

No. 12-786

IN THE
Supreme Court of the United States

LIMELIGHT NETWORKS, INC.,

Petitioner,

v.

AKAMAI TECHNOLOGIES, INC. AND
THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY,

Respondents.

**On Petition for a Writ of Certiorari to the
United States Court of Appeals for the Federal Circuit**

BRIEF IN OPPOSITION

ROBERT S. FRANK, JR.
CHOATE, HALL & STEWART LLP
Two International Place
Boston, MA 02110
(617) 248-5207

*Attorney for Respondent
The Massachusetts Institute
of Technology*

DONALD R. DUNNER
Counsel of Record
KARA F. STOLL
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, LLP
901 New York Avenue, NW
Washington, DC 20001-4413
(202) 408-4000
don.dunner@finnegan.com

JENNIFER S. SWAN
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, LLP
3300 Hillview Avenue
Palo Alto, CA 94304
(650) 849-6676

*Attorneys for Respondent
Akamai Technologies, Inc.*

April 3, 2013

QUESTION PRESENTED

The question on which Limelight Networks, Inc. (“Limelight”) seeks certiorari mischaracterizes the Federal Circuit’s holding below in *Akamai* by asserting that the Federal Circuit held that a party can be liable for induced infringement under 35 U.S.C. § 271(b) where “no one” directly infringes the claim. This assertion is not correct. In *Akamai*, the en banc Federal Circuit explicitly held that a determination of induced infringement requires a showing of direct infringement. Contrary to Limelight’s assertion, the en banc court merely overruled a portion of a recent 2007 decision, which incorrectly held that, for a party to be liable for induced infringement, some *single entity* must be liable for direct infringement under 35 U.S.C. § 271(a). Properly read, *Akamai* merely corrected the “bizarre result” created by this recent precedent, which allowed a party that induced infringement of a method claim to escape all liability for infringement so long as it itself performed one step of the method. Accordingly, a more accurate representation of the question presented is:

Whether the Federal Circuit correctly held that a determination of induced infringement under § 271(b) does not require a predicate finding that a single entity was liable for infringement under § 271(a), under circumstances where all of the steps of a method claim are performed, but the inducer performs some steps itself and induces another to perform the remaining steps?

PARTIES TO THE PROCEEDING

The caption identifies all parties.

CORPORATE DISCLOSURE STATEMENT

Akamai Technologies, Inc. (“Akamai”) and the Massachusetts Institute of Technology (“MIT”) have no parent corporations, and no publicly held company owns 10 percent or more of their stock.

TABLE OF CONTENTS

QUESTION PRESENTED.....i

PARTIES TO THE PROCEEDINGii

CORPORATE DISCLOSURE STATEMENT..... iii

TABLE OF AUTHORITIES.....vii

BRIEF IN OPPOSITION 1

BACKGROUND..... 3

REASONS FOR DENYING THE WRIT 10

I. SUPREME COURT REVIEW OF THIS
CASE IS PREMATURE 10

II. THE FEDERAL CIRCUIT’S DECISION
WAS CORRECT AND SHOULD NOT
BE DISTURBED BY THIS COURT 13

A. *Akamai* Did Not Hold that There
Can Be Induced Infringement
Without Direct Infringement..... 13

B. The Plain Language of the
Statute Supports *Akamai*..... 14

C. *Akamai* Is Consistent with Prior
Precedent..... 16

1.	<i>Akamai</i> Corrected a Recent Error in Federal Circuit Precedent	16
2.	<i>Akamai</i> Is Consistent with This Court's Precedent	17
3.	<i>Akamai</i> Is Consistent with Pre-1952 Precedent	22
D.	The Legislative History Supports <i>Akamai</i>	23
E.	Other Areas of the Law Support <i>Akamai</i>	24
1.	Tort Law Principles	24
2.	Federal Criminal Code	26
III.	<i>AKAMA</i> /DOES NOT CREATE UNACCEPTABLE DOCTRINAL UNCERTAINTY	27
A.	<i>Akamai</i> Does Not Undermine the Strict Liability Nature of Direct Infringement Under § 271(a)	28
B.	<i>Akamai</i> Will Not Lead to Abuse	29
C.	<i>Akamai's</i> Flexible Approach to Joint Liability Is Consistent with Supreme Court Policy	33
D.	<i>Akamai</i> Does Not Implicate Issues of Extraterritoriality	34

