva an invalidity defense in *this* action for infringement. Indeed, the Patent Act used to provide that “the defendant may” raise invalidity. Act of July 8, 1870, ch. 230, § 61, 16 Stat. 198, 208. Hologic agrees today’s language reflects no substantive change.

#### B. Neither *Stare Decisis* Nor Any Presumption That Congress Silently Adopted Assignor Estoppel Supports The Doctrine.

Hologic suggests two reasons to depart from the text: Congress supposedly silently ratified assignor estoppel in 1952 and *stare decisis*. The essential

premises of Hologic's arguments are that *Formica* incorporated assignor estoppel into the Patent Act in 1924, and that by 1952 the issue was settled. Neither holds.

**1. Assignor Estoppel Was Not Settled By  
*Formica* Or A Consensus In 1952.**

a. This Court has already made clear that *Formica* did not write assignor estoppel into the Patent Act. In *Scott Paper Co. v. Marcalus Manufacturing Co.*, this Court wondered out loud the “extent” to which assignor estoppel “may be deemed to have survived the *Formica* decision or to be restricted by it.” 326 U.S. 249, 254 (1945). In *Lear*, this Court said *Formica* had “stringently limited” and “undermin[ed]” assignor estoppel, and, when “carr[ied] ... to its logical conclusion” meant that patent estoppel could not prevent a defense based on prior art that a patent “w[as] not novel at all.” 395 U.S. at 664-65. This Court has also characterized *Formica* as “remov[ing] ... restrictions on those who would challenge the validity of patents.” *Blonder-Tongue Labs., Inc. v. Univ. of Ill. Found.*, 402 U.S. 313, 344-45 (1971). There is no way to square Hologic's view that *Formica* settled assignor estoppel into patent law with this Court's own statements about the case.

This Court has also made clear that by 1952 assignor estoppel was certainly not “about as firmly settled as interpretive propositions can get.” See Resp. 20. To the contrary, as of 1950, both licensee and assignor estoppel had been “so eroded that [they] could no longer be considered the ‘general rule.’” *Lear*, 395 U.S. at 664. It was “impossible” to limit *Scott Paper* so that assignors could not establish invalidity. *Id.* at 666. In 1945, Justice Frankfurter observed that *Scott Paper* “repudiated” the doctrine. 326 U.S. at 261-64 (Frankfurter, J., dissenting).

Just a year after *Scott Paper*, this Court said that the ruling had authorized an assignor “to challenge the validity of the patent.” *Edward Katzinger Co. v. Chi. Metallic Mfg. Co.*, 329 U.S. 394, 400 (1947). Hologic suggests that the quote is misleading because *Katzinger* notes *how* the assignor in *Scott Paper* was allowed to demonstrate invalidity. Resp. 24 n.2. But the fact that the assignor *was allowed to demonstrate invalidity* makes the ruling inconsistent with assignor estoppel. How is irrelevant.

Ignoring all this, Hologic asserts that *Scott Paper* “reaffirmed” *Formica*’s supposed adoption of assignor estoppel. Resp. 5-6. But the passage Hologic cites (pages 251-52) merely describes the doctrine, as it had been applied by lower courts and described in *Formica*. There is no endorsement.

b. This Court was not the only authority to notice that assignor estoppel was unsettled by 1952. The Ninth Circuit questioned the doctrine’s continued vitality after *Scott Paper*. *Douglass v. U.S. Appliance Corp.*, 177 F.2d 98, 101 (9th Cir. 1949). The Sixth Circuit recognized that *Scott Paper* at least may have “modified” patent estoppel. *Hope Basket Co. v. Prod. Advancement Corp.*, 187 F.2d 1008, 1012 (6th Cir. 1951). Other courts ruling after 1952, but relying on the law as of 1952, refused to apply assignor estoppel. *Nat’l Welding Equip. Co. v. Hammon Precision Equip. Co.*, 165 F. Supp. 788, 791-92 (N.D. Cal. 1958); *Brand Plastics Co. v. Dow Chem. Co.*, 267 F. Supp. 1010, 1011-13 (C.D. Cal. 1967), *rev’d in part on other grounds*, 475 F.2d 124 (9th Cir. 1973).

