

THE ILLOGICAL PARADIGM OF ASSIGNOR ESTOPPEL'S DUAL-TRACK SYSTEM

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I. INTRODUCTION

Most people would agree that a person should not be able to say one thing, derive a benefit from that representation, and then later say the representation was untrue or meaningless. Fundamental notions of fairness would seemingly dictate that such conduct should be prohibited or that consequences should be had by the person making the reversal. In patent litigation, the common-law doctrine of assignor estoppel prevents such unfair dealing by precluding the assignor of a patent from benefitting from an assignment and then later disputing the assigned patent's validity in federal district court.¹

In *Minerva Surgical, Inc. v. Hologic, Inc.*, the Supreme Court upheld the basic premise of fairness embodied by the doctrine, continuing “to think the core of assignor estoppel justified on the fairness grounds that courts applying the doctrine have always given.”² However, the impact of the *Minerva* decision is largely constrained in its applicability: *Minerva* only addressed the applicability of the doctrine in *district court proceedings*, leaving untouched the applicability of assignor estoppel in *administrative proceedings*. Accordingly, the Court of Appeals for the Federal Circuit's precedent barring the assertion of assignor estoppel in inter partes review (IPR) remains the controlling authority in administrative proceedings.³ Thus, a dual-track system exists in patent litigation, allowing assignors to circumvent the doctrine of assignor estoppel based solely on the forum in which the case is litigated.

Minerva was a missed opportunity for the Court to eliminate this dual-track system. While *Minerva* presented the Court with the opportunity to review assignor estoppel in the IPR context, the Court declined to do so.⁴ This Note

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1. See *Minerva Surgical, Inc. v. Hologic, Inc.*, 141 S. Ct. 2298, 2304 (2021) (describing the “classic case” of assignor estoppel where an assignor assigns a patent to a company for value, later develops a possibly infringing product, and then asserts that the patent is invalid when the assignee sues the assignor for patent infringement).

2. *Id.* at 2309.

3. *Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018) (“[A]ssignor estoppel has no place in IPR proceedings.”).

4. See *infra* Part III.

submits that assignor estoppel should equally apply in the IPR context to promote fairness and consistency. Part II of this Note describes the legal background of IPR and the history of assignor estoppel. Part III summarizes the Court's *Minerva* decision. Lastly, Part IV submits that assignor estoppel should apply in the IPR context because the dual-track system is inconsistent with congressional design in creating the IPR proceedings. Part IV further submits that public policy supports applying assignor estoppel in IPR proceedings in that the dual-track system (1) encourages gamesmanship over patent quality, (2) discourages assignees from enforcing their patent rights, and (3) disincentivizes employer-assignees from rewarding innovation.

II. LEGAL BACKGROUND

When the owner of a patent sues an alleged infringer in district court, the defendant may assert as an affirmative defense that the patent is invalid.⁵ In addition, the defendant may petition the Patent Trial and Appeal Board (PTAB or “Board”) for an IPR of the patent.⁶ The initiation of litigation in district court does not foreclose Board review. Rather, both proceedings can run in parallel.

A. INTER PARTES REVIEW

IPR is an adjudicative proceeding conducted before a panel of three administrative patent judges at the PTAB.⁷ To initiate the proceeding, “a person who is not the owner of a patent”⁸ files a petition for an IPR with the United States Patent and Trademark Office (“Patent Office”) “after the later of either: (1) 9 months after the grant of the patent or issuance of a reissue patent; or (2) if a post-grant review is instituted, the termination of the post grant review.”⁹ In the petition, the non-owner of the patent must allege the invalidity of at least one patented claim on “a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or

5. 35 U.S.C. § 282(b)(2).

6. *Id.* § 311(a).

7. *Id.* § 6(a). IPR is not the only post-grant proceeding conducted before the PTAB. Other post-grant proceedings include post grant review (PGR) and covered business method (CBM). IPR is the most popular post-grant proceeding of the three, with 93% (1,308 out of 1,401) of all petitions filed at the PTAB in Fiscal Year 2021 being for IPR. *PTAB Trial Statistics FY21 End of Year Outcome Roundup IPR, PGR, CBM*, U.S. PAT. & TRADEMARK OFF. 3, https://www.uspto.gov/sites/default/files/documents/ptab_aia_fy2021__roundup.pdf (last visited Nov. 21, 2021).

8. 35 U.S.C. § 311(a).

9. *Id.* § 311(c).

printed publications.”¹⁰ Additionally, the petition must set forth the petitioner’s grounds for standing, the purported prior art, the proffered claim construction, and any relevant evidence.¹¹

Within three months of the filing of the petition, the patent owner may file a preliminary response to the petition, setting forth the reasons why an IPR should not be instituted.¹² The Director of the Patent Office (“Director”) must determine within three months after receiving the preliminary response whether or not to institute an IPR.¹³ The Director may grant an IPR when “there is a reasonable likelihood that the petitioner would prevail with respect to at least [one] of the claims challenged in the petition.”¹⁴ Although 35 U.S.C. § 314 empowers the Director to decline instituting an IPR even when there is a “reasonable likelihood”¹⁵ that a claim would prevail, most petitions are granted.¹⁶ For example, between August 1, 2020 and August 1, 2021, 71% of filed petitions for IPR were instituted by the Patent Office.¹⁷ The determination by the Director is final and nonappealable.¹⁸ Furthermore, if the petition is granted, the Patent Office is required to review the patentability of *all* claims challenged in the IPR petition, even if the petition was granted based on the reasonable likelihood of the petitioner succeeding as to only one claim.¹⁹

10. *Id.* § 311(b). 35 U.S.C. § 102 sets forth the novelty requirement for patentability. Under 35 U.S.C. § 102(a)(1), a person is not entitled to a patent if “the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention.” 35 U.S.C. § 103 sets forth the nonobviousness requirement for patentability. Under 35 U.S.C. § 103, an invention is not patentable “if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art.”

11. 37 C.F.R. § 42.104 (2021).

12. *Id.* § 42.107.

13. 35 U.S.C. § 314(b).

14. *Id.* § 314(a).

15. *Id.*

16. See Phil Johnson, *A Look Back at the Legislative Origins of IPRs*, IP WATCHDOG (Sept. 20, 2017), <https://www.ipwatchdog.com/2017/09/20/look-back-legislative-origin-iprs/id=88075/> (describing IPRs as having become “proceedings of right”).

17. This data was obtained using Lex Machina by limiting the “Filed On” dates from August 1, 2020 to August 1, 2021 and with the tags “Reached Institution Decision” for “Trial Stages” and “IPR” for “Trial Types.”

18. 35 U.S.C. § 314(d).

19. See *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018) (“Once that single claim threshold is satisfied, it doesn’t matter whether the petitioner is likely to prevail on any *additional* claims . . . a reasonable prospect of success on a single claim justifies review of all.”).

A district court proceeding is not terminated upon the institution of an IPR proceeding.²⁰ Instead, the IPR and district court proceedings can be litigated in parallel with each other. Indeed, “most patents challenged in the PTAB are also challenged in Article III litigation.”²¹ For example, between September 16, 2011 and June 30, 2015, “a total of 14,218 patents were either challenged in an IPR or [a covered business method] petition, asserted in litigation, or both.”²² Out of the 14,218 challenged patents, “13,557 patents were involved in litigation alone; 298 patents were involved in a [Patent Office] proceeding alone; and 1,968 patents were involved in both.”²³ Thus, approximately “86.8% of . . . [patents being challenged in an IPR or covered business method proceeding were] litigated in the federal courts.”²⁴

An IPR proceeding is analogous to a shortened litigation. The entire IPR proceeding must normally be completed within twelve months from the grant of the petition, although the procedure may be extended for an additional six months for “good cause.”²⁵ The parties to the litigation may engage in limited discovery, file briefs, deliver oral arguments, and settle claims.²⁶ A settlement by the parties does not require the PTAB to terminate the IPR proceeding. When “no petitioner remains in the [IPR], the [Patent] Office may terminate the review or proceed to a final written decision under section 318(a).”²⁷ An adverse decision by the Board may be appealed to the Federal Circuit.²⁸

A final written decision by the PTAB may affect an ongoing, parallel district court proceeding. If the PTAB invalidates a patent prior to the district court reaching a final determination, the patent owner is collaterally estopped from asserting in federal court any grounds that were “raised or reasonably could have [been] raised” before the PTAB.²⁹ The patent owner will also be collaterally estopped in any subsequent Board proceeding.³⁰

20. Saurabh Vishnubhakat, Arti K. Rai & Jay P. Kesan, *Strategic Decision Making in Dual PTAB and District Court Proceedings*, 31 BERKELEY TECH. L.J. 45, 65 (2016).

21. *Id.*

22. *Id.* at 71.

23. *Id.* at 71–72.

24. *Id.* at 72.

25. 37 C.F.R. § 42.100(c) (2021).

26. 35 U.S.C. §§ 316–17.

27. *Id.* § 317(a).

28. *Id.* § 141(a).

29. *Id.* § 315(e)(2). The doctrine of collateral estoppel “prevents subsequent litigation of legal determinations of fact and law that have resulted in valid final judgments.” *Collateral Estoppel*, LEGAL INFO. INST., https://www.law.cornell.edu/wex/collateral_estoppel (last visited Nov. 26, 2021).

30. 35 U.S.C. § 315(e)(1).

B. ASSIGNOR ESTOPPEL

Assignor estoppel is a common-law doctrine.³¹ It “limits an inventor’s ability to assign a patent to another for value and later contend in litigation that the patent is invalid.”³² The application of the doctrine has been justified on several grounds, including: “(1) to prevent unfairness and injustice; (2) to prevent one [from] benefiting from his own wrong; (3) by analogy to estoppel by deed in real estate; and (4) by analogy to a landlord-tenant relationship.”³³ Simply put, the doctrine is grounded in principles of fair dealing.³⁴

Assignor estoppel has been inconsistently applied by the federal courts. The Supreme Court has never addressed assignor estoppel in the IPR context, although the Court has addressed the doctrine in the context of federal court proceedings. Assignor estoppel was first addressed by the Court in *Westinghouse Elec. & Mfg. Co. v. Formica Insulation Co.*,³⁵ where the Court upheld the doctrine in district court proceedings. However, in the later cases of *Scott Paper Co. v. Marcalus Mfg. Co.*³⁶ and *Lear, Inc. v. Adkins*,³⁷ the Court cast doubt on the doctrine’s continued vitality. Some lower courts construed *Scott Paper* and *Lear* as having eviscerated assignor estoppel, while others disagreed and continued to apply the doctrine.³⁸

Following *Lear*, the Federal Circuit addressed assignor estoppel in several contexts. The Federal Circuit was created by the Federal Courts Improvement Act of 1982 (“Improvement Act”).³⁹ The Improvement Act gave exclusive national subject matter jurisdiction over all patent appeals to the Federal Circuit.⁴⁰ As intended by the Improvement Act, the Federal Circuit’s

31. Assignor estoppel was judicially created by the early British courts and adopted by the American judicial system in the 19th century. The first recorded case to apply the doctrine of assignor estoppel was *Oldham v. Langmead*, 2 Wils. 374 (1789), which was decided in England in 1789. An early American case applying the doctrine was *Faulks v. Kamp*, 3 F. 898, 901 (C.C.S.D.N.Y. 1880), where the court held that an assignor of a patent was estopped from challenging the patent’s validity because “[i]t [did] not lie in his mouth to say that the patent [was] not good.”

32. *Minerva Surgical, Inc. v. Hologic, Inc.*, 141 S. Ct. 2298, 2302 (2021).

33. *Diamond Sci. Co. v. Ambico, Inc.*, 848 F.2d 1220, 1224 (Fed. Cir. 1988).

34. See Lara J. Hodgson, *Assignor Estoppel: Fairness at What Price?*, 20 SANTA CLARA HIGH TECH. L.J. 797, 802 (2004) (“Whichever rationale is relied upon, the gist of the argument is the same: an assignor cannot have his cake and eat it too.”).

35. 266 U.S. 342 (1924).

36. 326 U.S. 239 (1945).

37. 395 U.S. 653 (1969).

38. See *infra* notes 90–93 and accompanying text.

39. Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25.

40. 28 U.S.C. § 1295(a)(1). Prior to the creation of the Federal Circuit, regional federal appellate courts, the Court of Customs and Patent Appeals, and the Court of Claims handled all appeals from the PTAB. See George C. Beighley, Jr., *The Court of Appeals for the Federal Circuit:*

subsequent decisions resolved many of the circuit splits in lower court patent cases.⁴¹ However, the Federal Circuit's treatment of the assignor estoppel doctrine is internally inconsistent. While the Federal Circuit has upheld the application of the doctrine in district court proceedings, reasoning that "an assignor should not be permitted to sell something and later assert that what was sold is worthless, all to the detriment of the assignee,"⁴² the court has declined to apply the same rationale in IPR proceedings before the PTAB.