IV.	AN ALLEGED CONFLICT AT THE FEDERAL CIRCUIT IS NOT ALONE A REASON TO GRANT CERTIORARI	35
V.	COUPLING § 271(A) AND (B) PROVIDES ALTERNATIVE SUPPORT FOR <i>AKAMAI</i> , SINCE THERE IS NO SINGLE-ENTITY RULE UNDER § 271(A)	35
	CONCLUSION	39

TABLE OF AUTHORITIES

FEDERAL CASES

<i>Aro Manufacturing Co. v. Convertible Top Replacement Co.</i> , 365 U.S. 336 (1961)	18, 22, 23
<i>Aro Manufacturing Co. v. Convertible Top Replacement Co.</i> , 377 U.S. 476 (1964)	23
<i>Bilski v. Kappos</i> , 130 S. Ct. 3218 (2010)	23, 33
<i>BMC Resources, Inc. v. Paymentech, L.P.</i> , 498 F.3d 1373 (Fed. Cir. 2007)	5, 8, 39
<i>Brotherhood of Locomotive Firemen & Enginemen v. Bangor & Aroostook Railroad Co.</i> , 389 U.S. 327 (1967)	11
<i>Canton Bio-Medical, Inc. v. Integrated Liner Technologies, Inc.</i> , 216 F.3d 1367 (Fed. Cir. 2000)	36
<i>Carbice Corp. of America v. American Patents Development Corp.</i> , 283 U.S. 27 (1931)	24
<i>Cross Medical Products, Inc. v. Medtronic Sofamor Danek, Inc.</i> , 424 F.3d 1293 (Fed. Cir. 2005)	36
<i>Dawson Chemical Co. v. Rohm & Haas Co.</i> , 448 U.S. 176 (1980)	23
<i>Deepsouth Packing Co. v. Laitram Corp.</i> , 406 U.S. 518 (1972)	18, 19

<i>eBay Inc. v. MercExchange, L.L.C.</i> , 547 U.S. 388 (2006)	34
<i>Eli Lilly & Co. v. Sun Pharmaceutical Industries, Ltd.</i> , 131 S. Ct. 2445 (2011)	35
<i>Fromson v. Advance Offset Plate, Inc.</i> , 720 F.2d 1656 (Fed. Cir. 1983)	17, 36
<i>Fromson v. Advance Offset Plate, Inc.</i> , No. 76-4515-F, 1984 WL 1390 (D. Mass. July 17, 1984), <i>aff'd in part</i> , <i>rev'd in part</i> , 755 F.2d 1549 (Fed. Cir. 1985)	36
<i>General Foods Corp. v. Studiengesellschaft Kohle mbH</i> , 972 F.2d 1272 (Fed. Cir. 1992)	36
<i>Gershwin Publishing Corp. v. Columbia Artists Management, Inc.</i> , 443 F.2d 1159 (2d Cir. 1971).....	37
<i>Girouard v. United States</i> , 328 U.S. 61 (1946)	16
<i>Global-Tech Appliances, Inc. v. SEB S.A.</i> , 131 S. Ct. 2060 (2011)	18, 19, 27
<i>Golden Hour Data Systems, Inc. v. emsCharts, Inc.</i> , 614 F.3d 1367 (Fed. Cir. 2010)	32
<i>Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.</i> , 240 U.S. 251 (1916)	11
<i>In re Bill of Lading Transmission & Processing Systems Patent Litigation</i> , 681 F.3d 1323 (Fed. Cir. 2012)	31