In 1946, the Government described *Formica* to this Court as offering only “implied approval” of assignor estoppel and “[q]uer[ied]” whether this approval was, “since the decision in *Scott Paper* ... entitled to further weight.” U.S. Br., *Katzinger*, 329 U.S. 394 (Nos. 70 &

71), 1946 WL 62818 at 5 & n.2. Legal scholars also viewed assignor estoppel as being eroded away. Br. 30; Recent Case, *Consent Decree Adjudicating Validity of Patent Without Making Finding of Infringement Held Not Res Judicata*, 59 Harv. L. Rev. 1318, 1318 (1946). As Congress was considering a reenactment of the Patent Act in 1952, no mention is made of assignor estoppel *except* to call attention to its uncertain status and advocate for its legislative adoption. Br. 30-31.

The 88 lower court cases Hologic has compiled do not demonstrate a “universal” consensus as of 1952. Only two were decided after *Scott Paper*, which “are too few to establish a settled, national consensus.” *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 137 S. Ct. 954, 965 (2017). Worse still, neither case treats assignor estoppel as settled.

In *Timken-Detroit Axle Co. v. Alma Motor Co.*, 163 F.2d 190 (3d Cir. 1947), a licensee estoppel case, the court refused to consider whether estoppel applied because the issue had been waived. *Id.* at 191. Yet it indicated, with a “But cf.” citation of *Scott Paper*, that its application was questionable following that ruling. *Id.* at 191-92. *Brown v. Insurograph, Inc.*, 90 F. Supp. 828 (D. Del. 1950), similarly declined to decide whether assignor estoppel applied. *Id.* at 830-31. While the court thought “[i]t appear[ed] that” assignor estoppel was the general rule, the court could not “determine[]” its application. *Id.*

## **2. Congress Did Not Incorporate Assignor Estoppel Into The Patent Act.**

To infer Congressional endorsement of assignor estoppel from Congressional inaction under the circumstances prevailing in 1952 would revolutionize presumptions regarding Congressional adoption of

judicial rulings. It would impose an impossible burden on Congress to police court decisions and seize for courts substantial policymaking authority even in the face of clear statutory language.

a. The prior-construction canon has important limits that Hologic whistles past.

*First*, the canon “has no application where, among other things, the [interpretation] was far from settled.” *Liu v. SEC*, 140 S. Ct. 1936, 1947 (2020) (cleaned up). Even this Court’s grant of a writ of certiorari can defeat a uniform and “long-established practice” of federal courts. *Armstrong v. Exceptional Child Ctr., Inc.*, 135 S. Ct. 1378, 1386-87 (2015); *id.* at 1394-95 (Sotomayor, J., dissenting). Any uncertainty defeats the canon. See Antonin Scalia & Bryan A. Garner, *Reading Law: The Interpretation of Legal Texts* 322-25 (2012).

It is neither appropriate nor possible for courts to infer Congressional endorsement of an interpretation while the interpretation remains “fluid,” not fixed. *Girouard v. United States*, 328 U.S. 61, 69-70 (1946). If a statute with contested meanings is reenacted, “Congress cannot be presumed to have adopted one standard over the other.” *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 524-25 (1984); see *Lightfoot v. Cendant Mortg. Corp.*, 137 S. Ct. 553, 563-64 (2017). Applying the canon in those circumstances would conceal a judicial policy judgment behind a mask of supposed Congressional acquiescence.

*Second*, the prior-construction canon applies only to a “judicial *interpretation of a statute*.” *Lorillard v. Pons*, 434 U.S. 575, 580-81 (1978) (emphasis added). None of the cases in Hologic’s appendices rooted assignor estoppel in the Patent Act, and neither did *Formica*. *Infra* at 11.

b. Hologic separately relies on the canon that Congress “legislate[s] against a background of common-law adjudicatory principles.” Resp. 21. Assignor estoppel is not the kind of common-law principle that merits such treatment.

As with the prior-construction canon, a common-law principle inconsistent with statutory text cannot be grafted onto a statute by judicial decree if it is not truly well-established. See *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 572 U.S. 663, 679-82 (2014); *Pasquantino v. United States*, 544 U.S. 349, 359-368 (2005). Assignor estoppel was not well established in 1952.

