

No. 12-786

IN THE

Supreme Court of the United States

LIMELIGHT NETWORKS, INC.,
PETITIONER,

V.

AKAMAI TECHNOLOGIES, INC., ET AL.,
RESPONDENTS.

On Writ of Certiorari to the
Supreme Court of the United
States

BRIEF OF *AMICUS CURIAE* WILLIAM
MITCHELL COLLEGE OF LAW
INTELLECTUAL PROPERTY INSTITUTE
IN SUPPORT OF RESPONDENTS

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INTEREST OF *AMICUS CURIAE*¹

The Intellectual Property Institute is an entity within William Mitchell College of Law. The mission of the Institute is to foster and protect innovation through education, research, and service initiatives. Among its activities, the Institute advocates for the responsible development and reform of intellectual property law, including patent laws and the patent system of the United States. A purpose of the Institute is to raise issues and arguments in light of the public interest and the best interests of the patent system as a whole. The Institute has no financial interest in any of the parties to the current action.²

¹Pursuant to Supreme Court Rule 37.6, no counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than *amicus curiae* or its counsel made a monetary contribution to its preparation or submission. Additionally, counsel for both parties have consented to the filing of this brief, and their consents have been filed with the Clerk of this Court.

²This brief was prepared with the contributions of the following research assistants: Christopher Bayliss, Kelly Fermoye, Chelsea Ganske, Kyle Helgemoe, Nicholas Peterka, Vincent Rotty, Jaime Sekenski.

SUMMARY OF ARGUMENT

The dispute is the result of a new approach that the Federal Circuit has recently adopted to evaluate the infringement of method inventions. That approach is less than 10 years old,³ and not supported by either sound reasoning or prior case law. The approach is unable to describe the allegedly infringing activity sufficiently to allow a comparison with important limits of the patentee's rights, and results in miscarriages of justice.

The Federal Circuit's approach should be replaced by a treatment that more mirrors the approach used to evaluate the infringement of inventions claimed as structure.⁴ That approach would designate as the direct infringer the person who performed the last remaining step of the claimed method. It would resolve the issue in the present case, as well as additional issues that have arisen as a result of the Federal Circuit's approach.

³*See, e.g.*, *NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282 (Fed. Cir. 2005); *BMC Resources, Inc. v. Paymentech, L.P.*, 498 F.3d 1373 (Fed. Cir. 2007).

⁴*See, e.g.*, *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972); *Akamai Technologies, Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301, 1305-06 (Fed. Cir. 2012) ("The problem of divided infringement in induced infringement cases typically arises only with respect to method patents. When claims are directed to a product or apparatus, direct infringement is always present, because the entity that installs the final part and thereby completes the claimed invention is a direct infringer.").

ARGUMENT

A. The Federal Circuit has Adopted a Flawed Approach to Method Inventions

The dispute between the parties in this case is part of a larger group of issues that have arisen only since 2006-2007.⁵ In those years the United States Court of Appeals for the Federal Circuit began to assess the infringement of inventions claimed as a method or process under a new approach. That approach evaluated each step in the process separately against the limits of the patent right. Under it, infringement was negated unless every step fell within those limits, in the same way.

The Federal Circuit used this new approach in several decisions that determined whether the accused use of the patented method had occurred “within the United States.”⁶ Those decisions held that a method is used within the United States only if every step of the method is performed inside the territory.

Shortly thereafter the Federal Circuit extended its

⁵*See, e.g.*, NTP, Inc. v. Research In Motion, Ltd., 418 F.3d 1282 (Fed. Cir. 2005); Zoltek Corp. v. U.S., 442 F.3d 1345 (Fed. Cir. 2006); BMC Resources, Inc. v. Paymentech, L.P., 498 F.3d 1373 (Fed. Cir. 2007); Muniauction, Inc. v. Thomson Corp., 532 F.3d 1318 (Fed. Cir. 2008).