1. *The Supreme Court Cases*

The Supreme Court first addressed assignor estoppel in 1924. In *Westinghouse*, Daniel O'Connor invented a two-step method for manufacturing composite electric insulation materials.⁴³ He assigned the invention to his employer, Westinghouse Electric & Manufacturing Co., in accordance with his employment agreement.⁴⁴ A patent application was filed claiming the invention.⁴⁵ While the application was pending, O'Connor left Westinghouse to found a competing company, Formica Insulation Co.⁴⁶ Formica Insulation began manufacturing electric insulation materials using a single-step method.⁴⁷ Four years after O'Connor's departure, Westinghouse added claims eleven and twelve to its pending application, which claimed a process to manufacture electric insulation materials but did not contain an express provision for the two-step process as an element.⁴⁸ Westinghouse's patent application eventually was approved and issued as U.S. Patent No. 1,284,432 ("the '432 patent").⁴⁹ Westinghouse subsequently sued O'Connor and Formica Insulation

Has it Fulfilled Congressional Expectations?, 21 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 671, 676 (2011) ("[T]he regional federal appellate courts, the [Court of Customs and Patent Appeals], and the Court of Claims were the predecessor courts to the Federal Circuit.").

41. See Beighley, *supra* note 40, at 673–74 ("The Federal Circuit was created by Congress to address the lack of uniformity and consistency in patent law."). One circuit split that existed prior to the creation of the Federal Circuit concerned the novelty requirement of 35 U.S.C. § 102. In one case, due to an "unusual procedural circumstance," a patent for compacting earth for roads and highways was evaluated by the Fifth, Sixth, and Eighth Circuits. Because the circuits did not apply the same novelty test to patents, the Fifth and Sixth Circuits found the patent to be valid, while the Eighth Circuit invalidated the same patent. *Id.* at 680–82.

42. *Hologic, Inc. v. Minerva Surgical, Inc.*, 957 F.3d 1256, 1265 (Fed. Cir. 2020).

43. *Westinghouse Elec. & Mfg. Co. v. Formica Insulation Co.*, 266 U.S. 342, 343 (1924).

44. *Id.* at 345.

45. *Id.*

46. *Id.* at 345–46.

47. *Id.* at 355.

48. *Id.* at 344, 354.

49. *Id.* at 345.

(collectively “Formica”) for infringement of claims eleven and twelve of the ’432 patent.⁵⁰ Formica responded by challenging the patent’s validity.⁵¹

The Court, in a unanimous decision, upheld the doctrine of assignor estoppel but refused to apply the doctrine in the case.⁵² Chief Justice Taft, writing for the Court, declined to “disturb a rule well settled by forty-five years of judicial consideration.”⁵³ The Court reasoned that “fair dealing should prevent [an assignor] from derogating from the title he has assigned.”⁵⁴ However, the assignor could use the state of the art to narrow the scope of the claims.⁵⁵ Since claim construction was bound up with validity in 1924,⁵⁶ the practical effect of the Court’s ruling was to allow Formica to challenge the validity of claims that extended beyond what had been assigned to Westinghouse.⁵⁷

Twenty-five years later, in *Scott Paper*, the Supreme Court again considered the doctrine of assignor estoppel.⁵⁸ In *Scott Paper*, Nicholas Marcalus invented a method and machine for mounting a cutting strip of a hard non-metallic substance on the edge of a box blank.⁵⁹ A patent application was filed, and Marcalus assigned his rights in the patent to his employer, Scott Paper.⁶⁰ The patent was not amended during prosecution and issued as U.S. Patent No. 1,843,429 (“the ’429 patent”).⁶¹ After the patent was issued, Marcalus left Scott Paper to found his own company, Marcalus Manufacturing Co.⁶² Marcalus Manufacturing began selling box blanks with a cutting edge.⁶³ Scott Paper subsequently sued Marcalus and Marcalus Manufacturing (collectively “Marcalus”) for infringing the ’429 patent.⁶⁴ Instead of arguing that the ’429 patent was invalid, Marcalus argued that the Court’s holding in *Westinghouse*

50. *Id.* at 346.

51. *Id.* at 344.

52. *Id.* at 349, 355.

53. *Id.* at 349.

54. *Id.* at 350.

55. *Id.* at 351.

56. See Mark A. Lemley, *Rethinking Assignor Estoppel*, 54 HOUS. L. REV. 513, 518 (2016) (“While the Court’s language sounds to modern ears like claim construction, in 1924 claim construction was bound up with validity, because the Court had and applied a doctrine of ‘undue breadth’ to narrow or invalidate overbroad claims.”).

57. *Westinghouse*, 266 U.S. at 355.

58. *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249 (1945).

59. *Id.* at 250.

60. *Id.* at 251.

61. *Id.* at 250–51.

62. *Id.* at 251.

63. *Id.* at 250.

64. *Id.* at 251.

allowed it to use prior art to narrow the scope of the '429 patent.⁶⁵ Marcalus claimed that it could not infringe the '429 patent as the '429 patent was a copy of an expired, prior art patent.⁶⁶

Chief Justice Stone, writing for the Court, expressly declined to determine whether assignor estoppel should be abandoned.⁶⁷ Instead, he reasoned that assignor estoppel did not apply to the case because the '429 patent was indeed a copy of the expired, prior art patent.⁶⁸ Assignor estoppel could not be used to “penalize the [assignor’s] use of the invention of an expired patent”⁶⁹ because, once a patent expires, the public becomes entitled to share in the invention’s “good will.”⁷⁰ Since Marcalus, at the time of assignment, had no right to confer an expired patent to Scott Paper, Chief Justice Stone concluded that Marcalus had a “complete defense” to an action for infringement.⁷¹

Justice Frankfurter dissented in *Scott Paper*. He accused the majority of judicially repudiating the doctrine of assignor estoppel “by circumlocution.”⁷² Justice Frankfurter argued that assignor estoppel applied to the case because it served the important purpose of preventing unfair dealing.⁷³ Moreover, he argued that, even if public policy favored abolishing the doctrine, it was the province of Congress, not the Court, to undo “that which has always been part of the patent law.”⁷⁴ Justice Frankfurter reasoned that assignor estoppel was a part of patent law despite its lack of codification because, “[i]f warrant in the language of Congress had to be found for all adjudications made by this Court in litigation involving patents,” a great number of common-law principles “would never have been made and should be undone.”⁷⁵ Although the Court

65. *Id.* at 252.

66. *Id.* at 251.

67. *Id.* at 254 (“[W]e find it unnecessary to . . . determine whether . . . the doctrine of estoppel by patent assignment . . . should be rejected. To whatever extent that doctrine may be deemed to have survived the *Formica* decision or to be restricted by it, we think that case is not controlling here.”).

68. *Id.*

69. *Id.*

70. *Id.* at 256.

71. *Id.* at 258.

72. *Id.* at 264 (Frankfurter, J., dissenting). To Justice Frankfurter, the majority’s decision amounted to “saying that 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. Justice Frankfurter deemed such a result to be contrary to the doctrine of assignor estoppel in that “[t]he essence of the principle of fair dealing which binds the assignor of a patent in a suit by the assignee . . . is that in this relation the assignor is not part of the general public but is apart from the general public.” *Id.* at 261–62.

73. *Id.* at 259.

74. *Id.* at 261.

75. *Id.* at 260.

in *Scott Paper* expressly declined to evaluate assignor estoppel, Justice Frankfurter's dissent indicated that the doctrine was, for all practical purposes, dead.⁷⁶

The Court only exacerbated confusion in 1969. In *Lear*, John Adkins invented a cost-effective method of constructing an accurate gyroscope.⁷⁷ Adkins licensed his invention to his employer, Lear, Inc.⁷⁸ Under the terms of the licensing agreement, Lear would be able to use the invention so long as it paid royalties to Adkins.⁷⁹ Lear incorporated the invention into its production process.⁸⁰ A patent application was also filed by Adkins claiming the invention.⁸¹ Two years into the prosecution of the patent, Lear became convinced that the application would not issue as a patent in light of being anticipated by prior art.⁸² Lear subsequently refused to pay royalties to Adkins, but continued to use the invention.⁸³ However, the patent was later granted, and Adkins sued Lear for breach of contract.⁸⁴ Adkins claimed that licensee estoppel precluded Lear from raising patent invalidity as a defense.⁸⁵

Justice Harlan, writing for the Court, abolished licensee estoppel.⁸⁶ He reasoned that the public interest in the “use of ideas” outweighed the interest of the licensor, finding that licensees are often best situated to challenge a patent's validity.⁸⁷ Implying that assignor estoppel was also abrogated, Justice

76. See Hal D. Cooper, *Estoppel to Challenge Patent Validity, The Case of Private Good Faith vs. Public Policy*, CASE W. RES. L. REV. 1122, 1127–28 (1967). (“[T]he *Scott* . . . decision[] might be considered to have dealt with [a] special factual situation[] . . . enunciating [an] exception[] to the general rule of estoppel. . . . However, the dissenting opinion[] . . . clearly call[ed] into question the continuing validity of the doctrine.”).

77. *Lear, Inc. v. Adkins*, 395 U.S. 653, 655 (1969).

78. *Id.* at 657.

79. *Id.*

80. *Id.* at 655.

81. *Id.* at 657.

82. *Id.* at 659. “Prior art is any evidence that your invention was already publicly known or available, in whole or in part, before the effective filing date of your patent application.” Michael K. Henry, *What Is Prior Art*, HENRY PAT. LAW FIRM (Sept. 7, 2017), <https://henry.law/blog/what-is-prior-art/>. An invention is anticipated by prior art when “a single prior art reference describes, either expressly or inherently, each and every limitation of a claim.” Fenn Mathew, *Understanding Prior Art and its use in Determining Patentability*, U.S. PAT. & TRADEMARK OFF. 12, <https://www.uspto.gov/sites/default/files/documents/May%20Info%20Chat%20slides%20%28003%29.pdf> (last visited Nov. 22, 2021).

83. *Lear*, 395 U.S. at 659.

84. *Id.* at 660.

85. *Id.* The doctrine of licensee estoppel “prohibited [the licensee of a patent] from challenging the validity of [the licensed patent] if the [license] agreement had not been validly terminated.” *Adkins v. Lear, Inc.*, 67 Cal. 2d 882, 899 (1967).

86. *Lear*, 395 U.S. at 671.

87. *Id.* at 670.

Harlan examined patent estoppel, of which both licensee estoppel and assignor estoppel are a subset, and found that “the estoppel 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.”⁸⁸ He characterized *Westinghouse* as an “anomaly” and concluded that the Court’s decision in *Scott Paper* had undermined the very basis of the general rule.⁸⁹

2. *The Federal Circuit Cases*

After *Lear*, lower courts issued conflicting opinions concerning the applicability of assignor estoppel. Some courts interpreted *Lear* as having abolished the doctrine.⁹⁰ For example, in *Coastal Dynamics Corp. v. Symbolic Displays, Inc.*, the Court of Appeals for the Ninth Circuit held that arguing for the application of assignor estoppel was a “point without merit” in light of the dicta in *Lear*.⁹¹ Other courts understood *Lear* as applying only to licensee estoppel.⁹² For example, the District Court for the District of New Jersey in *Coast Metals, Inc. v. Cape* expressly distinguished licensee estoppel from assignor estoppel, holding that *Lear* “differs in significant respects from [the instant case] . . . Coast Metals is not a licensee . . . [r]ather, the assignee is bringing suit to declare its own patent invalid.”⁹³

The creation of the Federal Circuit in 1982 led to new challenges pertaining to the assignor estoppel doctrine. The Federal Circuit first addressed assignor estoppel in the 1988 case of *Diamond Sci. Co. v. Ambico, Inc.*⁹⁴ In *Diamond*, Clarence Welter invented a vaccine against gastroenteritis in swine.⁹⁵ He assigned all of his rights in any patents obtained from the invention to his employer, Diamond Scientific Co.⁹⁶ Welter’s invention resulted in the issuance of three patents.⁹⁷ Welter later left Diamond Scientific to form his own

88. *Id.* at 664.

89. *Id.* at 665–66.