<i>Joy Technologies, Inc. v. Flakt, Inc.</i> , 6 F.3d 770 (Fed. Cir. 1993)	37
<i>KSR International Co. v. Teleflex Inc.</i> , 550 U.S. 398 (2007)	34
<i>Mayo Collaborative Services v. Prometheus Laboratories, Inc.</i> , 132 S. Ct. 1289 (2012)	33
<i>McKesson Technologies, Inc. v. Epic Systems Corp.</i> , 463 F. App'x 906 (Fed. Cir. 2011) (per curiam)	7
<i>Merial Ltd. v. Cipla Ltd.</i> , 681 F.3d 1283 (Fed. Cir. 2012)	34
<i>Microsoft Corp. v. AT&T Corp.</i> , 550 U.S. 437 (2007)	34
<i>Mount Soledad Memorial Ass'n v. Trunk</i> , 132 S. Ct. 2535 (2012)	12
<i>Muniauction, Inc. v. Thomson Corp.</i> , 532 F.3d 1318 (Fed. Cir. 2008)	5
<i>On Demand Machinery Corp. v. Ingram Industries, Inc.</i> , 442 F.3d 1331 (Fed. Cir. 2006)	37
<i>Peerless Equipment Co. v. W.H. Miner, Inc.</i> , 93 F.2d 98 (7th Cir. 1937)	22
<i>Pfaff v. Wells Electronics, Inc.</i> , 525 U.S. 55 (1998)	34
<i>Solva Waterproof Glue Co. v. Perkins Glue Co.</i> , 251 F. 64 (7th Cir. 1918)	22

<i>Sony Corp. of America v. Universal City Studios, Inc.</i> , 464 U.S. 417 (1984)	38
<i>Thomson-Houston Electric Co. v. Ohio Brass Co.</i> , 80 F. 712 (6th Cir. 1897)	22
<i>Toledo Scale Co. v. Computing Scale Co.</i> , 261 U.S. 399 (1923)	12
<i>Virginia Military Institute v. United States</i> , 508 U.S. 946 (1993)	11, 12
<i>Walker Digital, LLC v. Facebook, Inc.</i> , 852 F. Supp. 2d 559 (D. Del. 2012)	31
<i>Warner-Jenkinson Co. v. Hilton Davis Chemical Co.</i> , 520 U.S. 17 (1997)	21, 36

STATE CASES

<i>Blair v. Deakin</i> , 57 L.T.R. 522 (1887)	26
<i>Hillman v. Newington</i> , 57 Cal. 56 (1880)	26
<i>Town of Sharon v. Anahma Realty Corp.</i> , 123 A. 192 (Vt. 1924)	26

FEDERAL STATUTES

1 U.S.C. § 1	38
18 U.S.C. § 2(a)	27
18 U.S.C. § 2(b)	27

35 U.S.C. § 271	23, 27
35 U.S.C. § 271(a)	passim
35 U.S.C. § 271(b)	passim
35 U.S.C. § 271(e)(2)	15
35 U.S.C. § 271(f)	15, 35
35 U.S.C. § 271(g)	15
35 U.S.C. § 281	15

OTHER AUTHORITIES

Dennis Crouch, <i>Joint Infringement: Federal Circuit Changes the Law of Inducement</i> , Patent Law Blog (PatentlyO) (Aug. 31, 2012), http://www.patentlyo.com/patent/2012/08/ joint-infringement-federal-circuit-changes- the-law-of-inducement.html	31
Eugene Gressman et al., <i>Supreme Court Practice</i> § 4.18 (9th ed. 2007)	11
W. Page Keeton et al., <i>Prosser & Keeton on the Law of Torts</i> (5th ed. 1984)	26, 38
Restatement (Second) of Agency § 212 (1958)	38
Restatement of Torts § 876 (1938)	24, 25
Restatement (Second) of Torts § 876 (1979)	38
Restatement (Second) of Torts § 877 (1979)	24, 25, 38

BRIEF IN OPPOSITION

The petition fails to satisfy the criteria for a grant of certiorari and should be denied.

Initially, certiorari should be denied because the decision is not ripe for review by this Court. The Federal Circuit has reversed and remanded the case for further proceedings under 35 U.S.C. § 271(b).¹ Thus, this case is at an interlocutory stage with an incomplete record related to the very issue on which Limelight seeks certiorari. Denial of certiorari at this stage will allow that record to be developed and will allow the current case to be decided based on an actual application of the Federal Circuit's en banc *Akamai* decision to the facts of the case. Further, additional cases may be decided, providing further context to assess the actual impact, if any, of *Akamai*.

Moreover, certiorari is unwarranted because *Akamai* did not radically change existing law to allow liability for induced infringement where there is no direct infringement, as Limelight asserts. Instead, the Federal Circuit merely corrected an error recently and improperly created by a series of Federal Circuit cases beginning in 2007.