⁶*See, e.g.*, NTP, Inc. v. Research In Motion, Ltd., 418 F.3d 1282, 1318 (Fed. Cir. 2005); Zoltek Corp. v. U.S., 442 F.3d 1345 (Fed. Cir. 2006).

use of the approach to determine who is liable for the use of the patented method.⁷ Under that extension, a particular person cannot be liable unless he himself has performed every single step of the method. Where there is no such person, infringement is said to be “divided” and perhaps unactionable.⁸

This new approach by the Federal Circuit has proven to be unworkable and unwise. In some circumstances it cannot place an unauthorized use of the patented method – even where the historical occurrence of that use is unquestioned – onto any specific geographic location. In other circumstances it cannot identify someone who is responsible for the unauthorized use – even where the use has been open, purposeful and repeated on a commercial scale.

The present case involves one type of defect that has arisen under this approach. The parties have disputed the criteria under which the activities of one actor can be attributed to another, so that an infringing actor can be found. But this is simply one type of defect that results from the Federal Circuit’s flawed new approach. Inevitably, there will be more disputes, involving different defects, unless the Federal Circuit’s approach is abandoned and the treatment of method claims is put on more solid footing.

⁷*See, e.g.*, *BMC Resources, Inc. v. Paymentech, L.P.*, 498 F.3d 1373, 1380 (Fed. Cir. 2007); *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318 (Fed. Cir. 2008).

⁸*See Akamai Technologies, Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301 (Fed. Cir. 2012).

B. The Federal Circuit's Approach is Not Supported by Prior Authorities

The specific problem in this case has existed since a 2007 decision, *BMC Resources, Inc. v. Paymentech, L.P.*,⁹ where the United States Court of Appeals for the Federal Circuit stated that “a party cannot be liable for direct infringement [if] the party did not perform all the steps” of the patented method.¹⁰ In 2006, however, that court used the same basic view of infringement, in *NTP, Inc. v. Research In Motion, Ltd.*, to hold that “a process cannot be used ‘within’ the United States as required by section 271(a) unless each of the steps is performed within this country.”¹¹

Both of these lines of cases are briefly reasoned, and have only poor support from prior authorities. The *BMC* decision relied primarily on a prior Federal Circuit decision, *Fromson v. Advance Offset Plate*,

⁹*BMC Resources, Inc. v. Paymentech, L.P.*, 498 F.3d 1373 (Fed. Cir. 2007).

¹⁰*BMC Resources, Inc. v. Paymentech, L.P.*, 498 F.3d 1373, 1380 (Fed. Cir. 2007). *See also* *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318 (Fed. Cir. 2008).

¹¹*NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282, 1318 (Fed. Cir. 2005). *See also* *Zoltek Corp. v. U.S.*, 442 F.3d 1345 (Fed. Cir. 2006).

Inc.,¹² which *BMC* asserted found “no direct infringement by manufacturer who performed the first step of a process claim even where its customer performed the other step of the claim.”¹³ Yet *Fromson* actually did no such thing – it vacated the trial court’s determination of no infringement, and remanded the case for further proceedings.

The *NTP* decision relied on a 2002 decision of the Court of Federal Claims, *Zoltek Corp. v. United States*.¹⁴ Yet *Zoltek* deals primarily with jurisdictional aspects of section 1498 of Title 28 of the United States Code, not the patent statute.¹⁵ In the comparatively short discussion of patent infringement that does occur, the court in *Zoltek* admits that it could find “little case law” on the point.¹⁶ In fact, the one case that *Zoltek*

¹²*Fromson v. Advance Offset Plate, Inc.*, 720 F.2d 1565, 1568 (Fed. Cir. 1983).

¹³*See BMC Resources, Inc. v. Paymentech, L.P.*, 498 F.3d 1373, 1380 (Fed. Cir. 2007).

¹⁴*Zoltek Corp. v. United States*, 51 Fed.Cl. 829, 836 (2002). *See NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282, 1318 (Fed. Cir. 2005).

¹⁵*See, e.g., Zoltek Corp. v. United States*, 51 Fed.Cl. 829, 832-33 (2002).

¹⁶*See, e.g., Zoltek Corp. v. United States*, 51 Fed.Cl. 829, 837 (2002) (“Prior to the adoption of section 1498(c), according to the little case law found on point, if a private party practiced even one step of a patented process outside of the United States, it avoided infringement liability, as the patent statute was limited to acts
(continued...)”)

does cite, *Cold Metal Process Co. v. United Eng'g. & Foundry Co.*,¹⁷ involved a patented *structure*, not a process. *Cold Metal* thus falls squarely within the line of cases eventually capped by this Court's 1972 decision in *Deepsouth Packing Co. v. Laitram Corp.*,¹⁸ and is inapposite to the question under consideration here.

