

No. 12-786

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In The  
Supreme Court of the United States

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LIMELIGHT NETWORKS, INC.,  
*Petitioner,*

v.

AKAMAI TECHNOLOGIES, INC., *et al.,*  
*Respondents.*

————— ◆ —————  
ON WRIT OF CERTIORARI TO  
THE UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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BRIEF OF *AMICUS CURIAE* ROBERT MANKES  
IN SUPPORT OF RESPONDENTS

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**INTEREST OF AMICUS CURIAE<sup>1</sup>**

Robert Mankes is an individual inventor. Mr. Mankes is the sole inventor and owner of U.S. Patent No. 6,477,503 (“the ’503 patent”) entitled “Active Reservation System” which relates to a reservation system for theatres, hotel chains, and other businesses that offer reservations. Mr. Mankes observed a common challenge facing vendors in industries that offer reservations. Businesses were struggling to make sufficient inventory available to satisfy walk-up, in-person demand and fill advance reservations at the same time. Mr. Mankes solved these problems through the invention disclosed in the ’503 patent. Mr. Mankes’ invention allows a vendor to accommodate local walk-up customers and accept advance reservations available through a remote platform. Mr. Mankes’ invention is being practiced by businesses in industries that offer reservations, some without a license from Mr. Mankes.

Mr. Mankes is engaged in litigation to vindicate his rights in his invention. *See Mankes v. Fandango, LLC*, No. 5:13-cv-00716-FL (E.D.N.C. filed Oct. 14, 2013); *Mankes v. Vivid Seats*, No. 5:13-cv-0717-FL (E.D.N.C. filed Oct. 14, 2013). More than eight years after Mr. Mankes filed for patent protection on his invention and well after his patent

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<sup>1</sup> No counsel for a party authored this brief either in whole or in part. No party other than Mr. Mankes provided monetary compensation to fund the preparation or submission of this brief. Petitioner provided blanket consent to the filing of amicus briefs on January 31, 2014. Respondents’ counsel consented to the filing of this brief in writing on February 11, 2014.

issued, the Federal Circuit announced its single-entity rule for direct infringement in *BMC Resources, Inc. v. Paymenttech, L.P.*, 498 F.3d 1373 (Fed. Cir. 2007). The Federal Circuit's rule has severe consequences for Mr. Mankes. It means businesses are free to partner with one another to practice the '503 patent and Mr. Mankes is practically powerless to hold them accountable for direct infringement under 35 U.S.C. § 271(a). That result is at odds with the Patent Act and sound public policy.

As an independent inventor faced with bearing the brunt of the Federal Circuit's rigid rule, Mr. Mankes is in a unique position to speak to the issues before this Court. For Mr. Mankes, Petitioner's invitation to write different patent claims rings particularly hollow. Mr. Mankes has a vital interest in this Court reinstating the pre-*BMC* law of direct infringement.



## SUMMARY OF ARGUMENT

Patents encourage investment and expand the body of knowledge within the public domain. In exchange for disclosing new and non-obvious inventions, inventors are granted an exclusive right to practice their inventions. The award of exclusive rights incentivizes innovation by allowing inventors to profit from their inventions. The disclosure of new and non-obvious inventions benefits society by increasing the body of knowledge in the public domain.

The single-entity rule as recently stated by the Federal Circuit undermines the careful balance of interests underlying the Patent Act by denying effective protection to inventive processes comprised of steps that can be performed by two or more entities. Under the single-entity rule, anyone can benefit from the use of a patented process and avoid liability by dividing the steps of the patented process among two or more participants through arms-length transactions without any one participant directing or controlling the actions of the other participants. The patent right is rendered “a hollow and useless thing,” *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 607 (1950), by denial of an effective remedy for infringement, reducing the incentive to innovate and undermining the purpose of the patent laws “[t]o promote the Progress of Science and useful Arts,” U.S. Const. art. I, § 8, cl. 8.

Petitioner and its amici have suggested that the problem in *Akamai* is poor claim drafting which could be solved by drafting claims from the

perspective of a single entity. Pet. Br. 45–47; EFF Br. 5–7. The assumption that single-entity claim drafting can adequately protect innovative processes is incorrect and is not proven by the few cherry-picked examples presented to this Court.

Further, the expectation that the claim drafter can anticipate all possible schemes that a knowing infringer might employ to circumvent the patent is unreasonable. The claim drafter should be free to draft claims that unambiguously define the invention and not be held prisoner of a formula necessitated by the inadequacy of the single-entity rule in protecting innovation. The problem is not with claim drafting, but with the Federal Circuit’s narrow single-entity rule that denies protection to processes involving steps that can be divided among multiple actors. The single-entity rule for direct infringement underprotects inventions and undermines the incentive to invest in innovation. This fundamental flaw in the single-entity rule cannot be fixed by clever claim drafting.