Indeed, the risk of undermining Congress’s policymaking authority is even greater with respect to this canon. Congress first enacted a version of section 282(b) in the 1790s, which Hologic agrees is substantively the same as that which prevailed in 1952 and now. Resp. 22. In the 1790s, assignor estoppel had just been created in England, and would not be recognized in the United States for more than 80 years. So when Congress *first* adopted the relevant statutory language assignor estoppel was “so new to the common law landscape that Congress could not have intended its incorporation.” Adam Bain & Ugo Colella, *Interpreting Federal Statutes of Limitations*, 37 Creighton L. Rev. 493, 503 (2004). Yet Hologic would have this Court read the re-adoption of essentially the same language more than 150 years later as incorporating a common-law rule that courts created (and questioned) in the interim.

Hologic argues that “[r]eenacting language that was already on the books when courts were consistently applying assignor estoppel cannot possibly have been intended to abrogate the doctrine.” Resp. 22. But that is backward. Congress is not required to affirmatively *abrogate* common-law doctrines as they arise or gain

recognition in lower courts. Hologic's approach would place an extraordinary burden on Congress to police courts' common-law policymaking. "When a precedent is based on a judge-made rule and is not grounded in anything that Congress has enacted, we cannot 'properly place on the shoulders of Congress' the entire burden of correcting 'the Court's own error.'" *Kimble v. Marvel Entm't, LLC*, 135 S. Ct. 2401, 2418 (2015) (Kavanaugh, J., dissenting) (quoting *Girouard*, 328 U.S. at 69-70).

That is especially true when the common-law rule has to be distorted to fit within the statutory scheme. Assignor estoppel is a judicial patent law innovation *inspired* by a common-law rule; it is not the application of a common-law rule in patent litigation.

For example, an assignor challenging the validity of an assigned patent alleges the property belongs *to the public*. By contrast, a seller of land disputing validity of title is not seeking to commit the property to the public. When such a seller does seek to commit land to the public, estoppel by deed does *not* apply. Note, *The Doctrine of Estoppel in Patent Litigation*, 55 Yale L.J. 842, 845-46 (1946); *Automatic Paper Mach. Co. v. Marcalus Mfg. Co.*, 147 F.2d 608, 613-14 (3d Cir.), *aff'd sub nom. Scott Paper*, 326 U.S. 249.

Further, no one contests that estoppel by deed generally applies only when a deed contains representations of fact or title quality. Br. 34 (citing sources); *Diamond Sci. Co. v. Ambico, Inc.*, 848 F.2d 1220, 1225 (Fed. Cir. 1988); see Resp. 33; U.S. Br. 14 n. 2. Even Hologic's suggestion that estoppel by deed applies to quitclaim deeds concedes the point. See Resp. 33. According to the authority Hologic cites, "a quitclaim deed may give rise to estoppel by deed when *the deed contains language showing* that the grantor intended to convey and the grantee expected to acquire

a particular estate.” 28 Am. Jur. 2d *Estoppel and Waiver* § 7 (emphasis added). So one must find something in a patent assignment that amounts to a warranty of validity.

There is no obvious place to look. “[T]here is no warranty of validity implied in any assignment of a patent right according to established patent law.” *The Doctrine of Estoppel in Patent Litigation, supra*, at 845-46 & n.27; *Hiatt v. Twomey*, 21 N.C. 315, 317-18 (1836).

Hologic asserts that “assignors *must* sincerely believe that the patent rights they are conveying are valuable and valid.” Resp. 33. But merely accepting value for a sale is no warranty; sellers of quitclaim deeds receive value. Hologic and the Government point to the oath that the inventor believes herself to be the original inventor. 35 U.S.C. § 115. But an assignor’s good faith belief in an invention’s originality at a particular moment is no warranty that the patent is valid. An inventor does not warrant that there is, for example, no invalidating prior art—the inventor is not required to know everything. 2 William C. Robinson, *The Law of Patents for Useful Inventions* § 456 (1890). Claims are routinely amended or abandoned during prosecution as the inventor’s understanding evolves, Resp. 41, without violating the oath. The inventor oath is thus a red herring, not least because assignor estoppel applies even when the assignor did not execute the oath. See *MAG Aerospace Indus., Inc. v. B/E Aerospace, Inc.*, 816 F.3d 1374, 1380-81 (Fed. Cir. 2016).