¹⁶(...continued)
committed within the United States. 35 U.S.C. § 271(a) (1952)").

¹⁷*Cold Metal Process Co. v. United Eng'g. & Foundry Co.*, 132 F.Supp. 597, 602 (W.D.Pa. 1955), *aff'd*, 235 F.2d 224 (3rd Cir. 1956) ("One of the issues before the Special Master was whether United was liable for royalties on mills sold by it to purchasers outside the United States. On the subject the Master's Findings are Nos. 98 and 99 and the Conclusion is No. 16, in which he held United not liable for royalties on thirty-two mills which were sold and delivered to customers beyond the territorial limits of the United States.").

¹⁸*Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972).

C. The Federal Circuit’s Approach is Unworkable and Unjust

The Federal Circuit approach to method inventions is overly technical. As a result, it is unworkable and reaches unjust results. It is also inconsistent with how patent law treats inventions claimed as structure.

1. The Accused Activity Cannot Be Measured Against the Limits of the Patent Right

The patent owner’s right under section 271(a) of the patent statute is bounded in various respects. For example, liability for patent infringement is imposed only on persons who utilize the patented invention.¹⁹ It is limited geographically, to activities that occur “within the United States.”²⁰

To perform these functions adequately, therefore, United States patent law must reliably characterize an accused act of infringement, so that the act can be measured against each of these boundaries. That is, the law must assign the act to a particular actor, so one can tell who is potentially liable, and who is not. It must assign the act to a specific location, so that it can be determined whether the infringement was inside or outside the United States. And in executing these tasks, the law must adopt rules that are consistent

¹⁹*See, e.g.*, 35 U.S.C. § 271(a) (“Whoever . . .”).

²⁰35 U.S.C. § 271(a).

with the basic purposes of the patent system, *i.e.*, that allow the patent owner to police and prevent purposeful employments of the patented invention without her consent.

The Federal Circuit's technical approach to method inventions is unworkable because it fails to perform these basic tasks. As demonstrated by this case, as well as by *BMC* and *Muniauction*, the treatment fails to assign the unauthorized use of the patented method to a particular actor. Instead – as the growing number of decisions on “divided infringement” prove – the result opens the system to miscarriages of justice: the patentee's method can be utilized purposefully, without the patentee's permission, and yet the patentee has recourse against no one, because no one qualifies as an appropriate actor.

Similarly, as *NTP* demonstrates, the Federal Circuit's approach fails to reliably assign the utilization of the patentee's method to a specific geographic location. Instead, where some of the steps of the method are performed in a foreign country, and the rest in the United States, Federal Circuit law does not locate the accused activity in either territory. The result is another miscarriage of justice: under the Federal Circuit's view the patentee is left again without recourse – even if she owns patents that claim the method in both countries.

And where these problems occur, they immediately interfere with the orderly process of distributing infringement liability to others who assisted in the

taking, even though they did not utilize the patented method directly themselves. Decisions of this Court have established that indirect patent infringement, under paragraphs 271(b) and (c) of the patent statute,²¹ are specific applications of general doctrine of joint and several tort liability.²² Thus, calculating liability for indirect infringement is potentially blocked where no direct infringement can be found.

2. Structure Inventions are Evaluated Under a Different Rule

It is instructive that these issues do not arise in assigning specifics to the accused infringement of a patented invention that has been claimed as structure. Section 271(a) of the patent statute imposes infringement liability on one who “makes” a structure.²³ In theory, it would be possible to approach the infringement of inventions claimed as structure in the same that the Federal Circuit approaches the infringement of methods. That is, one could insist that a patented structure has not been “made” unless a

²¹35 U.S.C. § 271(b), (c) (inducing and contributory infringement).

²²*See, e.g.,* Aro Mfg. Co. v. Convertible Top Replacement Co., 377 U.S. 476, 501 (1964) (“[A] contributory infringer is a species of joint-tortfeasor, who is held liable because he has contributed with another to the causing of a single harm to the plaintiff.”) (collecting authorities).