Claims that unambiguously recite the steps of an innovative process provide the best protection for inventive processes. Claims that instead focus on potential actors or participants in the process subvert clear claim drafting. A jurisprudence that promotes such tactics is inconsistent with the Patent Act’s focus on protecting inventions. Claims directed to the essential steps will more clearly define the scope of the patent right and provide notice of what constitutes an infringement. Infringement should be found whenever those essential steps are performed, including when performed by persons acting in

concert. The law of joint infringement as developed prior to *BMC* protects unwitting participants from liability and imposes liability for infringement on those that attempt to benefit from the use of a patented process.

## ARGUMENT

### I. **The Overly Narrow Single-Entity Rule Undermines Incentive to Invest in Innovative Processes and Is Not Faithful to the Purpose of the Patent Act in Promoting the Progress of Science and the Useful Arts**

Patents are “affected with a public interest” and are “designed to serve the public purpose of promoting the Progress of Science and useful Arts.” *Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co.*, 324 U.S. 806, 816 (1945) (internal quotation marks omitted). In exchange for disclosing new and non-obvious inventions, inventors are granted an exclusive right to practice their inventions for a limited time. This is “a carefully crafted bargain that encourages both the creation and the public disclosure of new and useful advances in technology.” *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 63 (1998). As Abraham Lincoln explained, “[t]he patent system . . . added the fuel of interest to the fire of genius.” Abraham Lincoln, Second Lecture on Discoveries and Inventions, Address Before the Young Men’s Association of Bloomington, Ill. (Feb. 11, 1859), in 3 Abraham Lincoln, *The Collected Works of Abraham Lincoln*, at 356, 363 (Roy P. Basler ed., 1953).

The single-entity rule for direct infringement as recently stated by the Federal Circuit undermines the careful balance of interests underlying the patent laws by denying effective protection to patented processes involving steps that can be divided between two or more entities. In *Akamai Technologies v. Limelight Networks, Inc.*, 692 F.3d 1301 (Fed. Cir. 2012), the Federal Circuit held that, “[i]n the context of a method claim, the accused infringer must perform all the steps of the claimed method, either personally or through another acting under his direction or control.” *Id.* at 1307. The en banc opinion in *Akamai* elaborates that “direction or control” is not found “[a]bsent an agency relationship between the actors or some equivalent.” *Id.*

The single-entity rule creates a loophole that allows two or more parties acting in concert to avoid infringement unless one participant is under the narrowly construed direction or control of the other. Under this standard, anyone can benefit from the use of a patented process and avoid liability by dividing the steps of the patented process among two or more participants through arms-length transactions without any one participant directing or controlling the actions of the other participants. The district court below recognized that the single entity rule leaves a meritorious patentee without an effective remedy for infringement:

[T]he single entity rule and *BMC*'s interpretation thereof severely limits the protection provided for patents which would otherwise be valid and enforceable. A potential infringer

seeking to take advantage of a patented process could likely avoid infringement simply by designing its otherwise infringing product in a way that allows customers to decide initially whether to access it. As long as the sale of a product constitutes an arm's length transaction between the customer and the infringing company, which is insufficient to create vicarious liability, the patent holder would likely have no redress against the infringer. This result weakens the policy of providing protection to those who devote the time and resources to develop otherwise novel and patentable methods.

*McKesson Info. Solutions LLC v. Epic Sys. Corp.*, No. CIV 1:06-CV-2965-JTC, 2009 WL 2915778, at \*7 (N.D. Ga. Sept. 8, 2009) (citations omitted), *rev'd and remanded*, 692 F.3d 1301 (Fed. Cir. 2012). The lack of an effective remedy for patent infringement in divided infringement cases renders many patents on important technologies virtually unenforceable, weakens the incentive to invest in innovation, and undermines the purpose of the patent laws "[t]o promote the Progress of Science and useful Arts," U.S. Const. art. I, § 8, cl. 8.

## **II. Claim Drafting Is Not A Solution To The Divided Infringement Problem**

Petitioner and its amici have suggested that the problems *Akamai* presents can be solved by

drafting claims from the perspective a single entity. *See, e.g.*, Pet. Br. 45–47; EFF Br. 5–7. The assumption that single-entity claims can protect innovative processes is incorrect and the position that the claim drafter can anticipate all possible schemes that a knowing infringer might employ to circumvent the patent is unreasonable. The claim drafter should be free to draft claims that unambiguously define the invention and not be held prisoner of a formula necessitated by the inadequacy of the single-entity rule for protecting innovation. The problem is not with claim drafting, but with the narrow single-entity rule that denies protection to processes involving steps that can be divided among multiple actors. The single-entity rule for direct infringement under-protects inventions and undermines the incentive to invest in innovation. This fundamental flaw in the single-entity rule cannot be fixed by clever claim drafting.