Courts must do still more work to transform estoppel by deed into assignor estoppel. Hologic and the Government insist that estoppel by deed does not require reliance. Resp. 33-34; U.S. Br. 14 n.2. But that is not the uniform (or majority) view; courts and

commentators have long recognized such a requirement. See, e.g., 31 C.J.S. *Estoppel and Waiver* § 10; 21 *Corpus Juris* § 25, at 1067-68 (William Mack ed., 1920); *Shell Oil Co. v. Trailer & Truck Repair Co.*, 828 F.2d 205, 209 (3d Cir. 1987); *Automatic Paper*, 147 F.2d at 613-14; *Funderburk v. Magnolia Sugar Co-op., Inc.*, 8 So. 2d 374, 377 (La. Ct. App. 1942); *Erickson v. Wiper*, 157 N.W. 592, 598-99 (N.D. 1916).

Transforming estoppel by deed into assignor estoppel is thus nothing like applying common-law preclusion principles in patent litigation. See Resp. 23; U.S. Br. 22. Preclusion rules are extraordinarily established. Robert Wyness Millar, *The Historical Relation of Estoppel by Record to Res Judicata*, 35 Ill. L. Rev. 41, 44-45 (1940) (res judicata and collateral estoppel date to at least the 1100s); 9 W.S. Holdsworth, *A History of English Law* 161 (1925) (equitable estoppel dates to mid-1600s); William Green, Note, *Stare Decisis*, 14 Am. L. Rev. 609, 613 & n.3 (1880) (law of the case dates to 1200s). From its earliest decisions, this Court treated these principles as “deeply ... implanted in [the country’s] jurisprudence,” *Jeter v. Hewitt*, 63 U.S. (22 How.) 352, 363-64 (1860) [res judicata], as in “every system of jurisprudence,” *Hopkins v. Lee*, 19 U.S. (6 Wheat.) 109, 114 (1821) [collateral estoppel]. See also *Sprigg v. Bank of Mount Pleasant*, 35 U.S. (10 Pet.) 257, 365 (1836) [equitable estoppel]; *Sibbald v. United States*, 37 U.S. (12 Pet.) 488, 492 (1838) [law of the case]. This Court’s decision in *Impression Products, Inc. v. Lexmark International, Inc.*, 137 S. Ct. 1523, 1531-33 (2017), stood by a similarly settled common-law rule opposed to restraints on alienation of chattel.

Assignor estoppel—*never* applied by this Court—has nothing like the historical pedigree of these common-law rules which can be applied wholesale in patent

litigation. Abandoning assignor estoppel would not threaten them. *Blonder-Tongue* is safe.

### **3. *Stare Decisis* Does Not Support Assignor Estoppel.**

*Formica*'s non-essential statements about assignor estoppel are not entitled to *stare decisis* effect. Even if they were, circumstances have changed in ways that warrant abandoning the doctrine.

a. While this Court's observations about assignor estoppel in *Formica* are entitled to respect, they remain non-essential to the outcome and are not binding. *Cohens v. Virginia*, 19 U.S. (6 Wheat.) 264, 399-400 (1821) (Marshall, C.J.); *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 548 (2013).

*Formica* announced no "rule" adopting assignor estoppel. It summarized "[t]he rule supported by" *lower court decisions*, and did not reject it. 266 U.S. at 349. Nor did *Formica* declare that Congress intended for assignor estoppel to be part of the Patent Act. *Formica* noted only that the provision of the Patent Act authorizing assignments did not "seem[]" to provide a reason that the common-law doctrine should not apply. *Id.* at 348-49. Notably, the Court did not consider the provision of the Patent Act that mandates invalidity be available as a defense in "any action" for patent infringement.

Hologic emphasizes that *Formica* says that "[i]f [the inventor's] two-step process was new, and the estoppel requires us to hold as against [the inventor] that it was ...." *Id.* at 354. But that passage is consistent with *Formica*'s prior statement that the Court was not then rejecting the lower court view. The passage was not essential because the asserted estoppel "d[id] not affect [the inventor]." *Id.* at 355. This Court often favors a narrow ruling sufficient to resolve a case, so

that it may consider the broader ruling later. See *Azar v. Allina Health Servs.*, 139 S. Ct. 1804, 1814 (2019).