90. *See, e.g.*, *Coastal Dynamics Corp. v. Symbolic Displays, Inc.*, 469 F.2d 79, 79 (9th Cir. 1972) (holding that arguing for the application of assignor estoppel was a “point without merit”); *Interconnect Plan. Corp. v. Feil*, 543 F. Supp. 610, 613 (S.D.N.Y. 1982) (finding that assignor estoppel did not apply to the instant case because the “public ha[d] an interest in the validity of all outstanding patents”).

91. 469 F.2d at 79.

92. *See, e.g.*, *Coast Metals, Inc. v. Cape*, No. 78-276, 1979 U.S. Dist. LEXIS 7798, at *9 (D.N.J. Dec. 24, 1979) (distinguishing licensee estoppel from assignor estoppel); *Roberts v. Sears, Roebuck & Co.*, 573 F.2d 976, 982 (7th Cir. 1978) (holding that the reasoning in *Lear* did not extend to the instant case).

93. 1979 U.S. Dist. LEXIS 7798, at *9.

94. 848 F.2d 1220 (Fed. Cir. 1988).

95. *Id.* at 1222.

96. *Id.*

97. *Id.*

company, Ambico, Inc.⁹⁸ Ambico began selling a gastroenteritis vaccine.⁹⁹ Diamond Scientific subsequently brought a patent infringement suit against Ambico and Welter (collectively “Ambico”) in the District Court for the Southern District of Iowa.¹⁰⁰ Ambico asserted invalidity as a defense.¹⁰¹ The district court ruled in favor of Diamond Scientific, reasoning that Ambico “should be estopped from defending a patent infringement case by proving that what he assigned was worthless.”¹⁰²

On appeal, the Federal Circuit acknowledged that *Lear* “reveal[ed] some uncertainty about the continued vitality of” assignor estoppel.¹⁰³ Nevertheless, the court declined to construe *Lear* as having abolished the doctrine. The court distinguished *Lear* by asserting that, whereas licensee estoppel might force a licensee “to continue to pay for a potentially invalid patent, the assignor who would challenge the patent has already been fully paid for the patent rights.”¹⁰⁴

Having distinguished licensee estoppel from assignor estoppel, the court determined that the case was one “in which public policy call[ed] for the application of assignor estoppel.”¹⁰⁵ The court acknowledged the existence of a general public policy encouraging people to challenge potentially invalid patents.¹⁰⁶ However, the court found that the need to prevent “an injustice against the assignee”¹⁰⁷ warranted “depriv[ing] one party . . . of the right to bring that challenge.”¹⁰⁸

The Federal Circuit applied the assignor estoppel doctrine broadly in *Diamond*, finding that assignor estoppel applied even in situations where the assignee broadened the scope of claims after assignment.¹⁰⁹ The court reasoned that the assignor had assigned away his rights to the invention, not the particular language of the claims describing the invention.¹¹⁰ Thus, the Federal Circuit not only deemed assignor estoppel alive and well, but applied

98. *Id.*

99. *Id.*

100. *Id.*

101. *Id.*

102. *Diamond Sci. Co. v. Ambico, Inc.*, 666 F. Supp. 163, 167 (S.D. Iowa 1987).

103. *Diamond*, 848 F.2d at 1223.

104. *Id.* at 1224.

105. *Id.* at 1224–25.

106. *Id.* at 1225.

107. *Id.* at 1224.

108. *Id.* at 1225.

109. *Id.* at 1226.

110. *Id.*

the doctrine in cases where the patent that was *assigned* differed from the patent that eventually *issued*.¹¹¹

The Federal Circuit later clarified the contours of *Diamond* in *Arista Networks, Inc. v. Cisco Sys., Inc.*¹¹² In *Arista*, David Cheriton invented a method and apparatus for securing a communications device using a logging module.¹¹³ A patent issued claiming the invention, and Cheriton assigned his rights in the patent to his employer, Cisco Systems, Inc.¹¹⁴ Cheriton then left Cisco Systems to found Arista Networks, Inc.¹¹⁵ When Arista Networks began selling a competing product, Cisco Systems brought a patent infringement suit against Arista in the District Court for the Northern District of California.¹¹⁶ Unlike the assignor in *Diamond*, Arista Networks petitioned for IPR, claiming that the patent was invalid.¹¹⁷ The petition was granted.¹¹⁸ In the ensuing IPR proceeding, the Board explained in its final written decision that “Congress has demonstrated that it will provide expressly for the application of equitable defenses when it so desires.”¹¹⁹ Reasoning that Congress had never done so with the assignor estoppel doctrine, the Board declined to apply the doctrine and invalidated several of the patent’s claims.¹²⁰ Cisco Systems appealed the Board’s decision to the Federal Circuit.¹²¹

On review, the Federal Circuit framed the question at issue as being one of congressional intent.¹²² Did Congress intend to abrogate assignor estoppel in the IPR context when it enacted 35 U.S.C. § 311(a), the statute governing IPR proceedings?¹²³ Under § 311(a), “a person who is not the owner of a patent may file with the [Patent Office] a petition to institute an [IPR] of the

111. Legal commentators criticized the Federal Circuit for too broadly applying the doctrine of assignor estoppel. *See, e.g.*, Lemley, *supra* note 56, at 524 (arguing that “[t]he Federal Circuit applie[d] the doctrine liberally and construe[d] exceptions so narrowly that they [were] worthless in practice, even in factual circumstances far removed from the original basis of the doctrine”); Hodgson, *supra* note 34, at 825 (arguing that the Federal Circuit’s expansion of the application of assignor estoppel “hinder[ed] the goals of the patent laws”).

112. 908 F.3d 792 (Fed. Cir. 2018).

113. *Id.* at 794.

114. *Id.*

115. *Id.* at 795.

116. *Cisco Sys., Inc. v. Arista Networks, Inc.*, No. 14-cv-05344-BLF, 2015 U.S. Dist. LEXIS 189442, at *3–4 (N.D. Cal. July 9, 2015).

117. *Arista*, 908 F.3d at 795.

118. *Id.*

119. *Arista Networks, Inc. v. Cisco Sys. Inc.*, No. IPR2015-00978 (P.T.A.B. Sept. 28, 2016).

120. *Id.*

121. *Arista*, 908 F.3d at 793.

122. *Id.* at 802.

123. *Id.*

patent.” The court construed the words “a person who is not the owner of a patent” in § 311(a) as including assignors.¹²⁴ The court deemed the “plain language” of § 311(a) to be conclusive in that it “unambiguously [left] no room for assignor estoppel in the IPR context.”¹²⁵ As a result of the *Arista* decision, a dual-track system was formed, where assignor estoppel could be asserted in the district court but not in an IPR proceeding.

III. CASE SUMMARY: MINERVA SURGICAL, INC. V. HOLOGIC, INC.

In *Minerva*, the Supreme Court upheld the doctrine of assignor estoppel but clarified “that it reaches only so far as the equitable principles long understood to lie at its core.”¹²⁶ At issue was the validity of U.S. Patent No. 9,095,348 (“the ’348 patent”), which Hologic claimed Minerva Surgical could not dispute due to assignor estoppel.¹²⁷ However, the original lawsuit involved two patents: the ’348 patent and U.S. Patent No. 6,872,183 (“the ’183 patent”).¹²⁸ Although the district court’s decisions regarding both patents were appealed, the Court granted certiorari only as to the ’348 patent, even though the Federal Circuit was primarily concerned with issues involving the ’183 patent.¹²⁹

At the Federal Circuit, the court questioned a system that allowed Minerva Surgical to circumvent the doctrine of assignor estoppel by challenging the ’183 patent’s validity before the PTAB but not in district court. By only granting certiorari as to the ’348 patent, the Supreme Court’s decision rightly upheld assignor estoppel in district court proceedings but missed an opportunity to reconcile a “seemingly illogical regime.”¹³⁰

A. FACTUAL BACKGROUND

In the late-1990s, Csaba Truckai developed NovaSure, a device that treats abnormal uterine bleeding by detecting perforations in the uterus.¹³¹ Two patent applications claiming the technology were filed with the Patent Office.¹³² While the patents were pending, Truckai assigned his interest in both

124. *Id.* at 803.

125. *Id.*

126. *Minerva Surgical, Inc. v. Hologic, Inc.*, 141 S. Ct. 2298, 2302 (2021).

127. *Id.* at 2303.

128. *Hologic, Inc. v. Minerva Surgical, Inc.*, 325 F. Supp. 3d 507, 513 (D. Del. 2018).

129. *See infra* Section III.B.

130. *Hologic, Inc. v. Minerva Surgical, Inc.*, 957 F.3d 1256, 1275 (Fed. Cir. 2020) (Stoll, J., concurring).

131. *Minerva*, 141 S. Ct. at 2303.

132. *Id.*

applications, as well as in all continuation applications, to his company, NovaCept, Inc.¹³³ NovaCept was acquired by Cytoc Surgical Products, LLC.¹³⁴ Hologic, Inc. later acquired Cytoc Surgical Products.¹³⁵ By the acquisition, Hologic received all of NovaCept's patent rights, including the two pending patent applications.¹³⁶ One of the patent applications issued in 2005 as the '183 patent.¹³⁷

Truckai left NovaCept and founded Minerva Surgical, Inc. in 2008.¹³⁸ There, he developed the Minerva Endometrial Ablation System (EAS), a device that, like NovaSure, treats abnormal uterine bleeding.¹³⁹ While both NovaSure and EAS used applicator heads to remove cells in the uterine lining, EAS, unlike NovaSure, used a moisture impermeable applicator head.¹⁴⁰

In 2013, Hologic, aware of Truckai's activities, filed a continuation application to add claims to its pending NovaSure patent application.¹⁴¹ One of the added claims claimed an "applicator head coupled to the distal portion."¹⁴² Because the new claim claimed an "applicator head" generally, the new claim encompassed both moisture impermeable and moisture permeable

133. *Id.*

134. *Id.*

135. *Id.*

136. *Id.*

137. *Hologic, Inc. v. Minerva Surgical, Inc.*, 957 F.3d 1256, 1262 (Fed. Cir. 2020).

138. *Minerva*, 141 S. Ct. at 2303.

139. *Id.*

140. *Id.*

141. *Id.* A continuation application is "like a new [patent] application, giving the applicant another set of chances to persuade the examiner to allow the claims, to further amend the claims, or even to hope to get a different examiner." Mark A. Lemley & Kimberly A. Moore, *Ending Abuse of Patent Continuations*, 84 B.U. L. REV. 63, 69 (2004). Hologic's use of the continuation application was not unusual. Companies use continuation applications strategically to expand their patent portfolio. *See* Chen Chen, *Using Continuation Applications Strategically*, COOLEYGO, <https://www.cooleygo.com/using-continuation-applications-strategically/> (last visited Nov. 23, 2021) (finding that continuation applications "can be used to expand a patent portfolio relatively quickly and inexpensively"); *Continuation Patent Applications: 10 Reasons You Should Consider Filing*, NUTTER (May 1, 2017), <https://www.nutter.com/ip-law-bulletin/continuation-patent-applications-10-reasons-you-should-file> (urging companies to file continuation applications for "broader" protection); Matthew Yospin, *What Is a Continuation Patent Application?*, YOSPIN L. (Sept. 23, 2019), <https://www.yospinlaw.com/2019/09/23/continuation-patent-application> (describing continuation applications as being used "to cover a competitor's product or service that was described but not claimed in the parent patent application, and [which] came to market after the parent patent application's priority date").

142. U.S. Patent No. 9,095,348.

applicator heads. This patent, with the added claims, issued in 2015 as the '348 patent.¹⁴³

B. PROCEDURAL HISTORY

A few months after the '348 patent issued, Hologic filed a civil action against Minerva Surgical in the District Court for the District of Delaware.¹⁴⁴ Hologic claimed that Minerva Surgical's EAS infringed both the '183 and '348 patents.¹⁴⁵ Minerva Surgical asserted that Hologic's patents were invalid and concurrently filed a petition for IPR.¹⁴⁶ The Board granted Minerva Surgical's petition as to the '183 patent but declined review of the '348 patent.¹⁴⁷

The Board found the '183 patent to be obvious and thus invalid under 35 U.S.C. § 103.¹⁴⁸ Although the Board did not directly address the threshold question of whether assignor estoppel barred Minerva Surgical from challenging the validity of the '183 patent in the first instance, the Board, by ignoring the issue, implicitly determined that assignor estoppel did not apply to the proceeding before it. The Board appeared to summarily conclude that there was no need to address the assignor estoppel doctrine as the Federal Circuit in *Arista* had previously decided that assignor estoppel did not apply to proceedings before the Board.¹⁴⁹ Without the *Arista* precedent, the Board would have been unable to judge the '183 patent on its merits since the applicability of assignor estoppel is a threshold question. Hologic appealed the Board's finding of invalidity to the Federal Circuit.¹⁵⁰ The Federal Circuit affirmed the Board's decision.¹⁵¹

In the parallel litigation, the district court reviewed both the '348 and '183 patents.¹⁵² It found that assignor estoppel barred Minerva Surgical from contesting the validity of the '348 patent, but that any further litigation regarding the '183 patent was moot in light of the Federal Circuit's affirmance of the Board's decision finding the patent invalid.¹⁵³ Both Hologic and Minerva Surgical appealed various aspects of the district court's decision.¹⁵⁴

143. *Minerva*, 141 S. Ct. at 2303.