#### A. The Role of Patent Claims

The claims of a patent play a central role in the patent system. “The patent laws ‘promote the Progress of Science and useful Arts’ by rewarding innovation with a temporary monopoly.” *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 535 U.S. 722, 730 (2002) (quoting U.S. Const., art. I, § 8, cl. 8). It is important to the operation of the patent system that the boundaries of the monopoly granted by the patent “be clear.” *Id.* Thus, the Patent Act requires that the “specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the inventor . . . regards as the invention.” 35 U.S.C.

§ 112(b). The claims both define the scope of the patent owner's monopoly and give notice to the public of what is and is not protected by the patent. The clarity provided by delineating the scope of the patent "enables efficient investment in innovation" and promotes the progress of science. *Festo*, 535 U.S. at 730–31.

Drafting claims that define an invention is a difficult task. The claims must distinguish the invention from the prior art without unduly restricting the patent. Neither an overly broad claim nor an overly restrictive claim will benefit the inventor. A claim drafted too broadly may be held invalid and provide no protection for the inventor. A claim drafted too narrowly provides opportunity for competitors to design around the claim while capturing the benefits of the invention. To serve the public notice function and satisfy the statutory requirement of definiteness, the essential elements should be recited in a clear and straightforward manner.

To avoid the Scylla and Charybdis of too broad and too narrow claims, the claim drafter must understand the invention, reduce the invention to its essential elements, and draft claims that unambiguously describe those essential elements. Drafting claims in this way ensures that the patentee enjoys the full benefit of his invention while providing fair notice to the public of the patent's scope. *Id.* As long as a patent gives fair notice to the public of what is covered by the claims, the courts should enforce the patent against "whoever" infringes it. 35 U.S.C. § 271(a).

## **B. Single-Entity Claims Are Inadequate to Protect Investment in Innovation**

Proponents of the single-entity rule for direct infringement have suggested that “concerns over a party avoiding infringement by arms-length cooperation can usually be offset by proper claim drafting. A patentee can usually structure a claim to capture infringement by a single party.” *BMC*, 498 F.3d at 1381 (citing Mark A. Lemley et al., *Divided Infringement Claims*, *AIPLA Q.J.* 255, 272–75 (2005)). These proponents support the argument with a few cherry-picked examples of processes that do not represent the full universe of patentable processes. The reality is that “[s]ome inventions may not be susceptible to framing from the perspective of a single actor.” U.S. Br. 33.

Collaborative processes of the type at issue in *Akami* inherently involve two or more actors. It is not always possible to draft a claim focused on a single actor that captures all the essential steps of the process and distinguishes the claim from the prior art. Focusing claims on only one actor makes it more difficult to distinguish the invention from the prior art and to satisfy patent law’s novelty and non-obviousness requirements. 35 U.S.C. §§ 102, 103. It may be necessary in many cases to recite steps performed by different actors in order to meet those requirements. The difficulty of drafting single-entity claims that satisfy § 102 and § 103, even in the case of collaborative processes, becomes greater as the number of process steps or the number of actors increases. Imagine, for example, the difficulty of



drafting single-entity claims for a process involving six steps and up to three different actors.

Besides collaborative processes of the type at issue in *Akamai*, there are many industrial processes involving steps that can be divided in different ways between parties acting in concert. It is not important to the process who performs the steps. What is important is that the steps are performed. In such cases, a single claim directed to the essential steps of the process without regard to who performs those steps provides protection against all persons acting in concert to perform the process. A single-entity claim does not. For example, assume a process having four essential steps A, B, C and D. If a claim is drafted assuming that a first party performs steps A, B, and C and that a second party performs step D, the inventor is not protected against two persons acting in concert that divide the process steps in a different way. For example, the first party could perform steps A and B and the second party could perform steps C and D. In short, the inventor would need to draft 32 independent claims (16 single-entity claims for each actor) to provide the same protection as the single claim directed to the essential elements of the invention.

The holding in *Metal Film Co. v. Melton Corp.*, 316 F. Supp. 96 (S.D.N.Y 1970), demonstrates the difficulty of relying on single-entity claims for protection of innovative processes. *Metal Film* involved a patented process for making metallized yarns. The process claims of the patent involved essentially four steps: “(1) vacuum depositing metal (usually aluminum) on a transparent plastic web

(usually Mylar), (2) coating the metalized surface of the web with a transparent plastic material in liquid form, (3) drying and curing the coating, and (4) finally slitting the plastic-coated metalized web to form the threads or yarns.” *Id.* at 100. The defendants contracted with a third party to perform the first step of the claimed process, vacuum depositing metal onto a Mylar web. *Id.* at 110. The court found that the defendant had infringed the patent although the first step was performed by an independent contractor. *Id.* at 111.