*Formica*'s holding was that assignor estoppel could not prevent use of prior art to narrow claims. To reject assignor estoppel now would not disturb that holding. It would disturb at most only *Formica*'s more favorable dicta regarding assignor estoppel. And this Court has already done that in *Scott Paper* and *Lear*.

b. Even if what *Formica* said about assignor estoppel were entitled to *stare decisis* effect, this Court should overrule it. Each factor this Court traditionally considers—"the quality of the decision's reasoning; its consistency with related decisions; legal developments since the decision; and reliance on the decision"—favors eliminating assignor estoppel. *Ramos v. Louisiana*, 140 S. Ct. 1390, 1405 (2020) (cleaned up); *Kimble*, 135 S. Ct. at 2410-11.

*First*, to the extent *Formica* endorsed assignor estoppel, it was poorly reasoned. *Formica* did not consider the public interest in invalidating bad patents—the fundamental consideration underlying a long line of this Court's precedents. Indeed, *Formica* failed to address *Pope Manufacturing Co. v. Gormully*, 144 U.S. 224 (1892), in which this Court had already refused to estop a licensee from challenging a patent considering the public interest "that competition should not be repressed by worthless patents." *Id.* at 233-36. These are precisely the oversights that prompted this Court to reverse *Hazeltine* in *Lear*. 395 U.S. at 663-68, 671.

In the same vein, *Formica* did not even try to root assignor estoppel in the Patent Act. *Formica* discussed the provision authorizing assignment of patents, but did not root assignor estoppel there. And this Court has already indicated the doctrine *cannot* be rooted

there. *Scott Paper*, 326 U.S. at 257. Rather than consult the statute, *Formica* looked to estoppel by deed while ignoring that doctrine's poor fit with patent assignments. See *supra* at 8-10.

*Second*, “[d]evelopments since [*Formica*] ... have also ‘eroded’ the decision’s ‘underpinnings’ and left it an outlier.” *Janus v. Am. Fed’n of State, Cty., & Mun. Emps., Council 31*, 138 S. Ct. 2448, 2482-83 (2018). The core reasoning of *Scott Paper* eliminated any justification for assignor estoppel and “repudiated” the doctrine. *Scott Paper*, 326 U.S. at 264 (Frankfurter, J., dissenting); *Lear*, 395 U.S. at 664-66.

Further, the distinction *Formica* made between construing claims in light of prior art and using prior art to show invalidity no longer exists. As *Minerva* argued and *Hologic* does not dispute, Br. 21, courts no longer “adopt [a] narrow construction in order to preserve the validity” of a patent in light of “prior art.” *Tate Access Floors, Inc. v. Interface Architectural Res., Inc.*, 279 F.3d 1357, 1371-72 (Fed. Cir. 2002). The Government agrees. U.S. Br. 17 n.3. Today, to achieve the same result the Court reached in *Formica* assignors must be allowed to raise invalidity.

*Lear*, too, eviscerated any basis for assignor estoppel. *Hologic*’s and the Governments’ attempts to distinguish *Lear* ring hollow. Both argue that licensee estoppel, which is not drawn from the common-law doctrine of estoppel by deed, is no guide for assignor estoppel. Resp. 30-32; U.S. Br. 23-24. But licensee estoppel was drawn from the common-law rule that a party who benefits from a contract cannot argue that the contract is unenforceable. See *Lawes v. Purser* (1856) 119 Eng. Rep. 1110, 1112 (KB); *Lear*, 395 U.S. at 656. Licensee estoppel made its way into American law before assignor estoppel, see *Kinsman v. Parkhurst*, 59 U.S. (18 How.) 289, 292-93 (1856), and

was characterized as beyond “fair question.” *Brown v. Lapham*, 27 F. 77, 77 (C.C.S.D.N.Y. 1886). This Court had applied licensee estoppel four times before 1952. *Automatic Radio Mfg. Co. v. Hazeltine Research, Inc.*, 339 U.S. 827, 836 (1950), *overruled by Lear*, 395 U.S. 653; *United States v. Harvey Steel Co.*, 196 U.S. 310, 316-17 (1905); *Eureka Co. v. Bailey Co.*, 78 U.S. (11 Wall.) 488, 491-92 (1871); *Kinsman*, 59 U.S. at 292-93.