²³35 U.S.C. § 271(a).

particular actor fabricated each and every structural sub-element of the claimed combination. Yet United States patent law has never done so. Instead, it has always defined infringement of a structure claim to occur via the act of final assembly, even where one or more of the various sub-elements have been obtained from others.²⁴

The result is a body of law that performs well, and which delivers results that conform closely to the underlying goals of the patent system. For example, the law is able to supply a responsible actor whenever the patentee's claimed structure has been utilized without the patentee's consent. That actor is the person who performed the final assembly.

The law is also able to locate the accused act of infringement geographically. The location is the place where the sub-elements were finally assembled into the operable whole: where the final assembly occurs outside the United States, the act of making has not been "within the United States," and so no liability

²⁴This historical treatment of structure inventions was recognized in majority opinion of the Federal Circuit below. *See Akamai Technologies, Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301, 1305-06 (Fed. Cir. 2012) ("The problem of divided infringement in induced infringement cases typically arises only with respect to method patents. When claims are directed to a product or apparatus, direct infringement is always present, because the entity that installs the final part and thereby completes the claimed invention is a direct infringer.").

under section 271(a) attaches²⁵; conversely, where the place of final assembly is within the boundaries of the United States, the infringement qualifies under section 271(a) even though some or all of the sub-elements have been imported. Again, the result is a sensible allocation of responsibility between nations for administering questions of patent infringement, and leaves the patentee with a remedy in one country or the other.

And because the law is able to reliably supply a direct infringer of a patent to claimed structure, it has been able to develop a usable body of law that defines when liability should be distributed under the rules of inducing and contributory infringement.²⁶ Again, the law is able to supply results that are intelligible and that largely conform to the basic policies of the patent system.

D. The Federal Circuit's Approach Should be Overturned

This Court has recently observed that there may be only a fine distinction between a patented method and

²⁵Deepsouth Packing Co. v. Laitram Corp., 406 U.S. 518, 531, 92 S.Ct. 1700, 32 L.Ed.2d 273 (1972).

²⁶Global-Tech Appliances, Inc. v. SEB S.A., 131 S.Ct. 2060 (2011).

the associated physical structure.²⁷ This is entirely sensible; whether a given patent contains claims drawn to a method or to structure often reflects a choice by the prosecuting patent attorney, rather than underlying differences in technology. Under these circumstances, the best course would be to overturn the recent Federal Circuit decisions, and decide instead that accused infringements of method inventions be evaluated analogous to inventions stated as structure. This would have the beneficial effect of bringing the two bodies of law into closer alignment, and supply, in disputes that involve claimed methods, the same quality of result that is obtained in connection with claimed structures.

Under this approach the direct infringement of a claimed method would occur with the performance of the last remaining step in the method. Thus, the directly infringing actor would be the person who performs this last remaining step. Other persons who performed one or more of the prior steps in the method, and then transferred the intermediate product to the final actor for completion, would not be direct infringers. There would be no requirement that the final actor direct or cooperate with any earlier actor –

²⁷*Quanta Computer, Inc. v. LG Electronics, Inc.*, 553 U.S. 617 (2008) (exhaustion) (“It is true that a patented method may not be sold in the same way as an article or device, but methods nonetheless may be ‘embodied’ in a product, the sale of which exhausts patent rights. Our precedents do not differentiate transactions involving embodiments of patented methods or processes from those involving patented apparatuses or materials.”).

just as there is no such requirement of direction or cooperation in connection with the making of patented structures.

In this way the system would reliably identify a responsible actor whenever the patented method is utilized without the patentee's consent. The problem currently being experienced with divided infringement would be solved.

The approach also would designate as the locale of the infringement the place where the final step in the process was performed. The approach would make the assignment regardless of the places where any of the earlier steps may have been performed – just as the location of making a structure does not refer to the making of any sub-elements.

In this way the system would specifically locate accused uses of the patented method. Again, the corresponding problems being experienced under the Federal Circuit's approach would be solved.

Finally, by reliably supplying a direct infringer in instances where the patented method has been taken, the suggested approach would make available to the infringement of method inventions the already-existing body of law regarding indirect infringement. This would provide a much more effective set of principles for evaluating whether liability for infringement should be distributed to others than will the alternative, of engrafting ever more complicated exceptions onto the law of divided infringement.

CONCLUSION

For the forgoing reasons, the Institute respectfully submits that the decision of the Federal Circuit in this case be affirmed, but on grounds other than those relied upon by that court.

Respectfully submitted,

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