These incorrect cases allowed an inducer to avoid *all* liability for infringement simply because the inducer participated in the performance of a claimed method in addition to inducing the infringement.

¹ The text of the infringement statute is set forth at App. 200a-206a.

There is no rational legal principal or policy under the patent law that supports such an outcome.

Indeed, the entire Federal Circuit agreed there are certain circumstances where infringement of a method claim can result from the joint activities of two or more parties. The dissenting judges, and Limelight, however, would limit those circumstances to situations where there is either an agency relationship or binding contract between the parties, or a joint enterprise. The issue decided by *Akamai* was accordingly where to set the proper boundary for finding joint liability. After careful consideration, *Akamai* set the boundary by recognizing liability where a party induces infringement. *Akamai* thus properly balances competing themes of protecting patentees from intentional infringement while providing a minimally intrusive and flexible approach to joint infringement consistent with the plain language of the statute, existing precedent, and the policy underlying the Patent Act.

Moreover, an alleged intra-circuit conflict is alone an insufficient reason to grant certiorari where the Federal Circuit merely corrected a recent error in its own precedent concerning § 271(b).

Finally, even if this Court were to accept Limelight's assertions that liability under § 271(a) must be established before imposing liability under § 271(b), Limelight should be found liable under § 271(a) since two or more parties (here Limelight and its customers) working together can jointly infringe a process patent under § 271(a).

For all these reasons, discussed further below, this case is a poor vehicle for this Court's review, and certiorari should be denied.

BACKGROUND

Akamai's commercial origins date back to the late 1990s inside the halls of MIT. Starting as an academic project, Tom Leighton, professor and head of MIT's Computer Science and Artificial Intelligence Laboratory, and the late Daniel Lewin discovered a way to solve a persistent problem involving Internet congestion. A263; A333-37. Specifically, in situations involving periods of substantially increased demand for a resource on the Internet, like a web page, few could access it because the requests overloaded the content server. App. 102a-103a. To solve this problem, Leighton and Lewin devised a new method for storing and delivering web page content that ensures access even during periods of high demand. A267, 2:53-57; A339; A342-43. The invention allows an Internet Content Provider, such as CNN or Yahoo, to offload requests for Internet content to a third party's "content delivery network" or "CDN."² App. 103a-104a; A343-44. Leighton and Lewin founded Akamai to commercialize this invention, which continues to serve as a basis for the company's core business. A337. Although Limelight attempts to minimize the importance of Akamai's invention (Pet. 2-3), the invention transformed how

² See Akamai's Conditional Cross-Petition, No. 12-960, for a detailed statement of the technology. Cross-Pet. 4-10.

web traffic was controlled and is important technology still being used today (App. 103a).

U.S. Patent No. 6,108,703 (“the ’703 patent”) embodies aspects of Akamai’s invention. App. 103a-104a; A263-76. The claims in the ’703 patent cover processes in which certain web page content is tagged so that the content may be served by the CDN. App. 104a-105a. Independent claim 34 requires a “tagging” step, in which the content to be served by the CDN is tagged. App. 105a-106a. Independent claim 19 requires the content to be tagged and a web page containing the tag to be served. App. 105a.

After Akamai’s significant commercial success with this invention, Limelight, Akamai’s direct CDN-competitor, sought to exploit Akamai’s invention. In so doing, each of the patented steps was carried out, albeit not by the *same* party. Limelight performed most steps of the asserted claims while its customers (following explicit directions and using specialized data tags provided by Limelight) performed the remaining steps.

Akamai filed suit against Limelight, asserting that Limelight infringed, under § 271(a) and (b), the ’703 patent and two additional patents not involved in the petition. Because the ’703 patent claim steps were collectively performed by Limelight *and* its customers, Limelight argued it was not liable for direct infringement. App. 181a-182a.

At the time of the trial, then-existing Federal Circuit law allowed a party to prove joint infringement in cases such as this, where the accused joint infringer actually performed steps of a patented

method, under § 271(a), only by showing that the accused joint infringer performed some steps of the claim while directing or controlling, or contracting with, another party in the performance of the remaining steps. *See BMC Res., Inc. v. Paymentech, L.P.*, 498 F.3d 1373, 1381 (Fed. Cir. 2007). Akamai thus tried the case based on the direction or control/contract theory under § 271(a) and withdrew its claim of induced infringement.