Yet this Court abandoned licensee estoppel because the Court’s prior decisions had not addressed estoppel “in a considered manner,” failed to account for the public interest in ensuring “that competition should not be repressed by worthless patents” and ignored intervening precedents, including *Formica* and *Scott Paper*, which “eroded” both licensee and assignor estoppel. *Lear*, 395 U.S. at 663-67. The case for abandoning assignor estoppel is at least as compelling.

Nor does it matter that licensees buy, while assignors sell, patent rights. Estoppel doctrines force both to pay an ongoing price: fees (for the licensee) or inability to practice a supposed invention (for the assignor). See also Br. 25. The meaningful difference between the doctrines is that while licensee estoppel merely passed on the cost of unwarranted licensing fees to the public, assignor estoppel deprives the public of the benefits of competition. There is no “worse enlargement of monopoly” and no “greater public harm ... in the patent system” than allowing a patentholder to prevent innovation and constrain competition by wielding an invalid patent. *Hazeltine*, 339 U.S. at 839 (Douglas, J., dissenting). That is why in “case after case” that Hologic ignores, “th[is] Court has construed [the patent] laws to preclude measures that restrict free access to ... unpatentable, inventions.” *Kimble*, 135 S. Ct. at 2407; see Br. 26-28.

“[I]mplied estoppel” cannot “override congressional policy.” *Katzinger*, 329 U.S. at 401-02.

“With the views underlying [*Formica*] eroded by this Court’s precedent, there is not much of that decision to salvage.” *State Oil Co. v. Khan*, 522 U.S. 3, 21 (1997). This Court regularly reverses precedent which has been so undermined. See, e.g., *Lear*, 395 U.S. at 663-71; *Ramos*, 140 S. Ct. at 1405-06.

*Third*, reliance interests in assignor estoppel are extremely weak. It makes no sense to assert that “patents have been sold on the assumption that the doctrine applies.” Resp. 2. Assignor estoppel applies only against the assignor, not the rest of the world. Nobody disputes that assignees have every incentive to diligently investigate the validity of patents they purchase. No “superpowered” rule of precedent is needed. See *Kimble*, 135 S. Ct. at 2410-11. Further, this Court’s precedents have long precluded reliance on *Formica*’s dicta. Parties to patent assignments “have been on notice for years regarding this Court’s misgivings about” assignor estoppel. *Janus*, 138 S. Ct. at 2484.

### **C. Assignor Estoppel Is Contrary To Patent Policy.**

Congress is “concerned about overpatenting and its diminishment of competition,” and structures the patent laws “to weed out bad patent claims efficiently.” *Thryv, Inc. v. Click-to-Call Techs., LP*, 140 S. Ct. 1367, 1374 (2020). This Court could not have been more consistent over the decades in expressing the critical role litigating validity plays in our patent system. See Br. 37-38. To Hologic and the Government, that interest should yield when it is an assignor who has been sued because allowing the bad patent to survive serves *other* private interests. But they conjure only

speculative benefits, and none that cannot be satisfied through other means. Neither Hologic nor the Government explain why this Court should distort patent policy to serve values already protected by other law.

In fact, those values are seldom at issue. Assignors are rarely involved in prosecuting patents for their inventions—the assignee/employer typically plays that role. Br. 35-36; IP Professors Merits Br. 7; Engine Advocacy Merits Br. 14-15. Assignor estoppel is not protecting assignees and promoting innovation. It is empowering assignees to stifle legitimate competition.

Hologic suggests that parties will not acquire patents if assignors can challenge validity, diminishing the incentive to innovate. Resp. 34. Again, it is hard to believe this speculation; assignees purchase patents subject to invalidity challenges by everyone else.

In fact, our law has run some natural experiments that indicate that abandoning assignor estoppel will not impact patent transactions. None of Hologic, its amici, or the Government, has reported any reduction in patent licenses after *Lear* or that assignments slowed during the decades between *Lear* and *Diamond Scientific*, when it was widely assumed that assignor estoppel was dead.

Even now, assignors are able to raise common invalidity challenges (but not on Section 112 grounds) in *inter partes* proceedings. *Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 802-04 (Fed. Cir. 2018). Yet Hologic, its amici, and the Government point to no evidence that allowing assignors to raise invalidity challenges is deterring patent assignments. That provides reason to be confident that allowing assignors to raise invalidity challenges in litigation will likewise

not impact patent assignments. There is certainly little reason to believe employers will stop conditioning employment on patent assignment agreements.

