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Minerva: less risk for inventors, more work for the courts

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The US Supreme Court opinion in *Minverva v Hologic* means that inventors will now have a far narrower scope to be able to challenge the validity of their own patents in defence proceedings—a decision that was controversial among the judges.

While lawyers have welcomed the clarity the ruling brings to assignor estoppel going forward, the vacated judgment complicates the doctrine and how life science companies can manage their IP portfolios.

Alan Clement, chair of Locke Lord's IP department summarised the decision: "The court has taken a middle of the road approach, stating the doctrine continues but limiting its applicability only to estopping the assignor from what it represented it was assigning at the time of the assignment."

Narrowing the scope

In a market where building a robust patent portfolio is the key to creating value, and given that *Minerva v Hologic* centred around a medical device patent, the clarification of the scope of assignor estoppel will be crucial for life science litigators going forward.

Explaining exactly how the ruling could limit patent litigation between science companies and inventors, Jeff Morton, partner at Snell & Wilmer, said while "the spirit" of assignor estoppel has been maintained, the majority opinion indicated there are a number of situations in which assignor estoppel now does not apply.

"By upholding this doctrine, the assignor cannot profit doubly (to quote Justice Kagan) by 'gaining both the price of assigning the patent and the continued right to use the invention it covers'," said Morton.

"This should be viewed favourably by the life sciences industry given the importance of patent portfolios in creating value for life science companies."

The ruling could benefit scientists moving from company to company. With the justices holding that the doctrine's reach does not extend to employees who assigned patent rights to their employer as a right to employment, this means less risk for the inventor when moving companies.

Haynes and Boone partner Joseph Matal believed this was a good thing.

"Such employees received nothing in exchange for the patent, and should not have the doctrine following them around and affecting their future employers' ability to challenge the patent," said Matal.

Future use cases

With assignor estoppel ruled as valid doctrine, it will likely need future case law to clarify exactly how it can be implemented going forward.

Shedding some light on the doctrine's role post-*Minerva*, Clement added: "The implication for life sciences would most likely come into play where an individual or company develops and applies for patents for a pharmaceutical, biologic or medical device technology that they then sell to investors or larger companies.

"If that person or company then later develops a related technology which they market, and they were accused of infringing the patent rights they previously sold, they could be precluded from claiming the assigned patents are invalid."

This will also mean more work for the courts when deciding whether assignor estoppel applies, as with the clarification, comes greater scrutiny of the patents in similar disputes.

Matal said: “Courts will now have to analyse the claims that existed at the time of the assignment and determine whether they are substantively the same as the claims being litigated.”

Nick Matich, principal at McKool Smith, added: Those looking to take advantage of assignor estoppel in the future might do well to focus on particular representations an inventor or assignor made.”

Remaining questions

With the role employee contracts play in assignor estoppel clarified, onboarding and offboarding procedures will need to be scrutinised when deciding whether estoppel applies.

Matich said: “Justice Kagan suggests that such agreements wouldn’t trigger assignor estoppel, because when the agreement is signed ‘the invention itself has not come into being’. When an employee is onboarded, there is no invention.”

“But that is only half of the story. If the inventor later ends up working with prosecution counsel and signing the inventor’s oath, then the inventor may end up making the kinds of representations to her employer and the patent office that would make it inequitable for her to repudiate the patents later.”

Companies will need to check their patent portfolios and judge whether estoppel still applies.

Morton said: “Life science companies will likely want to revisit these situations to limit the occurrence of scenarios when an inventor, following the assignment of his or her patent rights, could subsequently challenge downstream patent validity.”