After a three-week trial, the jury, instructed under *BMC*'s direction or control/contract standard, returned a verdict of infringement and awarded Akamai \$45.5 million in damages. App. 138a. Subsequently, the Federal Circuit issued its opinion in *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318 (Fed. Cir. 2008), where the court found no joint infringement of a patented electronic method for conducting auctions of financial instruments where the auctioneer and bidder collectively performed the steps of the method, *id.* at 1330. The district court, on JMOL, analogized the facts of *Muniauction* to that of this case and reversed the jury's finding of infringement. App. 193a-194a.

On appeal, a Federal Circuit panel affirmed the JMOL of noninfringement. App. 135a. The panel created a bright-line rule, holding that direct infringement of a method claim under § 271(a) requires every step of a method to be performed by a *single entity or that entity's agent* or a contract between the parties compelling performance of the steps (the so-called "single-entity rule"). App. 111a-112a. Because Limelight's customers were not its agents and the contract between Limelight and its

customers did not require the customers to perform the tagging step unless the customers wished to use Limelight's service, the panel held Limelight did not directly infringe the claims of the '703 patent. App. 116a-117a.

Following this decision, Akamai petitioned for rehearing en banc, challenging the single-entity rule that required an agency or contract relationship. On April 20, 2011, the Federal Circuit granted Akamai's petition for rehearing en banc and vacated the panel decision. App. 195a-197a. The question posed by the court was:

If separate entities each perform separate steps of a method claim, under what circumstances would that claim be directly infringed and to what extent would each of the parties be liable?

App. 196a.

McKesson Technologies, Inc. ("McKesson") and Epic Systems Corp. ("Epic") were parties to a separate appeal in the Federal Circuit, *McKesson Technologies, Inc. v. Epic Systems Corp.*, No. 2010-1291. After granting en banc rehearing in *Akamai*, the court granted en banc rehearing in *McKesson* and consolidated the cases for purposes of the en banc rehearing. The additional questions posed by the court in *McKesson* were:

1. If separate entities each perform separate steps of a method claim, under what circumstances, if any, would either entity or any third party be liable for inducing infringement or for contributory

infringement? See *Fromson v. Advance Offset Plate, Inc.*, 720 F.2d 1656 (Fed. Cir. 1983).

2. Does the nature of the relationship between the relevant actors—e.g., service provider/user; doctor/patient—affect the question of direct or indirect infringement liability?

463 F. App'x 906, 907 (Fed. Cir. 2011) (per curiam).

The Federal Circuit issued a single opinion for both cases on August 31, 2012. App. 1a-99a. A per curiam majority of the court (Chief Judge Rader and Judges Lourie, Bryson, Moore, Reyna, and Wallach) held that the cases should be resolved by applying the doctrine of induced infringement under § 271(b). The court explained that, in cases such as *Akamai*, indirect infringement could occur as long as *all* steps of a claimed method are performed (i.e., there is direct infringement), but did not require that a *single party* be liable under § 271(a) in order to find induced infringement. App. 3a. The court declined to rule on the issue of joint infringement under § 271(a). App. 6a.

This holding expressly overruled a portion of the *BMC* case, and implicitly overruled the *Muniauction* case that had relied on this portion of *BMC*. Specifically, in *BMC*, the court stated:

When a defendant participates in or encourages infringement but does not directly infringe a patent, the normal recourse under the law is for the court to apply the standards for liability under indirect infringement.

Indirect infringement requires, as a predicate, a finding that *some party amongst the accused actors* has committed the *entire* act of direct infringement.

BMC, 498 F.3d at 1379 (emphases added).

In addressing why this statement in *BMC* was being overruled, the Federal Circuit pointed to its faulty legal premise regarding the law of induced infringement. App. 8a-9a. The court noted that “[r]equiring proof that there *has been* direct infringement as a predicate for induced infringement is not the same as requiring proof that a single party would be *liable* as a direct infringer.” App. 9a.

In reaching its conclusion, the court analyzed the precedents, the text of the infringement statute, the legislative history, principles of law with similar inducement statutes, and policy concerns. The court noted that “[a]t the end of the day, we are persuaded that Congress did not intend to create a regime in which parties could knowingly sidestep infringement liability simply by arranging to divide the steps of a method claim between them.” App. 29a.