Hologic eventually reveals what really concerns it: bad patents might be exposed for what they are. “An assignor knows the relevant technology,” “can be the most important witness in a patent case,” and thus may “pose[] an unparalleled litigation risk for the assignee.” Resp. 34-35; see U.S. Br. 25. That is precisely why the assignor is uniquely well situated to serve the public interest by confronting bad patents. Propping up bad patents is not a public interest worth protecting.

Hologic says that absent assignor estoppel an assignor may “imitate rather than innovate.” Resp. 34-35. But if the patent is valid, there is no cause for concern. It is protected by the high bar for proving invalidity—clear and convincing evidence—and an inventor’s testimony is subject to cross examination. Juries will hear assignee attacks on the assignor’s credibility and draw their own conclusions. If the patent is invalid, however, the assignor should be permitted to spare the public the costs of an apparent, but undeserved, monopoly.

The facts of this case demonstrate how poorly assignor estoppel serves interests in “[f]air [d]ealing.” U.S. Br. 24. The “moisture transport” specification consistently describes the invention as moisture-permeable. Br. 5-7. There is no evidence Hologic or Cytoc thought it was purchasing anything else. Yet Hologic prosecuted this patent nine years after Cytoc purchased patent rights, and it did so to stifle competition. Br. 9, 11-12. Hologic now resorts to an inventor declaration Truckai signed in 1998, stating that, when Novacept filed the ’072 application, he

believed he was the original inventor of the invention described, which included one claim without a moisture-permeability limitation. J.A.917-18. But he explained that he later learned, through patent prosecution and continued development of his device, that his innovation was limited to moisture transport (the kind of patent claim evolution Hologic acknowledges is typical). J.A.360. Hologic complains that Truckai (who was no longer employed by Novacept when Cytac bought the patents) did not tell Cytac that he had no broader patentable claim. Resp. 9 (citing J.A.451). But this was evident. Two years had passed since Novacept had canceled application Claim 31, and it had done nothing to revive it. The specification and every pending claim at the time of Cytac's purchase made clear that the invention was limited to a moisture permeable device.

Application Claim 31 is little more than a distraction. Hologic's view is that even if application Claim 31 never existed, assignor estoppel would still apply because the assignee may seek claims "as broad as the Patent Office allows." Resp. 39-40. The assignor's view of the scope of his invention does not matter.

Of course, an inventor might make misrepresentations in selling a patent. But this Court need not contort patent law to deter that. Tort and contract remedies remain available. The Government acknowledged in *Lear* that eliminating patent estoppel doctrines "would leave unimpaired" other state law doctrines such as "equitable estoppel." U.S. Br., *Lear*, 395 U.S. 653 (No. 56), 1968 WL 129415 at 23 n.13; see also *SCA Hygiene*, 137 S. Ct. at 967 ("[E]quitable estoppel provides protection against ... unscrupulous patentees ....").

## II. IF ASSIGNOR ESTOPPEL SURVIVES, IT SHOULD BE CONSTRAINED.

If this Court preserves assignor estoppel, it should limit it in ways that reflect its origin: estoppel by deed. And it should provide clear limits to minimize how the doctrine undercuts the important patent policy of exposing invalid patents.

1. First, assignor estoppel cannot apply to claims issued after assignment. The sale of a potential patent has no analog in estoppel by deed. An assignor makes no representations about not-issued claims, and an assignee controls the scope of the claims which ultimately issue. Br. 43-45.

Hologic wrongly suggests *Formica* endorsed applying assignor estoppel to post-assignment claims. In truth, *Formica* recognized that post-assignment claims pose special problems for assignor estoppel while finding it “not ... necessary to decide” how to fix the limits of any estoppel. 266 U.S. at 352-53.

This Court has “long recognized” that including a claim in a patent application “affords no basis for an estoppel, nor precludes the court from relieving the alleged infringer and the public from the asserted monopoly when there is no invention.” *Paramount Publix Corp. v. Am. Tri-Ergon Corp.*, 294 U.S. 464, 477 (1935); *Formica*, 266 U.S. at 354-55; *Haughey v. Lee*, 151 U.S. 282, 285 (1894). Prior representations to the Patent Office regarding claims that never issued do not prevent a defendant from later seeking to declare invalid similar claims issued to someone else.