144. *Hologic, Inc. v. Minerva Surgical, Inc.*, 325 F. Supp. 3d 507, 513 (D. Del. 2018).

145. *Id.*

146. *Hologic, Inc. v. Minerva Surgical, Inc.*, 957 F.3d 1256, 1262 (Fed. Cir. 2020).

147. *Id.*

148. *Minerva Surgical, Inc. v. Hologic, Inc.*, No. IPR2016-00868 (P.T.A.B. Dec. 15, 2017).

149. *Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018) (“[A]ssignor estoppel has no place in IPR proceedings.”).

150. *Hologic, Inc. v. Minerva Surgical, Inc.*, 764 F. App'x 873, 874 (Fed. Cir. 2019).

151. *Id.* at 875.

152. *Hologic*, 957 F.3d at 1262–63.

153. *Id.*

154. *Id.* at 1264.

On appeal, the Federal Circuit affirmed the district court's findings as to the application of assignor estoppel to the '348 patent.¹⁵⁵ The court rejected Minerva Surgical's invitation to abandon the doctrine of assignor estoppel.¹⁵⁶ Although some courts had questioned the doctrine's vitality in light of the Supreme Court's abrogation of licensee estoppel in *Lear*, the court noted that "nothing in *Lear* eliminated assignor estoppel and that . . . [t]he public policy favoring allowing a licensee to contest the validity of a patent is not present in the assignment situation."¹⁵⁷ Whereas licensee estoppel might force a licensee "to continue to pay for a potentially invalid patent, the assignor who would challenge the patent has already been fully paid for the patent rights."¹⁵⁸ Furthermore, the court noted that assignor estoppel serves the important purpose of preventing unfairness and injustice to the assignee.¹⁵⁹

The court applied assignor estoppel broadly to the '348 patent.¹⁶⁰ Even though Hologic had broadened the '348 patent by adding a claim encompassing applicator heads generally, the court held that assignor estoppel nevertheless barred Minerva Surgical from contesting the '348 patent's validity.¹⁶¹ The court found "it 'irrelevant that, at the time of the assignment,' the inventor's 'patent applications were still pending' and that [the] assignee . . . 'may have later amended the claims in the application process . . . with or without [the inventor's] assistance.'"¹⁶²

As for the '183 patent, the court affirmed the district court's ruling that Hologic could not litigate the patent further due to the Federal Circuit's affirmance of the Board's decision to invalidate it.¹⁶³ The court acknowledged that assignor estoppel would have prevented Minerva Surgical from challenging the validity of the '183 patent in district court.¹⁶⁴ However, Minerva Surgical had the "right to [challenge the '183 patent's validity in an IPR proceeding] under . . . [the Federal Circuit's] precedent."¹⁶⁵ Assignor estoppel did not bar Minerva Surgical from "defend[ing] themselves [by] arguing that the patentee is itself collaterally estopped from asserting a patent found invalid in a prior proceeding."¹⁶⁶ The court found that the Board's final

155. *Id.* at 1267.

156. *Id.*

157. *Id.* at 1265.

158. *Id.*

159. *Id.*

160. *Id.* at 1268.

161. *Id.*

162. *Id.*

163. *Id.* at 1266.

164. *Id.*

165. *Id.*

166. *Id.*

decision in the IPR proceeding precluded Hologic's later assertion of assignor estoppel in the district court proceeding.¹⁶⁷ The court acknowledged the "seeming unfairness to Hologic."¹⁶⁸ While assignor estoppel would have barred Minerva Surgical from contesting the validity of the '183 patent in district court, Minerva Surgical was able to circumvent the doctrine by challenging the patent in an IPR proceeding before the Board.¹⁶⁹

In addition to authoring the majority opinion, Judge Stoll filed a concurrence with additional views.¹⁷⁰ She expressed concern about the "odd situation" that allows assignors to circumvent the doctrine of assignor estoppel by the forum in which they litigate.¹⁷¹ Judge Stoll urged the Federal Circuit to take the case en banc to resolve the "seemingly illogical regime."¹⁷² The Federal Circuit, however, denied the en banc hearing.¹⁷³

C. THE SUPREME COURT'S DECISION

The Supreme Court granted certiorari as to the '348 patent but not as to the '183 patent.¹⁷⁴ In a 5-4 decision authored by Justice Kagan and joined by Chief Justice Roberts and Justices Breyer, Sotomayor, and Kavanaugh, the Court upheld the doctrine of assignor estoppel. The Court, however, deemed the Federal Circuit's construction of the assignor estoppel doctrine as overly broad.¹⁷⁵ According to the Court, assignor estoppel only applies when an

167. *Id.*

168. *Id.*

169. *Id.*

170. *Id.* at 1274 (Stoll, J., concurring). Why might a judge write the majority opinion and then file a concurring opinion? Judge Stoll likely could not get the other judges to sign on to her additional views on assignor estoppel. See Tim Baldwin, *Who Knew You Can Write for the Majority and Concur in the Same Case? Justices Robinson and Flanders (Ret.), That's Who!*, RI COURT BLOG (Feb. 28, 2020), <http://ricourtblog.com/2020/02/28/write-majority-opinion-and-concur-in-same-case/> (referencing Judge Flanders's opinion in *Bailey v. Algonquin Gas Transmission Co.*, 788 A.2d 478 (R.I. 2002), where Judge Flanders wrote both the majority and concurring opinion because he "could not get the other justices to sign on to the additional reasoning that he wanted to include in the majority opinion").

171. *Hologic*, 957 F.3d at 1274 (Stoll, J., concurring).

172. *Id.* at 1275.

173. Order Denying Petitions for Panel Rehearing and Rehearing En Banc, *Hologic, Inc. v. Minerva Surgical, Inc.*, Nos. 2019-2054, 2019-2081 (Fed. Cir. July 22, 2020).

174. The Court denied Hologic's cross-petition for a writ of certiorari, but granted Minerva's petition for a writ of certiorari. In its cross-petition that was denied, Hologic urged the Supreme Court "to straighten out the Federal Circuit's divergent precedents on the doctrine of assignor estoppel in different forums." Cross-Petition for a Writ of Certiorari at 3, *Minerva Surgical, Inc. v. Hologic, Inc.*, 141 S. Ct. 2298 (2021) (No. 20-440). Because the Court denied Hologic's cross-petition without comment, one can only conjecture as to the reason the Court denied certiorari as to the '183 patent, but not as to the '348 patent.

175. *Minerva Surgical, Inc. v. Hologic, Inc.*, 141 S. Ct. 2298, 2310 (2021).

assignor explicitly or implicitly contradicts an earlier representation.¹⁷⁶ By failing to assess whether Hologic had materially broadened the patent claims in its continuation application outside the scope of representations made by Truckai in the initial assignment, the Federal Circuit failed to recognize the doctrine's proper limits.¹⁷⁷

Despite the lack of clarity and unanswered assumptions in the Court's prior decisions involving assignor estoppel, the Court saw "value in the doctrine," declining to disturb a century of jurisprudence on the subject.¹⁷⁸ According to the Court, by the time *Westinghouse* was decided in 1924, the doctrine was deemed to be "well-settled."¹⁷⁹ The post-*Westinghouse* cases of *Scott Paper* and *Lear* "never questioned that view."¹⁸⁰ Instead, the two cases merely "police[d] the doctrine's boundaries."¹⁸¹

In addition, the Court rejected Minerva Surgical's argument that assignor estoppel "offer[ed] no patent policy benefits."¹⁸² The Court recognized that assignor estoppel furthered patent policy by promoting fair dealing and giving assignees confidence that what they have bought has value.¹⁸³ This in turn "raises the price of patent assignments, and . . . may encourage invention," in furtherance of public policy.¹⁸⁴

While reaffirming the value of assignor estoppel and its potential benefits, the Court nevertheless constrained the doctrine's boundaries. Assignor estoppel applies only when its underlying principle of fair dealing is implicated.¹⁸⁵ There is no justification for applying assignor estoppel when an assignor has not made an inconsistent representation concerning a patent's validity.¹⁸⁶ An inventor-assignor does not make inconsistent representations when (1) the inventor assigns the patent before making a warranty as to its validity, (2) a later legal development renders a patent invalid, or (3) there is a post-assignment change in the patent claims.¹⁸⁷ Since the Federal Circuit failed to recognize the assignor estoppel doctrine's proper boundaries, the Court

176. *Id.* at 2302.

177. *Id.* at 2310.

178. *Id.* at 2302.

179. *Id.* at 2305.

180. *Id.* at 2308.

181. *Id.*

182. *Id.* at 2309.

183. *Id.* at 2309 n.4.

184. *Id.*

185. *Id.* at 2309–10.

186. *Id.* at 2310.

187. *Id.*

remanded the case for a determination as to whether Hologic had materially broadened the claims after assignment in its continuation application.¹⁸⁸

The principal dissent, authored by Justice Barrett and joined by Justices Thomas and Gorsuch, argued that Congress had repudiated assignor estoppel in the Patent Act of 1952 (“1952 Act”).¹⁸⁹ The relevant provision of the 1952 Act states that invalidity “shall be [a] defense[] in *any* action involving the validity or infringement of a patent.”¹⁹⁰ Justice Barrett noted that the 1952 Act “nowhere mentions the equitable doctrine of assignor estoppel” and was, therefore, repudiated by the 1952 Act.¹⁹¹ The principal dissent maintained that the doctrine could only have been incorporated into the 1952 Act if (1) Congress ratified *Westinghouse* in the 1952 Act or (2) assignor estoppel was a well-settled common-law doctrine by 1952.¹⁹² Justice Barrett concluded that neither prong was met, and, therefore, Congress had abrogated assignor estoppel in the 1952 Act.¹⁹³

The majority, however, countered that *Westinghouse* was decided in 1924 and upheld assignor estoppel even though the Patent Act of 1897 (“1897 Act”) contained similar language: “in *any* action for infringement the defendant may plead” invalidity.¹⁹⁴ Furthermore, interpreting the 1952 Act as a repudiation of assignor estoppel merely because the statute does not explicitly reference assignor estoppel would “foreclose applying in patent cases a whole host of common-law preclusion doctrines . . . [including] equitable estoppel, collateral estoppel, res judicata, and law of the case.”¹⁹⁵ Such an outcome would conflict with the Court’s precedents.¹⁹⁶ It would also undermine congressional design, for Congress “legislates against a backdrop of common-law adjudicatory principles” and expects those principles to apply absent “a statutory purpose to the contrary.”¹⁹⁷

The principal dissent took an entirely opposite view. Justice Barrett referenced the Patent Act of 1870 (“1870 Act”).¹⁹⁸ She argued that Congress

188. *Id.* at 2311.

189. *Id.* at 2314 (Barrett, J., dissenting).

190. 35 U.S.C. § 282(b).

191. *Minerva*, 141 S. Ct. at 2314 (Barrett, J., dissenting).

192. *Id.*

193. *Id.*

194. *Id.* at 2307 (majority opinion).