Because the Federal Circuit reversed the portion of *BMC* that would have prevented Akamai from asserting an induced infringement claim at trial, the court determined that “Akamai should be given the benefit of [the] court’s ruling disapproving the line of divided infringement cases that the district court felt compelled to follow.” App. 30a. The court stated:

Limelight would be liable for inducing infringement if the patentee could show that

(1) Limelight knew of Akamai's patent, (2) it performed all but one of the steps of the method claimed in the patent, (3) it induced the content providers to perform the final step of the claimed method, and (4) the content providers in fact performed that final step.

Id. The court thus reversed and remanded the case for further proceedings. *Id.*

Writing separately, Judge Newman agreed the panels' decisions in both cases should be reversed. App. 61a-68a. Judge Newman, however, dissented from the court's determination of the cases under inducement law. App. 31a. Instead, Judge Newman would have rejected the single-entity rule and found Limelight liable under § 271(a). App. 31a-32a. Judge Newman argued the court should "restore direct infringement to its status as occurring when all of the claimed steps are conducted, whether by a single entity or in interaction or collaboration." App. 68a.

A separate dissent, authored by Judge Linn and joined by Judges Dyk, Prost, and O'Malley, argued that induced infringement under § 271(b) requires a separate single entity be found liable for direct infringement under § 271(a). App. 95a-96a.

Limelight filed a petition for writ of certiorari, No. 12-786, on December 28, 2012, which was docketed on January 2, 2013.³

On February 1, 2013, Akamai filed a Conditional Cross-Petition, No. 12-960. Akamai believes that the Court should deny Limelight's petition for certiorari. Should the Court grant Limelight's petition, however, it should also grant Akamai's Conditional Cross-Petition and consider the full scope of joint infringement. Akamai asserts that direct infringement may be found under § 271(a) where there is a contract between the parties, a party directs or controls others who perform steps of a patented process, or where parties act in concert to perform the steps of a patented process, but that a single-entity rule requiring an agency or contract relationship under § 271(a) is too limiting and contrary to the statute and precedent. Moreover, coupling § 271(a) to § 271(b) would be an alternative ground supporting judgment in Akamai's favor.

REASONS FOR DENYING THE WRIT

I. SUPREME COURT REVIEW OF THIS CASE IS PREMATURE

This case is not ripe for review by this Court. The Federal Circuit's en banc decision did not finally resolve the infringement issue between the parties, but reversed and remanded the case to the district

³ Epic filed a separate petition for writ of certiorari, No. 12-800. The case subsequently settled and the petition was dismissed on March 11, 2013.

court for further proceedings relating to the inducement issue. App. 30a. While the facts concerning direct infringement in this case may be undisputed, there are additional facts concerning inducement that need further development on remand. In particular, Akamai has been tasked with demonstrating (1) Limelight knew of Akamai's patent; (2) it performed all but one of the steps of the method claimed in the patent; (3) it induced the content providers to perform the final step of the claimed method; and (4) the content providers in fact performed that final step. *Id.* The Court accordingly does not have the benefit of a full and complete record in this case. This case has *not* been resolved under § 271(b), and there is no final judgment in the case.

Under comparable circumstances, this Court has explained that certiorari is not proper. *See, e.g., Bhd. of Locomotive Firemen & Enginemen v. Bangor & Aroostook R.R. Co.*, 389 U.S. 327, 328 (1967) (“[B]ecause the Court of Appeals remanded the case, it is not yet ripe for review by this Court.”); *see also, e.g., Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U.S. 251, 258 (1916) (noting that the interlocutory nature of the judgment was “a fact that of itself alone furnished sufficient ground for the denial of the application”); *Va. Military Inst. v. United States*, 508 U.S. 946 (1993) (Scalia, J., respecting denial of certiorari) (“We generally await final judgment in the lower courts before exercising our certiorari jurisdiction.”); Eugene Gressman et al., *Supreme Court Practice* § 4.18, at 280-81 (9th ed. 2007).