Drafting a claim that focuses on a single entity would not have provided protection for the invention in *Metal Film*. The process in *Metal Film* did not require that the steps be performed by a particular entity. To comply with the single-entity rule, the claim drafter would have had to anticipate how the process steps would be divided and draft a single-entity claim focused on one of the actors based on the anticipated division of the process steps. No matter how the process steps are divided in the single-entity claim, a defendant could divide the process steps in a different way to circumvent the patent while benefitting from the use of the invention.

The single-entity rule forces the claim drafter to draft claims, not to what an inventor “regards as the invention” as the Patent Act requires, 35 U.S.C. § 112(b), but to specific embodiments of the invention. Reliance on single-entity claims focused on a single party to protect investment in innovative processes is therefore a very poor substitute for claims focused on the essential elements of the

invention. As Judge Newman noted, “the presence or absence of infringement should not depend on cleverness or luck to satisfy a malleable single-entity rule.” *Akamai*, 692 F.3d at 1325 (Newman, J., dissenting).

**C. The Single-Entity Rule Leads to Distortion of The Claim Drafting Process and Undermines The Public Notice Function of The Claims**

Drafting claims focused on the essential elements of an invention not only ensures that the inventor enjoys the full benefit of his invention, it also provides fair notice to the public of the patent’s scope. Claims that describe each step of a patented process in a clear and straightforward manner enables those seeking to benefit from the use of a claimed process to easily ascertain the scope of the patent monopoly. Persons acting in concert can just as easily determine when their joint actions will result in the performance of each step of the claim. Thus, the public notice function of claims is served when claims recite all the steps of an inventive process in this way.

The single-entity rule for direct infringement leads to distortion of the claim drafting process. The rule makes it more difficult for patent practitioners to draft claims protecting innovative processes. It forces patent practitioners to focus, not on the essential steps of an invention, but rather on the persons performing those actions. Essential steps necessary to define the invention that involve the

activities of parties other than the one that is the focus of the claims will be recited only in an inferential or oblique manner, reducing the clarity of the claims. Such claims may end up as gross caricatures of the invention.

The single-entity rule will also lead to a proliferation in the number of claims in the patent. Patents with large numbers of nuanced claims greatly increase the burden on the public of determining what is and what is not covered by a particular patent.

### **III. Recognizing Direct Infringement In Situations Where Parties are Acting In Concert Will Better Serve The Constitutional Purposes of The Patent Laws**

Protection of an innovative process is best afforded when the claims are focused on the essential steps of the process rather than on the actors. This serves the purpose of promoting innovation by ensuring that inventors are compensated for the use of their invention. This compensation is the “driving force that incentivizes innovation.” Stacie L. Greskowiak, Note, *Joint Infringement After BMC: The Demise of Process Patents*, 41 Loy. U. Chi. L. J. 351, 358 (2010). Rules of law that deny inventors compensation for use of their inventions would profoundly impact the incentive to innovate. Claims directed to the essential steps will also more clearly define the scope of the patent right and provide notice of what constitutes an infringement. The clear delineation of

the scope of the patent also serves the purposes of promoting innovation while protecting the public.

Concerns that unknowing parties will become ensnared in patent infringement litigation are overstated and do not outweigh the important policy underlying the patent laws. Unknowing infringement is as much a problem for direct infringement cases as it is for joint infringement cases. For example, anyone who has used a BlackBerry to send an e-mail committed direct infringement. *See NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282 (Fed. Cir. 2005) (noting direct infringement occurred whenever defendant's customer put system into use). Likewise, at one time, anyone who viewed a GIF image on a computer directly infringed a patent. *See* Paul Festa, *Patent Ending to Redefine Graphic Formats?*, ZDNet (June 9, 2003, 4:35 PDT), <http://www.zdnet.com/news/patent-ending-to-redefine-graphic-formats/129804>.

Despite that fact, there was no explosion of litigation against individual consumers using the graphic format on their personal computers. *Id.* Nor will there be an explosion of litigation if this Court discards of the Federal Circuit's single-entity rule. Further, the law of joint infringement as developed prior to *BMC* protects unknowing and unwitting participants from liability while imposing liability for infringement on those that attempt to benefit from the use of patented processes. *See* Resp'ts Br. 24–27. The innocent party that directly infringes a patent enjoys no such protection.

**CONCLUSION**

Amicus supports Respondents' argument that Petitioner is liable for direct infringement under 35 U.S.C. § 271(a). Any precedent to the contrary should be reversed or overruled.

Respectfully submitted,

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