195. *Id.*

196. *Id.*

197. *Id.*

198. *Id.* at 2315 (Barrett, J., dissenting). The 1870 Act’s primary purpose was to consolidate and clarify the existing statutory patent law at the time. The 1897 Act amended the 1870 Act. The 1897 Act did not amend any of the language at issue in *Minerva*. For purposes of the assignor estoppel analysis, the Acts can be treated as the same. *See* Lawrence

could not have ratified *Westinghouse* in the 1952 Act because *Westinghouse's* construction of the 1870 Act was not “well-settled,” and the assignment provisions of the 1952 and 1870 Acts were not “materially identical.”¹⁹⁹ *Westinghouse's* construction of the 1870 Act was not well-settled because *Westinghouse* was little more than a “mild endorsement” of the doctrine, since the Court did not actually apply assignor estoppel to the case before it.²⁰⁰ Furthermore, Justice Barrett pointed to the later cases of *Scott Paper* and *Lear* as having repudiated the doctrine.²⁰¹ These three cases together led to such confusion in the lower courts and legal community that *Westinghouse's* construction of the 1870 Act could not possibly have been well-settled by 1952.²⁰² As to whether the provisions of the 1952 and 1870 Acts were “materially identical,” Justice Barrett referenced an additional clause in the 1952 Act denoting that “patents shall have the attributes of *personal* property.”²⁰³ Because *Westinghouse* analogized patents to *real* property, the principal dissent concluded that the provisions of the 1952 and 1870 Acts were not materially identical.²⁰⁴ Congress, therefore, could not have ratified *Westinghouse* in the 1952 Act.²⁰⁵

Justice Barrett also took issue with the majority's view that assignor estoppel was a “well-settled” common-law doctrine by 1952.²⁰⁶ The principal dissent argued that “well-settled” required the doctrine to be of an “impeccable historic pedigree.”²⁰⁷ Doctrines like *res judicata* and collateral estoppel are nearly a thousand years old, in contrast to assignor estoppel, which was only introduced into patent law in the late 19th century.²⁰⁸ Since assignor estoppel lacked the “pedigree” of more historic doctrines,²⁰⁹ the principal dissent disagreed with the majority's argument that abrogating assignor estoppel

Kingsland, *The United States Patent Office*, 13 L. & CONTEMP. PROBS. 354, 362–63 (1948) (tracing the history of the Patent Act from 1870 to 1930).

199. *Minerva*, 141 S. Ct. at 2315 (Barrett, J., dissenting).

200. *Id.*

201. *Id.* at 2316. Justice Barrett pointed out that the Court in *Scott Paper* had deemed the analysis in *Westinghouse* to be a “logical embarrassment.” In addition, Justice Barrett pointed out that the Court in *Lear* claimed that the *Scott Paper* decision had “undermined the very basis of the ‘general estoppel’ rule.” *Id.*

202. *Id.*

203. *Id.* at 2317.

204. *Id.* at 2318.

205. *Id.* at 2319.

206. *Id.*

207. *Id.*

208. *Id.* at 2319–20.

209. *Id.* at 2319.

would “foreclose applying in patent cases a whole host of common-law preclusion doctrines.”²¹⁰

Justice Alito, in a separate dissent, criticized what he saw as both the majority and the principal dissent’s evasion of stare decisis.²¹¹ Justice Alito disagreed with the Court’s reasoning because “not one word in the patent statutes supports assignor estoppel.”²¹² He argued that the Court needed to rely on precedent to support its decision.²¹³ Thus, Justice Alito felt that the Court in its analysis placed the cart before the horse; he would have first analyzed whether *Westinghouse* should be overruled or further confirmed.²¹⁴

In addition, Justice Alito criticized the principal dissent, arguing that (1) *Westinghouse* was not based on an interpretation of the 1870 Act because the Court in *Westinghouse* explicitly analogized to estoppel by deed rather than relying on the 1870 Act, (2) to suggest that a Court decision ceases to be precedent if it is not well-settled is “strange,” and (3) the standard of “materially identical” that the principal dissent uses to compare the 1952 and 1870 Acts is inconsistent with precedent.²¹⁵

IV. ANALYSIS

The *Minerva* Court missed an opportunity to resolve the “seemingly illogical regime” that allows assignors to circumvent the doctrine of assignor estoppel by choosing the forum in which they litigate.²¹⁶ Since the Court addressed only the ’348 patent, which was not the subject of an IPR proceeding, the Court left untouched the Federal Circuit’s precedent that assignor estoppel could not be asserted in IPR proceedings. In declining review of the ’183 patent, the Court rejected an opportunity to review the soundness of *Arista* and, consequently, put an end to the illogic of a dual-track system. Neither congressional design nor public policy considerations support the existence of the dual-track system created by *Arista*. The applicability of the assignor estoppel doctrine in IPR proceedings is deserving of Supreme Court review because the dual-track system works to the detriment of the public by (1) prioritizing gamesmanship over patent quality, (2) discouraging assignees

210. *Id.* at 2307 (majority opinion).

211. *Id.* at 2311 (Alito, J., dissenting).

212. *Id.*

213. *Id.*

214. *Id.*

215. *Id.* at 2312–13.

216. *Hologic, Inc. v. Minerva Surgical, Inc.*, 957 F.3d 1256, 1275 (Fed. Cir. 2020) (Stoll, J., concurring).

from enforcing their patent rights, and (3) disincentivizing employer-assignees from rewarding innovation.

A. CONGRESSIONAL DESIGN

1. *The Plain Language of § 311(a)*

In *Arista*, the Federal Circuit held that § 311(a), “by allowing ‘a person who is not the owner of a patent’ to file an IPR, unambiguously dictates that assignor estoppel has no place in IPR proceedings.”²¹⁷ The Federal Circuit’s interpretation of the “plain language”²¹⁸ of § 311(a) is, at best, a conclusory reading of the statute. In enacting statutes, Congress “does not write upon a clean state.”²¹⁹ The Court has held that “[i]n order to abrogate a common-law principle, the statute must ‘speak directly’ to the question addressed by the common law.”²²⁰ Assignor estoppel is such a common-law principle.²²¹ Just as the principal dissent in *Minerva* ignored the “history of U.S. patent law” by insisting that the “only answers to be legitimately sought are ones of textual meaning,”²²² the *Arista* court ignored congressional design in its interpretation of § 311(a). The actual language of the 1952 Act and § 311(a) are important, but statutes are not to be read in a vacuum, irrespective of history.

2. *The History of § 311(a)*

An examination of the historical origins of IPR confirms that Congress intended for IPR to be an efficient substitute for district court litigation that would apply the same legal standards and not be subject to abuse. As Judge Newman recognized in her dissenting opinion in *In re Cuozzo Speed Techs, LLC*, “the legislative record does not show a congressional intent that issued patents should be more readily invalidated in these [Patent Office] proceedings than in the courts.”²²³

IPR originates from the administrative ex parte reexamination process.²²⁴ Ex parte reexamination is a non-adversarial proceeding in which the Patent Office reviews the patentability of an issued patent in light of prior art that was

217. *Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018).

218. *Id.* at 803.

219. *United States v. Texas*, 507 U.S. 529, 534 (1993).

220. *Id.*

221. *See supra* note 31.

222. Robert Merges, *Who Gives a Hoot About Minerva? The Patent Act and the Common Law of Patents*, WRITTEN DESCRIPTION (July 1, 2021), <https://writtendescription.blogspot.com/2021/07/rob-merges-guest-post-who-gives-hoot.html>.

223. 793 F.3d 1268, 1286 (Fed. Cir. 2015) (Newman, J., dissenting).

224. *See* H.R. REP. NO. 112-98 at 45 (2011) (tracing the legislative origins of IPR).

not addressed during the original examination of the patent.²²⁵ Congress created ex parte reexamination in 1980 for economic reasons.²²⁶ Congress believed that an administrative proceeding allowing parties to quickly and cost-efficiently challenge doubtful patents would “strengthen investor confidence in the certainty of patents rights” and spur innovation.²²⁷

Although Congress desired to make ex parte reexamination efficient, Congress was concerned that the proceeding could be abused.²²⁸ To prevent abuse, Congress structured ex parte reexamination in a manner that would provide safeguards for patentees.²²⁹ For example, initiating ex parte reexamination requires an interested party to submit prior art in the form of patents or printed publications.²³⁰ Congress intentionally restricted prior art to the form of patents or printed publications to prevent ex parte reexamination from being used as a “harassment tool against patentees.”²³¹ Congress hoped that ex parte reexamination would “greatly reduce, if not end, the threat of legal costs being used to ‘blackmail’ such [patent] holders into allowing patent infringements or being forced to license their patents for nominal fees.”²³²

Unfortunately, ex parte reexamination failed to meet Congress’s expectations. Several features of the process were highly undesirable.²³³ First,

225. 35 U.S.C. § 303(a).

226. See H.R. REP. NO. 96-1307(I) at 1 (1980) (“[T]he roots of the current recession lie in a longer term economic malaise which arises out of a failure of American industry to keep pace with the increased productivity of foreign competitors.”).

227. *Id.* at 2.

228. See *id.* at 3 (Congress hoped that ex parte reexamination would be conducted “with a fraction of the time and cost of formal legal proceedings and would help restore confidence in the effectiveness of . . . the patent system.”); see also H.R. REP. NO. 107-120 at 2 (2001) (“As part of the original 1980 reexamination statute, Congress struck a balance between curing allegedly defective patents and preventing the harassment of patentees.”).

229. One way in which Congress attempted to prevent abuse of ex parte reexamination was by authorizing the Director “to reject any request for ex parte reexamination . . . on the basis that the same or substantially the same prior art or arguments previously” had been presented to the Patent Office. This authorization complemented other “protections against abuse of ex parte reexamination.” PATRICK A. DOODY, *COMPREHENSIVE LEGISLATIVE HISTORY OF THE LEAHY-SMITH AMERICA INVENTS ACT 469* (2012).

230. 35 U.S.C. § 303(a).

231. Mark D. Janis, *Inter Partes Patent Reexamination*, 10 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.*, 481, 486 (2011).

232. H.R. REP. NO. 96-1307(I) at 2 (1980).

233. Due to the undesirable features of ex parte reexamination, the process was not frequently used. Between 1981 and 1984, less than 200 filings were annually made for ex parte reexamination. *Ex Parte Reexamination Filing Data*, U.S. PAT. & TRADEMARK OFF. 1, https://www.uspto.gov/sites/default/files/documents/ex_parte_historical_stats_roll_up_21Q1.pdf (last visited Nov. 24, 2021). In contrast, 1,197 filings were made for IPR in Fiscal Year 2021. *PTAB Trial Statistics August 2021 IPR, PGR, CBM*, U.S. PAT. & TRADEMARK OFF. 3, <https://>

the proceeding was subject to abuse.²³⁴ Ex parte reexamination “was often employed multiple times against the same patent, leaving the patentees (and the public) perpetually uncertain of the scope and even the very existence of the patent rights.”²³⁵ Second, despite ex parte reexamination being subject to such abuse, the majority of patents challenged in ex parte reexamination “emerged from the process with their claims either fully confirmed or just moderately amended.”²³⁶ Third, the process was costly and inefficient.²³⁷ Ex parte reexamination proceedings took “several years to complete, [being] first conducted by examiners and, if the patent [was] rejected, then by [PTAB] judges. Thus, many patents [would] go through two rounds of administrative review . . . adding to the length of the proceeding.”²³⁸

In 1990, the U.S. Secretary of Commerce, Robert Mosbacher, created an Advisory Commission on Patent Law Reform, which recommended to Congress that it expand third-party participation in the reexamination of a patent to “build confidence in the reexamination process so that third parties [would] be inclined to raise patent challenges in [reexamination] rather than through litigation.”²³⁹ This would promote uniformity with district court proceedings, which already permitted third-party participation. The Commission recommended that “increased third party participation [should] be implemented through a balanced approach to ensure that the reexamination process fulfills its intended role.”²⁴⁰

In 1999, heeding the Commission’s advice, Congress created the inter partes reexamination proceeding, which gave “third-party challengers greater

www.uspto.gov/sites/default/files/documents/ptab_aia_20210831_.pdf (last visited Nov. 24, 2021).

234. See generally Raymond A. Mercado, *The Use and Abuse of Patent Reexamination: Sham Petitioning Before the USPTO*, 12 COLUM. SCI. & TECH. L. REV. 93 (2011) (describing ways in which the reexamination process was subject to abuse).

235. Gregory Dolin, *Dubious Patent Reform*, B.C. L. REV., 881, 884 (2015).

236. *Id.*

237. David Simon, then-Associate General Counsel of Intel Corporation, testified before Congress in 2011. He described the reexamination process as being “expensive” and stated that companies frequently found themselves “being told . . . to settle because the cost of the settlement [was] going to be much less than the cost of the litigation.” Former Chief Judge of the Federal Circuit, Judge Paul Michel, also testified at the time that “the principal problem in the American patent system . . . [was] excessive delay.” *Crossing the Finish Line on Patent Reform: What Can and Should Be Done: Hearing on H.R. 1249 Before the H. Comm. on the Judiciary*, 112th Cong. 8–9 (2011).

238. H.R. REP. NO. 112-98 at 45 (2011).

239. THE ADVISORY COMM. ON PAT. L. REFORM, A REPORT TO THE SECRETARY OF COMMERCE 14 (1992) [<https://perma.cc/S29S-9BBS>].

