

**Keywords:** Assignor estoppel, Patent Act, Assignment

**General:** The doctrine of assignor estoppel is still valid. However, the doctrine has limits on when it is applicable.

*Hologic, Inc., Cytoc Surgical Products v. Minerva Surgical, Inc.*

United States Court of Appeals for the Federal Circuit

Nos. 2019-2054, 2019-2081

August 11, 2022

## **I. Facts**

This case is on remand from the Supreme Court, who vacated the previous Federal Circuit judgment affirming a district court’s summary judgment of no invalidity for claim 1 of U.S. Patent No. 9,095,348 (hereinafter “the ‘348 patent”) in favor of Hologic, Inc. and Cytoc Surgical Products, LLC (collectively, “Hologic”) based on the doctrine of assignor estoppel. Specifically, the Supreme Court remanded the present case for consideration of whether assignor estoppel, as limited in *Minerva Surgical, Inc. v. Hologic, Inc.*, 957 F. 3d 1256, precludes Minerva Surgical, Inc. (hereinafter “Minerva”) from challenging the validity of claim 1 of the ‘348 patent.

In the late 1990s, Csaba Truckai invented a device to treat abnormal uterine bleeding. The device, known as the NovaSure System, uses an applicator head to destroy targeted cells in the uterine lining. To avoid unintended burning or ablation (tissue removal), the head is “moisture permeable,” meaning that it conducts fluid out of the uterine cavity during treatment. Truckai filed U.S. patent application 09/103,072 (hereinafter “the ‘072 Application”), which was later assigned, along with any future continuation applications, to his company, Novacept, Inc. Novacept, Inc. and its assets were sold. Thereafter, the patent rights in the NovaSure System were resold to Hologic, Inc. in 2007, who began selling the product throughout the United States.

In 2008, Truckai founded Minerva Surgical Inc., where he developed and filed a patent application for a supposedly improved device that treated abnormal uterine bleeding. The device, while still using an applicator head to remove cells, relies on a different way to avoid unwanted ablation and is “moisture impermeable,” meaning it does not remove any fluid during treatment. Aware of Truckai’s activities, Hologic filed a continuation application based on the ‘071 Application, seeking to add claims which included a claim encompassing applicator heads generally, without regard to whether they are moisture permeable. The continuation issued in 2015.

Subsequently, Hologic sued Minerva for patent infringement, and Minerva answered with defenses of non-infringement and invalidity of the patent based on the new claims not being supported by the written description. In response, Hologic invoked the doctrine of assignor estoppel. Hologic argued, because Truckai had assigned the original patent application, Truckai and Minerva could not impeach the patent's validity. The district court agreed that assignor estoppel barred Minerva's invalidity defense and also ruled that Minerva had infringed Hologic's patent and the Federal Circuit affirmed with respect to assignor estoppel, barring the invalidity defense. Minerva appealed and the Supreme Court granted certiorari.

The Supreme Court held that Assignor estoppel is well grounded in centuries-old fairness principles, and found that the Federal Circuit was right to uphold it. However, after endorsing assignor estoppel, the Supreme Court made clear that the doctrine has limits; assignor estoppel applies only when the assignor's claim of invalidity contradicts explicit or implicit representations he made in assigning the patent. One example is when the assignment occurs before an inventor can possibly make a warranty of validity as to specific patent claims (e.g., when an employee assigns to his employer patent rights in any future inventions he develops during his employment, the invention itself has not come into being and the employee cannot guarantee validity). A second example is when a later legal development renders irrelevant the warranty given at the time of assignment (e.g., when the governing law changes, making a valid patent invalid, the inventor may claim that the patent is invalid in light of that change in law.) A third example is that a change in patent claims can remove the rationale for applying assignor estoppel (e.g., an assignee may return to the PTO and enlarge the patent's claims which may go beyond what the assignor intended to claim as patentable and if the new claims are materially broader than the old claims, the assignor did not warrant to the new claims' validity). Because the assignor in this situation made no such representation as to the validity of the materially broader claims, the assignor can challenge the new claims in litigation (i.e., because there is no inconsistency in his positions, there is no estoppel). The Supreme Court remanded the case to the Federal Circuit for consideration of whether the claims of the '348 patent were materially broader than the claims of the assigned '072 application.

## **II. Issue**

Does the exception of materially broader claim scope preclude application of the doctrine of assignor estoppel to Minerva?

## **III. Discussion**

No. The court reviewed the prosecution history of the '072 application and focused on whether claim 1 of the '348 patent was materially broader than claim 31 of the '072 application. Claim 31 of the '072 application states, in part:

An ablation and/or coagulation apparatus for use in delivering energy to tissue for ablation, the apparatus comprising:  
an elongate member;  
a deployment mechanism carried by the elongate member,  
the deployment mechanism moveable between a retracted position  
and a plurality of laterally expanded positions;

*an electrode array carried by the deployment mechanism;  
a sheath slidably disposed over the electrode array; ...*

(Emphasis added.)