Hologic also says that it would be “arbitrary” to constrain assignor estoppel to issued claims because issued claims sometimes match claims in the application or are narrower than those claims, and because applicants are allowed to seek broader claims

during patent prosecution. Resp. 39-40. Hologic misses the point. Only issuance of the patent can provide the imprimatur that even arguably rises to the level of a warranty deed.

The Government suggests applying assignor estoppel to post-assignment claims only when they are “materially identical” to claims in an application or there is a “logical inconsistency between an assignor’s prior representations and its current challenge to a patent’s validity.” U.S. Br. 10-11. But this Court prefers patent rules that avoid “elaborate inquiries” with “unpredictable results.” *Kimble*, 135 S. Ct. at 2411. And given how patent claims evolve in prosecution, which never-issued claims should bind the assignor will be difficult to discern. Further, patent applicants already have strong incentives to be candid with the Patent Office. See 18 U.S.C. § 1001(a); *Klein v. Peterson*, 696 F. Supp. 695, 696 (D.D.C. 1988).

Even if this Court accepts the Government’s proposal, it still should reverse and remand for consideration of Minerva’s invalidity defenses. The post-assignment claim at issue is far broader than any issued claim and not “materially identical” to application Claim 31, which in any event Novacept had left behind for years with no further action by the time Cytoc purchased the rights.

2. Hologic’s own arguments concede the principle that supports exempting Section 112 defenses from assignor estoppel. The “invention” the assignee purchased includes the right to “add new, broader claims, so long as the amended claims do not recite new subject matter not disclosed in the original application.” Resp. 41. That is, the assignee purchases the “invention” defined *not* by the claims, but by the full scope of what the application discloses. *Id.* Even assuming assignor estoppel can apply to post-

assignment claims, by Hologic’s own logic, it cannot apply to “new subject matter not disclosed in the original application.” *Id.* That would be applying assignor estoppel to something *more* than what the assignee purchased. And Section 112 defenses address what was disclosed in the application.

That is, a court must determine what was described and enabled by the specification to determine *whether assignor estoppel applies*. If the specification contains sufficient written support, then assignor estoppel could protect it. If not, the patent claim is both invalid and assignor estoppel does not save it. No assignee could reasonably expect to receive more than what the specification discloses. But even putting aside the assignee’s reasonable expectations, the Section 112 issues must still be decided. See U.S. Br. 31 (noting this “substantial[]” “overlap[]”).

*Formica* emphasized that assignor estoppel cannot prevent the assignor from contesting the scope of the grant. Hologic responds that prior art was allowed to narrow claim scope, not demonstrate invalidity, Resp. 43, which is the distinction this Court in *Lear* recognized was unsustainable. *Lear*, 395 U.S. at 665; see also *Katzinger*, 329 U.S. at 400. There is no basis for allowing the scope of the grant to be determined solely as a matter of claim construction without also considering validity. Br. 45-47.<sup>1</sup>

3. Finally, assignor estoppel cannot apply unless there is a representation by the assignor and reliance by the assignee. Such a limitation would honor both

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<sup>1</sup> The Federal Circuit has not “already held ... that issued claim 1 is within the scope of Truckai’s application.” Resp. 43. See Pet. 30-31. Likewise, *Minerva* has preserved excepting Section 112 defenses from assignor estoppel. Pet. Reply 4-5; *Yee v. City of Escondido*, 503 U.S. 519, 534-35 (1992).

the roots of the doctrine and the fairness concerns animating the Government.

There is no reason to believe that anyone at Cytoc or Hologic expected to obtain exclusive rights to a moisture impermeable device. Novacept canceled application Claim 31 two years before it sold any rights to Cytoc, and Cytoc and Hologic did not take any action for an additional nine years. Hologic profited handsomely from its purchase of the patents with moisture permeable limitations for years before it tried to prevent Minerva's moisture impermeable product from competing. J.A.332. None of this suggests any representation of validity regarding a long-canceled claim, much less reliance. Hologic points to a representation by Novacept that Novacept knew of no reason any intellectual property was invalid. Resp. 45. But that cannot warrant the validity of an unissued claim left behind. Anyway, Hologic has never argued that Minerva is in privity with Novacept, so Novacept's representations are irrelevant.

**CONCLUSION**

The Court should reverse and remand.

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