240. *Id.*

input throughout the proceeding by permitting them to respond to every pleading submitted by the patent holder.”²⁴¹ Inter partes reexamination was intended to address the “defect as to third-party requester participation and was introduced to provide an inexpensive way, as compared with litigation, for a third party who discover[ed] new prior art to challenge the patent in the [Patent Office].”²⁴² However, inter partes reexamination also proved to be a disappointment. Only five inter partes reexamination requests were filed in the two years following its enactment, even though “the [Patent Office] had projected to receive approximately 400 inter partes reexamination requests in the first year it was effective, with an increase of ten percent per annum.”²⁴³

Congress believed litigants found inter partes reexamination to be undesirable because it did not closely resemble district court proceedings to the degree litigants thought necessary to protect their interests.²⁴⁴ Following the enactment of inter partes reexamination, Congress directed the Patent Office to submit a report evaluating the proceeding.²⁴⁵ The report identified several weaknesses with inter partes reexamination. One particularly poignant finding was that inter partes reexamination did not “provide for a third-party requester to appeal to the Court of Appeals for the Federal Circuit, nor did it permit participation in patent owner appeals,” which led to lower petitions for inter partes reexamination being filed.²⁴⁶ Congress responded by amending inter partes reexamination to “provide the third-party requester with an express right to appeal to the [Federal Circuit] and to participate in patent appeals.”²⁴⁷ In so doing, Congress amended inter partes reexamination to more closely resemble invalidity proceedings in district court. The report also encouraged Congress to institute a post-grant system that was “efficient and fair to all parties” and which would “importantly [not be] subject to abuses.”²⁴⁸

In 2011, Congress enacted the Leahy-Smith America Invents Act (AIA), which replaced inter partes reexamination with IPR.²⁴⁹ By enacting the AIA,

241. H.R. REP. NO. 112-98 at 46 (2011).

242. U.S. PAT. & TRADEMARK OFF., REPORT TO CONGRESS ON INTER PARTES REEXAMINATION 4 (2004), https://www.immagic.com/eLibrary/ARCHIVES/GENERAL/US_PTO/P041217R.pdf [hereinafter REPORT ON INTER PARTES REEXAMINATION].

243. *Id.*

244. *See* H.R. REP. NO. 112-98 at 45 (2011) (describing differences between reexamination and district court litigation and how these differences contributed to reexamination being “a less viable alternative to litigation”).

245. *Id.* at 46.

246. REPORT ON INTER PARTES REEXAMINATION, *supra* note 242, at 4.

247. *Id.*

248. *Id.*

249. H.R. REP. NO. 112-98 at 46–47 (2011). The AIA was Congress’s first attempt in almost sixty years at comprehensive patent reform. *Id.* at 38.

Congress sought to build upon the developments with reexamination to further confidence in the Patent Office.²⁵⁰ In doing so, Congress squarely aligned the purpose of IPR proceedings with that of the district court proceedings. Accordingly, applying assignor estoppel in one forum, but not the other, creates an inconsistency that is contrary to congressional design.

Additionally, similar to how *ex parte* reexamination led to unintended abuses, Congress recognized that IPR could also be subject to abuse. Congress warned that IPR was “not to be used as [a] tool for harassment. . . . Doing so would frustrate [its] purpose.”²⁵¹ However, contrary to Congress’s warning, the dual-track system left in place by *Minerva* does exactly that. A system that allows assignors to circumvent the doctrine of assignor estoppel based on the forum in which they litigate is not only subject to abuse but encourages it, because assignors can use the threat of infringement litigation to harass patentees.

Patent litigation is costly. In 2020, the estimated median cost for an IPR of a life science patent through a PTAB hearing was \$500,000.²⁵² Because the cost of litigation is so high, litigation can “ultimately decline a company’s value, drive down sales, or even cause a business to fold,” irrespective of a company’s size.²⁵³ Certainly the cost of litigation can hurt both assignors and assignees in patent infringement lawsuits. However, assignors possess a distinct advantage over assignees. If an assignor successfully petitions the PTAB for an IPR proceeding and then settles with the assignee, the assignor is removed from the IPR proceeding and no longer incurs additional legal fees associated with it. The same cannot be said for the assignee. Even if the parties settle, the

250. *See id.* (defining the object of the AIA as being to “correct flaws in the system that [had] become unbearable”); *see also* *Ethicon Endo-Surgery, Inc. v. Covidien LP*, 826 F.3d 1366, 1366 (Fed. Cir. 2016) (Newman, J., dissenting) (“By modifying heavily criticized patent procedures, Congress hoped to increase confidence in the [Patent Office] and spur the nation’s innovation and investment in new technologies.”).

251. H.R. REP. NO. 112-98 at 48 (2011).

252. AM. INTELL. PROP. L. ASS’N, REPORT OF THE ECONOMIC SURVEY 71 (2021). In 2020, the estimated median cost for an IPR of an electrical or computer patent through a PTAB hearing was \$310,000. *Id.* In 2020, the estimated median cost for an IPR of a mechanical patent through a PTAB hearing was \$350,000. *Id.* at 72.

253. Dilip N, *Impact of Lawsuits and Litigation on Brand Image*, SUPPLY WISDOM, <https://www.supplywisdom.com/resources/impact-of-lawsuits-and-litigation-on-brand-image/> (last visited Nov. 24, 2021); *see* Dolin, *supra*, note 235, at 923 (finding that litigation “can be used to destroy not just the value of a patent, but the value of a patentee’s entire enterprise. And that multi-million dollar damage can be accomplished at the relatively low cost of an IPR filing”); *see also* Lyle Moran, *ROSS Intelligence will shut down amid lawsuit from Thomson Reuters*, ABA (Dec. 11, 2020, 11:50 AM CST), <https://www.abajournal.com/news/article/ross-intelligence-to-shut-down-amid-thomson-reuters-lawsuit> [<https://perma.cc/8XUQ-3XF3>] (“Litigation is expensive—no matter how speculative the claims against you nor how worthy your position.” (quoting ROSS Intelligence)).

PTAB is not required to terminate an IPR proceeding. Under 35 U.S.C. § 317(a), if “no petitioner remains in the inter partes review, the [PTAB] may terminate the review or proceed to a final written decision.” Thus, an assignee may be forced to continue participating in an IPR proceeding without the assignor and risk the patent being invalidated, while incurring additional costs. If the patent is invalidated in the IPR proceeding, the assignor can freely use the invention without fear of being sued for patent infringement.

For example, in *Rubicon Comm’ns, LP, v. Lego A/S*, the parties jointly moved to terminate an IPR proceeding one day after they reached a settlement agreement and less than one week prior to the one-year deadline to enter a final written decision.²⁵⁴ The Board denied the motion because, “although the panel ha[d] not yet issued a final written decision, the panel deliberated and decided the merits of the proceeding before the parties filed their Motion.”²⁵⁵ Following the denial of the motion, the Board issued a final written decision and invalidated four of the eight claims of the patent at issue.²⁵⁶

The decision to deny the motion to terminate the IPR proceeding in *Rubicon* may be unsurprising. After all, at the time the parties filed the motion “[a]ll briefing had been completed, and an oral hearing” had been held.²⁵⁷ IPR proceedings, by design, move quickly and the entire procedure must normally be completed within twelve months of the institution of an IPR.²⁵⁸ Nevertheless, when exactly the Board decides “the merits of the proceeding” within that time frame is not so clear. Will the Board decide the merits of the proceeding shortly after an oral hearing or much later? Will the Board decide the merits early in the proceedings or at the last hour before the statutory deadline? Given this uncertainty, an assignee cannot be certain that settling a claim with the assignor will terminate the IPR proceeding.²⁵⁹

254. No. IPR2016-01187 (P.T.A.B. Dec. 14, 2017) (Paper 100 at 2).

255. *Id.* at 3.

256. *Rubicon Comm’ns, LP, v. Lego A/S*, No. IPR2016-01187 (P.T.A.B. Dec. 14, 2017) (Paper 101 at 34).

257. *Rubicon Comm’ns, LP, v. Lego A/S*, No. IPR2016-01187 (P.T.A.B. Dec. 14, 2017) (Paper 100 at 2).

258. 37 C.F.R. § 42.100(c) (2021).

259. Law firms are aware of the uncertainty inherent in settling at the PTAB, and, as a result, urge patent owners to settle as quickly as possible. *See, e.g.*, Meaghan H. Kent, *Hurry Up and Settle! Settling Early to Avoid PTAB Refusal to Terminate IPR*, VENABLE (Apr. 23, 2014), <https://www.venable.com/insights/publications/2014/04/hurry-up-and-settle-settling-early-to-avoid-ptab> (“[P]atent owners considering settlement should move quickly to initiate settlement negotiations with petitioners, before the issues have been fully briefed.”); Vikas Bhargava & Kerry S. Taylor, *Settlement 5 Days Before Final Written Decision Deadline Results in Termination of IPR*, KNOBBE MARTENS (July 10, 2017), <https://www.knobbemartens.com/news/2017/07/settlement-5-days-final-written-decision-deadline-results-termination-ipr> (urging

Assignors are, therefore, in an advantageous position over assignees. Assignors can use the threat of litigation in IPR proceedings to intimidate assignees into never bringing patent infringement lawsuits in the first place. They may also harass assignees into licensing their patents or into licensing their patents at reduced value.²⁶⁰ For example, in *Phigenix, Inc. v. Genetech, Inc.*, Genetech, Inc. received a license from ImmunoGen, Inc. to use U.S. Patent No. 8,337,856 (“the ’856 patent”).²⁶¹ The ’856 patent claimed a method for treating cancer using anti-erbb antibody-maytansinoid conjugates.²⁶² Genetech used the patent to produce the drug Kadcyla.²⁶³ Phigenix, Inc., which holds a patent for treating breast cancer, offered to license its patent, U.S. Patent No. 8,080,534 (“the ’534 patent”), to Genetech.²⁶⁴ When Genetech refused the offer, Phigenix sued Genetech in district court for patent infringement, claiming that the ’856 patent infringed the ’534 patent.²⁶⁵ Concurrently with the district court litigation, Phigenix also filed for an IPR of the ’856 patent with the PTAB.²⁶⁶ Phigenix was willing to incur the costs of bringing an IPR proceeding to invalidate ImmunoGen’s patent even though there was no seeming benefit to be derived from the invalidation of the ’856 patent.²⁶⁷ ImmunoGen had never asserted the ’856 patent against Phigenix.²⁶⁸ Because the invalidation of ImmunoGen’s patent “in and of itself would bring Phigenix no tangible benefit,” the only reason for Phigenix to file for an IPR appeared to be to obtain “more favorable licensing terms in an unrelated negotiation

parties to “carefully evaluate the timing of settlement because reaching a settlement and filing a joint motion to terminate relatively late in the proceeding does not guarantee that the PTAB will terminate the proceeding without issuing a final written decision”); John Marlott, *Be Advised: Settlement Does Not Necessarily End An IPR Or PGR*, JONES DAY (Feb. 21, 2018), <https://www.ptablitigationblog.com/be-advised-settlement-does-not-necessarily-end-an-ipr-or-pgr/> (“Generally, the earlier in time a termination request is submitted, the greater the chance the PTAB will agree to end a post-grant challenge.”).

260. See Dolin, *supra* note 235, at 946 (finding that IPR can be used as a “tool to increase leverage for negotiation”); see also Gene Quinn & Steve Brachmann, *Patent Killing Fields of the PTAB: Erasing Federal District Court Verdicts on Patent Validity*, IP WATCHDOG (Jan. 14, 2018), <https://www.ipwatchdog.com/2018/01/14/patent-killing-fields-ptab-erasing-federal-district-court-verdicts-patent-validity/id=92375/> (stating that settlements “universally result[] in a free license to the challenger”).

261. 845 F.3d 1168, 1170 (Fed. Cir. 2017).

262. U.S. Patent No. 8,337,856.

263. *Phigenix*, 845 F.3d. at 1170.

264. *Id.*

265. *Id.*

266. *Id.*

267. See Dolin, *supra* note 235, at 946 (“Phigenix was willing to spend thousands of dollars fighting irrelevant (from its perspective) patents.”).

268. See *id.* (“ImmunoGen does not appear to have ever asserted its patents against Phigenix (in part because Phigenix does not manufacture any pharmaceutical products).”).

with the patentee's partner [Genetech], by threatening the valuable assets of the patentee [ImmunoGen]."²⁶⁹ Although *Phigenix* is not directly on point, the case illustrates how a party can abuse an IPR proceeding to potentially obtain more favorable licensing terms.

In providing for IPR, Congress sought to promote confidence in the Patent Office. Eviscerating assignor estoppel in the IPR context invites abuse of the dual-track system and “frustrate[s] [IPR’s] purpose.”²⁷⁰ The Patent Office was not to be used as a means for harassment. However, the dual-track system permitted by *Arista* has enabled abuse of IPR in clear contravention of congressional design.