Minerva argued that every claim pending at the time of the 2004 assignment included an express limitation that the applicator head be moisture permeable. Minerva conceded that claim 31 did not have such a limitation, but asserted that claim 31 was canceled in 2002, well before the 2004 assignment, and therefore was not assigned. Minerva further argued that even if Hologic can properly rely on claim 31, that claim did not cover a device with a moisture impermeable applicator head because it did not use the term “applicator head” and further that the written description of the ‘072 application makes clear that the term “electrode array,” as used in claim 31, requires a moisture permeable electrode array. Thus, Minerva concluded, claim 1 of the ‘348 patent, which covers both moisture permeable and moisture impermeable devices, is materially broader than claim 31, which is limited to moisture permeable devices.

Hologic acknowledged that claim 31 was canceled prior to the 2004 assignment, but argued that the context in which this cancellation arose matters: the cancellation was “without prejudice,” as it was made in complying with a restriction requirement entered by the Examiner. Hologic argued that the expectation is that a patent practitioner could have reintroduced the canceled claim in a continuation or divisional application. Further, Hologic noted that the Examiner allowed claim 31 on the merits prior to cancellation. Finally, Hologic argued that claim 1 is not materially broader than claim 31 because neither claim has any moisture permeability limitation.

The court agreed that the cancellation in 2002 of claim 31 in response to an Examiner’s restriction requirement says nothing, implicitly or explicitly, about the patentability of claim 31. The court found that Mr. Truckai canceled claim 31 for reasons other than patentability and an assignee to the ‘078 application would have understood that the restriction requirement and subsequent cancellation in response to the restriction requirement meant that the patent applicant could later prosecute claim 31’s subject matter. Accordingly, the court disagreed with Minerva’s suggestion that claim 31, once canceled, could not be assigned, and that cancellation of claim 31 was some sort of concession that the claim was unpatentable; cancellation did not nullify the claim, as it remained viable for further prosecution in a divisional application. The court found that because the 2004 assignment assigned not just the rights to the ‘072 application, but also the rights to any continuation, continuation-in-part, or divisional patent applications not yet filed, canceled claim 31 traveled with the ‘072 application and its assignment to Hologic. And because Mr. Truckai signed an oath when presenting the ‘072 application, in which he stated his implicit good faith belief that the claims in the application are patentable and would result in a valid patent, Mr. Truckai was found to have represented (whether implicitly or explicitly) that the subject matter of claim 31 was not invalid.

Having determined that the 2004 assignment included a warranty as to the validity of claim 31, the court turned to the question of whether claim 1 of the ‘348 patent is “materially broader” than claim 31 of the ‘072 application. The court noted that this requires construing the assigned and issued claims, comparing the properly construed claims, and focusing on the

material aspects of those claims. Both Minerva and Hologic agreed that claim 31 does not have an express moisture permeability limitation. The court agreed, finding that the plain claim language of claim 31 is broad enough to encompass moisture impermeable devices as well.

Minerva noted the lack of an “applicator head” limitation in claim 31 and argued that the claim therefore does not cover a device with a moisture impermeable applicator head. The court disagreed, noting that since claim 31 is an open ended “comprising” claim, not having an applicator head limitation supports the opposite conclusion: that the claim broadly covers both moisture permeable and impermeable applicator heads. Minerva additionally argued that the term ‘electrode array’ requires a material that is moisture permeable, i.e., the claimed ablation device is moisture permeable because it has a moisture permeable electrode array. The court disagreed, and pointed out that other claims in the ’072 application recited moisture permeability and because these recitations were not included in claim 31, there was no intention to limit that claim with respect to moisture permeability. Finally the court pointed to the specification which does reference a moisture permeable electrode array, but refers to it as a preferable characteristic and not as a required or mandatory characteristic. The court found it improper to restrict the scope of claim 31 to this a “preferable” characteristic, concluding that because the claim language is broad enough to multiple embodiments, the inventors’ failure to include a reference to the alternative embodiment in the specification does not justify excluding that embodiment from the coverage of the claims. Thus, the court held that claim 1 of the ’348 patent was not materially broader than claim 31 of the ’072 application and, accordingly, assignor estoppel precluded Minerva from asserting an invalidity defense

## **V. Conclusion**

There is an exception to the doctrine of assignor estoppel regarding claims being materially broader than claims assigned by an assignor. However, application of the exception requires a fact based review of the prosecution history of the assigned patent(s) as well as claim construction and comparison between the assigned claims and later issued claims to determine whether the exception applies.