B. PUBLIC POLICY

Public policy also supports applying assignor estoppel in the IPR context. The purpose of patent law is “[t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.”²⁷¹ A patent is a bargain between the public and an inventor, where “[t]he basic quid pro quo contemplated by the Constitution and the Congress for granting of a patent monopoly is the benefit derived by the public from an invention.”²⁷²

The Constitution, therefore, balances the equities. The benefits the public may derive from an invention are weighed against the grant of a monopoly to the inventor.²⁷³ However, the Federal Circuit in *Arista* considered only the public interest favoring the dual-track system and failed to consider the interest weighing against it when the court preserved the dual-track system. A proper balancing of the equities requires consideration of both interests.

In *Arista*, the Federal Circuit cited *Cuozzo Speed Techs., LLC v. Lee* in finding that “a discrepancy between forums . . . helps protect the public’s ‘paramount

269. *Id.*

270. H.R. REP. NO. 112-98 at 48 (2011).

271. U.S. CONST. art I, § 8, cl. 8.

272. *Brenner v. Manson*, 383 U.S. 519, 534 (1966) (emphasis omitted).

273. See PAUL R. MICHEL, ADAM MOSSOFF, KRISTEN OSENGA, BRIAN O'SHAUGHNESSY & RANDALL RADER, PUTTING THE PUBLIC BACK IN “PUBLIC INTEREST” IN PATENT LAW 14 (2020) (“[T]he entire patent system is grounded in furthering the public interest. . . . It is not an accident that the Constitution authorizes the government to protect the 'exclusive right' of an inventor.”); U.S. PAT. & TRADEMARK OFF., MANUAL OF PATENT EXAMINING PROCEDURE § 2162 (“Upon the grant of a patent in the U.S., information contained in the patent becomes a part of the information available to the public for further research and development, subject only to the patentee's right to exclude others during the life of the patent.”); see also Thomas F. Maffei, *The Patent Misuse Doctrine: A Balance of Patent Rights and the Public Interest*, 11 B.C. L. REV. 46, 46 (1969) (“To promote technology, the Constitution embodies a theory rewarding inventive genius.”).

interest in seeing that patent monopolies . . . are kept within their legitimate scope.’”²⁷⁴ The issue addressed by the Court in *Cuozzzo* was the legal standard by which a patent was to be reviewed in an IPR proceeding.²⁷⁵ That a discrepancy between forums may further patent policy objectives by applying a consistent legal standard of review was an explicit objective of the AIA.²⁷⁶ However, allowing for a discrepancy between forums in the review of patent claims speaks nothing of the parties that may bring the claims. In fact, the Court in *Cuozzzo* did not address *who* could bring an IPR challenge. Moreover, the Court in *Minerva* held that the public policy favoring assignor estoppel outweighed the public interest against it. The Court rejected *Minerva* Surgical’s claim “that contemporary patent policy—specifically, the need to weed out bad patents—support[ed] overthrowing assignor estoppel.”²⁷⁷ The Court deemed the need to prevent “unfair dealing” as outweighing “any loss to the public from leaving an invalidity defense to someone other than the assignor.”²⁷⁸

Thus, when the public interest in invalidating bad patents is weighed against any loss the public may suffer by prohibiting one party from bringing the challenge, the balancing of the equities weighs in favor of permitting assignor estoppel in the IPR context. This view is further supported by the Federal Circuit’s failure in *Arista* to address other negative ramifications of the dual-track system, including that the dual-track system (1) promotes gamesmanship, (2) discourages assignees from enforcing their patent rights, and (3) disincentivizes employer-assignees from rewarding innovation.

1. *The Dual-Track System Promotes Gamesmanship*

The dual-track system allows the outcome of a patent infringement lawsuit to turn on gamesmanship rather than on the merits of the patent. Once an assignor is sued in district court, the assignor has an interest in expeditiously filing an IPR petition.²⁷⁹ If the petition is granted, the assignor and the assignee

274. *Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018) (citing *Cuozzzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144 (2016)).

275. *See Cuozzzo*, 136 S. Ct. at 2142 (holding that a patent claim shall be given “its broadest reasonable construction in light of the specification of the patent in which it appears”).

276. *See supra* Section IV.A.2 (discussing how an examination of the historical origins of IPR confirms that Congress’s intention in enacting IPR in the AIA was to create an efficient substitute for district court litigation that would apply the same legal standards and not be subject to abuse).

277. *Minerva Surgical, Inc. v. Hologic, Inc.*, 141 S. Ct. 2298, 2309 (2021).

278. *Id.*

279. Law firms have encouraged assignors to file for an IPR as soon as possible. *See* Jeremiah B. Frueauf & Sana F. Hussain, *IPR: A Key to District Court’s Assignor Estoppel Lock*, LAW 360 (May 1, 2015), <https://www.sterneckessler.com/sites/default/files/2017-11/>

litigate the patent in parallel proceedings before the PTAB and district court. If the PTAB invalidates the patent prior to the district court reaching a determination that assignor estoppel bars the assignor from challenging the patent's validity, the assignor can use the Board's final written decision to collaterally estop the assignee from asserting assignor estoppel in the district court proceeding.²⁸⁰ Consequently, the dual-track system sets "off a race between assignees in district courts and assignors in the Patent Office to see who can outdraw the other by getting a final decision first."²⁸¹ The life or death of a patent turns on "factors wholly unrelated to the merits, such as which forum moves more quickly."²⁸²

Assignors can increase their chances of winning the race by filing a motion in district court to stay the patent litigation. If the district court grants the stay, "no further action in the case occurs until there is a final determination from the PTAB, and often, until any appeals of that final PTAB determination are resolved."²⁸³ In deciding whether or not to grant a stay, a district court balances the following factors: "(1) the stage of the case; (2) whether a stay will simplify the court proceedings; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party."²⁸⁴ Although the third factor appears to weigh heavily in favor of declining a stay since assignor estoppel cannot be asserted in an IPR proceeding to the disadvantage of the assignee, in *Roche Molecular Sys., Inc. v. Cepheid*, the District Court for the Northern District of California held otherwise.²⁸⁵ In *Roche*, the court held that the assignee "cannot reasonably claim to be 'tactically disadvantaged' in *this* litigation by a statutory framework which limits the issues authorized by Congress to be raised in IPR proceedings or the discovery allowed to be taken in such proceedings."²⁸⁶ The resulting effect encourages assignors to file for

IPR_A_Key_To_District_Courts_Assignor_Estoppel_Lock.pdf (encouraging assignors to file for IPRs before service of a complaint for infringement); Dan Smith & Rick Bisenius, *When Should I File an IPR During Litigation*, FISH & RICHARDSON (Apr. 30, 2020), <https://www.fr.com/when-should-i-file-an-ipr-during-litigation/> ("Filing your IPR early and promptly and then seeking a stay is generally the best course of action.")

280. 35 U.S.C. § 315(e)(2).

281. Cross-Petition for a Writ of Certiorari at 20, *Minerva Surgical, Inc. v. Hologic, Inc.*, 141 S. Ct. 2298 (2021) (No. 20-440).

282. Petition for a Writ of Certiorari at 28, *Minerva*, 141 S. Ct. 2298 (2021) (No. 20-440).

283. Miranda Y. Jones, *To Stay or Not to Stay: The Impact of IPRs on Patent Litigation*, PORTER HEDGES (May 5, 2021), <https://www.porterhedges.com/patent-litigation-law-blog/to-stay-or-not-to-stay-the>.

284. *Netfuel, Inc. v. Cisco Sys., Inc.*, No. 5:18-cv-02352-EJD, 2020 U.S. Dist. LEXIS 29160, at *2 (N.D. Cal. Feb. 20, 2020).

285. No. C-14-3228-EDL, 2015 U.S. Dist. LEXIS 2109, at *22 (N.D. Cal. Jan. 7, 2015).

286. *Id.*

an IPR as early as possible and to move for a stay as quickly as possible after the petition for an IPR has been filed. Doing so “minimize[s] the possibility that the district court action results in an enforceable final judgment before the IPR process is complete.”²⁸⁷

As for assignees, they can increase their chances of winning the race by seeking out judges who are less likely to grant stays. For example, motions to stay patent litigation are usually denied in the Southern District of Texas.²⁸⁸ The decision whether or not to grant a stay is discretionary by nature, so the given likelihood of any court granting a stay depends on the preferences or views of the particular judge in question.

A dual-track system in which gamesmanship can determine the outcome of a patent infringement lawsuit fails to properly balance the equities of the parties. The assignee is disadvantaged in IPR proceedings, and this imbalance encourages the parties to engage in procedural maneuverings. Ultimately, the constitutional intent of encouraging inventions may suffer as a result of the dual-track system to the detriment of the public, who may be denied the benefits of new innovative inventions.

2. *The Dual-Track System Discourages Assignees from Enforcing Their Patent Rights*

The Constitution expresses the public policy of encouraging inventions by providing a limited monopoly to “authors and inventors.”²⁸⁹ The Constitution, therefore, has intrinsically balanced the equities and recognizes that the public benefits by providing inventors a limited monopoly in that the limited monopoly is the impetus for innovation.²⁹⁰ However, the dual-track system can discourage assignees from defending their patent rights leading to the

287. Eliot D. Williams & Brian Jacobsmeyer, *Federal Circuit Reaffirms Vitality of the Assignor Estoppel Doctrine—Further Emphasizing the Importance of the PTAB*, BAKER BOTTS (July 2020), <https://www.lexology.com/library/detail.aspx?g=77835bef-f441-4f4c-82c3-b15cdd34f13b>.

288. Jones, *supra* note 283 (“In the Southern District of Texas, as in many other Districts, motions to stay patent litigation based on the filing of an IPR petition alone are usually denied.”). In contrast, motions to stay patent litigation are usually granted in the district courts of Delaware, the Eastern District of Texas, and the Northern District of California. *See Success of Motions to Stay Rising, But Why?*, STERNE KESSLER (Feb. 2020), <https://www.sterneessler.com/news-insights/publications/success-motions-stay-rising-why> (finding that the stay rates for the district courts of Delaware, the Eastern District of Texas, and the Northern District of California in 2019 were 70%, 73%, and 89% respectively).

289. U.S. CONST. art I, § 8, cl. 8; *see* 35 U.S.C. § 271(a) (granting inventors a monopoly over the use, sale, and creation of their patented inventions).

290. *See* Neel U. Sukhatme, *Regulatory Monopoly and Differential Pricing in the Market for Patents*, 71 WASH. & LEE L. REV. 1855, 1857 (2014) (“[P]atents are legal monopolies awarded to inventors to incentivize innovation.”).

limited monopoly being worthless.²⁹¹ Thus, the incentive to spur new inventions is reduced because the assignee is placed in a disadvantageous position in an IPR proceeding. The costs borne by the assignee by proceeding in a dual-track system only exacerbates the pain.²⁹²

Assignors can use the threat of litigation to intimidate assignees into never bringing patent infringement lawsuits in the first instance. They may also harass assignees into licensing their patents or into licensing their patents at reduced value.²⁹³ These outcomes are possible because, under § 317(a), the PTAB is not required to terminate an IPR proceeding even after a settlement agreement is reached.²⁹⁴ Assignors can withdraw from IPR proceedings and forgo further litigation expenses, whereas assignees may be forced to continue defending their patents in the PTAB. This places assignors in an advantageous position over assignees, which is contrary to the congressional design of patent legislation. For example, in enacting *ex parte* reexamination, Congress had hoped that it would “greatly reduce, if not end, the threat of legal costs being used to ‘blackmail’ ” patent holders.²⁹⁵

Allowing assignors to use the threat of litigation to intimidate assignees into never bringing patent infringement lawsuits or licensing their patents at reduced value is contrary to public policy because it discourages assignees from enforcing their patent rights. This threat of litigation by the assignor undermines the “basic quid pro quo contemplated by the Constitution . . . for the granting of a patent monopoly.”²⁹⁶ Although assignors may be best positioned to challenge the patent due to their intimate knowledge of the patent in question, the Court in *Minerva* determined that excluding the assignor from challenging their own patents outweighed the public policy of weeding out bad patents.²⁹⁷ As noted by the Court, good patent policy warrants that an assignee have “confidence in the value of what they have purchased.”²⁹⁸ Litigation in a dual-track system diminishes the value of a patent due to the additional costs incurred by litigating in two forums, resulting in assignees being less likely to enforce their patent rights.

291. See *supra* Section IV.A.2.

292. See AM. INTELL. PROP. L. ASS'N, *supra* note 252 and accompanying text.

293. See *supra* note 260 and accompanying text.

294. 35 U.S.C. § 317(a).

295. H.R. REP. NO. 96-1307(I) at 2 (1980).

296. *Brenner v. Manson*, 383 U.S. 519, 534 (1966) (emphasis omitted).

297. *Minerva Surgical, Inc. v. Hologic, Inc.*, 141 S. Ct. 2298, 2309 (2021).

298. *Id.* at 2309 n.4.

3. *The Dual-Track System Disincentivizes Employer-Assignees from Rewarding Innovation*

Employers nearly universally require employees involved in research and development to sign pre-invention assignment agreements prior to employment.²⁹⁹ A pre-invention assignment agreement requires that an employee “assign any intellectual property rights arising” from the employee’s period of employment to the employer.³⁰⁰ Employers rely on the enforceability of these employment contracts.³⁰¹ However, due to assignor estoppel’s inapplicability in IPR proceedings, employers’ reliance on the enforceability of the contracts is dubious and is done at their own peril. If assignors can avoid the application of assignor estoppel depending on the forum in which they litigate, employer-assignees must try to protect their interests *ex ante*.

Employers routinely pay employees bonuses when an employee invents something that the employer can patent.³⁰² However, one way in which employer-assignees may try to protect their interests is by declining to pay bonuses or otherwise reward employee-assignors upon the assignment of patent rights. Employers are not required to pay employees anything for their inventions.³⁰³ This means that, under modern pre-invention assignment

299. See ORIN E. LANEY, *INTELLECTUAL PROPERTY AND THE EMPLOYEE ENGINEER* 6 (Georgia C. Stelluto, 2017) (“Accepting [a pre-invention assignment agreement] is a nearly universal requirement of employment for creative individuals, particularly for engineers, research scientists, and others hired primarily to design, create, invent, or discover.”).

300. *Inventions Assignment Agreement*, COOLEYGO, <https://www.cooleygo.com/glossary/inventions-assignment-agreement/> (last visited Nov. 26, 2021). Pre-invention assignment agreements have been criticized for disadvantaging employee-inventors in relation to employers. See, e.g., Ann Bartow, *Inventors of the World, Unite! A Call for Collective Action by Employee-Inventors*, 37 SANTA CLARA L. REV. 673, 675 (1997) (describing pre-invention assignment agreements as being “unfair to innovators”). For a defense of pre-invention assignment agreements, see generally Robert P. Merges, *The Law and Economics of Employee Inventions*, 13 HARV. J.L. & TECH 1 (1999).

301. See Parker A. Howell, *Whose Invention Is It Anyway? Employee Invention-Assignment Agreements and Their Limits*, 8 WASH. J.L. TECH & ARTS 79, 87 (2012) (finding that pre-invention assignment agreements “serve three important functions: specifying the parties’ rights, providing notice of those rights to the employee, and executing the transfer of rights”).

302. See Merges, *supra* note 300, at 3 (One way in which “[e]mployers compensate employee-inventors . . . is the widespread, and apparently growing, movement by firms to establish internal reward systems for their inventive employees.”); see also Betty Sosnin, *A Patent on the Back*, SHRM (Mar. 1, 2000), <https://www.shrm.org/hr-today/news/hr-magazine/pages/0300sosnin.aspx> (describing Motorola’s practice of giving “a cash bonus to inventors when the application for a patent is filed and another bonus when a patent is issued”).

303. See, e.g., *Employees and Patents*, INNOVENT L. (Nov. 15, 2019), <https://kgulick.com/employees-and-patents/> (“At my previous employer, inventors would get a \$1 nominal fee but employers are under no obligation to do so.”)

agreements, the dual-track system incentivizes employers to not pay employees for their inventions for fear that potential lawsuits will denigrate the amount of future profits. Such a result is contrary to basic notions of fairness in that it deprives the inventor from participating in the bounty of the limited monopoly. In addition, the result discourages innovation, because ordinary people are “stimulated by higher perceived returns or demand-side incentives to make long-term commitments to inventive activity.”³⁰⁴

Some individuals have suggested that the addition of forum selection clauses or no-challenge clauses to assignment agreements could be used to prevent the institution of IPR proceedings.³⁰⁵ A forum selection clause could mandate federal district court proceedings in any dispute between the assignor and the assignee. A no-challenge clause could preclude the assignor from challenging the assignment’s validity. However, cases in which these clauses have been introduced to prevent IPR have proved that their enforceability is specious. In the context of no-challenge clauses, the Board held in *Dot Hill Sys. Corp. v. Crossroads Sys., Inc.*, that no-challenge clauses cannot prevent institution of an IPR.³⁰⁶ Due to this unpredictability, employers are further disincentivized from rewarding employees for their inventions.

304. Marshall Phelps, *Do Patents Really Promote Innovation? A Response to the Economist*, FORBES (Sept. 16, 2015), <https://www.forbes.com/sites/marshallphelps/2015/09/16/do-patents-really-promote-innovation-a-response-to-the-economist> (quoting ZORINA KHAN, THE DEMOCRATIZATION OF INVENTION: PATENTS AND COPYRIGHTS IN AMERICAN ECONOMIC DEVELOPMENT (2005)).

305. See, e.g., Hao Jimmy Wu & David Ben-Meir, *Good Practices post-Minerva Surgical, Inc. v. Hologic, Inc.*, NORTON ROSE FULBRIGHT (Oct. 2021), <https://www.nortonrosefulbright.com/en/knowledge/publications/1778b4ce/good-practices-post-minerva-surgical-inc-v-hologic-inc> (recommending that “[e]mployers consider adding express waivers against challenging the validity of present and future patent assignments to employee agreements”); Lauren Baker, *Practical Considerations for Patent Assignments After the Supreme Court’s Decision in Minerva Surgical v. Hologic*, IP WATCHDOG (Aug. 17, 2021), <https://www.ipwatchdog.com/2021/08/17/practical-considerations-patent-assignments-supreme-courts-decision-minerva-surgical-v-hologic/id=136810/> (“Companies seeking to avoid assignor estoppel may wish to include express provision in employment agreements preventing an inventor from later challenging the validity of the assigned patent or patent application.”).

306. IPR2015-00822 (P.T.A.B. Sept. 17, 2015) (Paper 18); cf. *Transocean Offshore Deepwater Drilling, Inc. v. Noble Corp.*, 451 F. Supp. 3d 690 (S.D. Tex. 2020). *Transocean* involved a no-challenge clause in the context of a settlement licensing agreement. The District Court for the Southern District of Texas enforced the no-challenge clause. Nevertheless, a licensing agreement is not equivalent to an assignment agreement, and the Federal Circuit has yet to address the enforceability of no-challenge clauses in the context of assignor estoppel. This case, when contrasted with *Dot Hill*, further illustrates that there is much uncertainty regarding the enforceability of no-challenge clauses in the assignor estoppel context. See Courtenay C. Brinckerhoff, *Supreme Court Limits Patent Assignor Estoppel*, FOLEY (Aug. 2, 2021),

As for forum selection clauses, the Federal Circuit has never ruled whether clauses mandating district court proceedings per se prevents PTAB proceedings. On the one hand, the Federal Circuit has suggested that a forum selection clause in a non-disclosure agreement might not preclude IPR proceedings. For example, in *Kannuu PTY Ltd. v. Samsung Elecs. Co., Ltd.*, Samsung Electronics Co., Ltd. and Kannuu PTY Ltd. entered into a non-disclosure agreement to protect confidential information regarding “remote control-and-search navigation technology.”³⁰⁷ The non-disclosure agreement stated in relevant part that “[a]ny legal action, suit, or proceeding arising out of or relating to this Agreement . . . must be instituted exclusively in a court of competent jurisdiction, federal or state, located within the Borough of Manhattan, City of New York, State of New York and in no other jurisdiction.”³⁰⁸ Six years after discussions had ceased between Kannuu and Samsung, Kannuu filed suit against Samsung in the Southern District of New York alleging patent infringement of five patents and breach of the non-disclosure agreement.³⁰⁹ In response, Samsung filed petitions for IPR, alleging that Kannuu’s patents were invalid.³¹⁰ Although Kannuu argued to the Board that the forum selection clause precluded Samsung from filing for an IPR, the Board instituted review of two of the patents.³¹¹ Kannuu then filed for a preliminary injunction in district court to compel Samsung to dismiss the IPR proceedings.³¹² The district court denied the motion and Kannuu appealed to the Federal Circuit.³¹³ On appeal, the Federal Circuit held that the “plain meaning of the forum selection clause in the [non-disclosure agreement] did not encompass the inter partes review proceedings.”³¹⁴ The court reasoned that the forum selection clause pertained only to the non-disclosure agreement and not to the enforcement of patent rights.³¹⁵

On the other hand, placing a forum selection clause into a standalone assignment agreement ex ante may prevent the institution of an IPR proceeding. This would allow the assignee to move for a preliminary injunction in the district court proceeding if the assignor filed an IPR petition. The

<https://www.foley.com/en/insights/publications/2021/08/supreme-court-limits-patent-assignor-estoppel> (“[I]t may be risky to rely on a [no-challenge clause] in an employment agreement.”).

307. 15 F.4th 1101, 1104 (Fed. Cir. 2021).

308. *Id.* at 1105.

309. *Id.*

310. *Id.*

311. *Id.*

312. *Id.*

313. *Id.*

314. *Id.* at 1106 (emphasis omitted).

315. *Id.* at 1107.

preliminary injunction would seek to compel the assignor into dismissing the IPR proceeding due to the forum selection clause.

In *Dodocase VR, Inc. v. MerchSource, LLC*, the Federal Circuit addressed forum selection clauses in the context of a licensing agreement.³¹⁶ In *Dodocase*, MerchSource, LLC and Dodocase, Inc. entered into a licensing agreement for patents related to virtual reality.³¹⁷ The licensing agreement contained a forum selection clause, which provided for disputes to be litigated in San Francisco County or Orange County, California.³¹⁸ When MerchSource informed Dodocase that it would no longer pay licensing royalties pursuant to the licensing agreement because it believed the patents to be invalid, Dodocase sued MerchSource in the Northern District of California.³¹⁹ MerchSource asserted that the patents were invalid and filed IPR petitions requesting invalidation of the patents.³²⁰ In response, Dodocase asserted that MerchSource had breached the licensing agreement's forum selection clause by filing the IPR petitions and filed a motion for a preliminary injunction compelling MerchSource to withdraw the IPR petitions.³²¹ The district court found that Dodocase "was likely to succeed on the merits of its claim that MerchSource breached the forum selection clause" and enforced the preliminary injunction.³²² The Federal Circuit affirmed the district court's enforcement of the preliminary injunction, finding that the "PTAB petitions constitute[d] a 'dispute' that 'aris[es] out of or under'" the licensing agreement.³²³

The net effect of these decisions suggests that standard employment agreements with pre-invention assignment clauses do not per se prevent challenges in IPR proceedings by the assignor, but that specific, narrowly tailored assignment agreements executed ex ante with a forum selection clause may prevent an assignor's challenge from being brought in an IPR. However, since the Federal Circuit has never addressed these issues in the context of assignor estoppel, the viability of contract provisions in patent litigation is uncertain. Moreover, even if an assignment agreement is presented ex ante by employers, what is the incentive for inventors to sign it? If inventors can be lured away by competitors by a higher reward or by starting their own startup, what incentive do they have in executing an assignment agreement?

316. 767 Fed. Appx. 930 (Fed. Cir. 2019).

317. *Id.* at 932.

318. *Id.*

319. *Id.*

320. *Id.*

321. *Id.*

322. *Id.* at 932–33.

323. *Id.* at 935.

V. CONCLUSION

Congress established a patent system that would grant patentees certain exclusive rights in an invention, but only for a limited time and subject to certain statutory requirements. The doctrine of assignor estoppel is part and parcel of the patent system. The doctrine has deep historical roots and serves the important purpose of preventing “unfairness and injustice.”³²⁴

Although the *Minerva* Court rightly upheld the doctrine by underscoring the value of assignor estoppel within its broader historical context and balancing the policy interests at stake, the Court’s holding is constrained. Assignors can circumvent the doctrine of assignor estoppel by the forum in which they litigate. This dual-track system allows assignors to subvert congressional design with no concomitant net benefit to the public. The assignor estoppel doctrine should apply equally in the IPR context as it does in district court proceedings. Accordingly, the Court should revisit the Federal Circuit’s interpretation of § 311(a) and overrule *Arista*.

324. *Diamond Sci. Co. v. Ambico, Inc.*, 848 F.2d 1220, 1224 (Fed. Cir. 1988).