Not hearing the case now will also accommodate development of the record and permit the Court to decide the case based on an actual application of the Federal Circuit's en banc decision to the pertinent facts, if the Court is so inclined to grant certiorari at a later date. *See, e.g., Mount Soledad Mem'l Ass'n v. Trunk*, 132 S. Ct. 2535, 2536 (2012) (Alito, J., respecting denial of certiorari) (noting denial of an interlocutory judgment did not prevent the government from "rais[ing] the same issue in a later petition following entry of a final judgment"); *Toledo Scale Co. v. Computing Scale Co.*, 261 U.S. 399, 418 (1923) ("[A] mere denial of the writ to an interlocutory ruling of the Circuit Court of Appeals does not limit our power to review the whole case when it is brought here by our certiorari on final decree."); *Va. Military Inst.*, 508 U.S. at 946 ("Our action [denying a petition of an interlocutory case] does not . . . preclude [the petitioner] from raising the same issues in a later petition, after final judgment has been rendered.").

Denial of certiorari now will also allow time for the decision in *Akamai* to be applied in other cases, thus creating a more complete picture of the actual effect of the decision, such as the accuracy of Limelight's prediction that *Akamai* will create doctrinal uncertainty and increased litigation. Pet. 29-34. Further, even assuming there is an increase in litigation, allowing the issue to percolate will allow the Court to assess Limelight's assertion that such litigation will lead to unjust results. Pet. 31. Contrary to Limelight's assertions, and as discussed below, *Akamai* provides a fair balance

between protecting the rights of patent holders and potential infringers.

This Court should accordingly stay its judicial hand to allow the district court to issue a decision in this case.

II. THE FEDERAL CIRCUIT'S DECISION WAS CORRECT AND SHOULD NOT BE DISTURBED BY THIS COURT

Moreover, certiorari is not warranted as *Akamai* merely rights a very recent error in Federal Circuit jurisprudence and returns the law to its correct place. It accordingly should not be disturbed by this Court.

A. *Akamai* Did Not Hold that There Can Be Induced Infringement Without Direct Infringement

Limelight's and its amici's contention that *Akamai* held that no direct infringement is required for a finding of induced infringement is plainly wrong. Pet. 16.

While *Akamai* held it was not ruling on indirect infringement coupled to direct infringement under § 271(a) (App. 6a), the court *repeatedly* stated that a determination of indirect infringement *requires* a predicate finding of direct infringement (*see* App. 3a, 8a, 9a, 20a, 23a, 25a, 26a). One cannot read these statements in the court's opinion and reasonably conclude that the court held that there need not be a determination of direct infringement. And the court's opinion cannot be reasonably read as not requiring that all of the steps of the claimed

method be performed, albeit by Limelight and the content providers.

Indeed, the court noted that the “principle, that there can be no indirect infringement without direct infringement, is *well settled*.” App. 8a (emphasis added). The court further noted, “The reason for the rule is simple: There is no such thing as attempted patent infringement, so if there is no infringement, there can be no indirect liability for infringement.” *Id.* The court held, however, that “[r]equiring proof that there has been direct infringement as a predicate for induced infringement *is not the same* as requiring proof that a single party would be liable as a direct infringer.” App. 9a (emphasis added). Accordingly, Limelight’s and its amici’s contrary arguments should be rejected.

B. The Plain Language of the Statute Supports *Akamai*

Section 271(b) states, “Whoever actively induces infringement of a patent shall be liable as an infringer.” The plain language of the statute does not require a predicate determination that *a single party* directly infringed under § 271(a) prior to imposing liability under § 271(b). The statutory language merely requires that the person induce an infringement. There is nothing in the plain language that forbids an inducer from performing any of the steps of the claimed method as part of that act of infringement. *See* App. 10a.

Other subsections of the infringement statute, including 35 U.S.C. § 271(e)(2), 271(f), and 271(g),⁴ support the proposition that infringement liability “is not limited to the circumstances that give rise to liability under section 271(a).” App. 20a. Each of these sections requires a direct infringement. None, however, requires a finding of liability under § 271(a) in order to find infringement under that section of the statute. *See* App. 20a-21a. Limelight’s petition offers no compelling argument for why infringement in these sections is different from infringement under § 271(b).

Further, *Akamai* is not inconsistent with 35 U.S.C. § 281. Section 281 merely states a patentee should be afforded the opportunity to have its infringement claims for damages tried in a civil action. Section 281 and its legislative history reveal nothing about the term “infringement” except to suggest that Congress intended to provide a remedy “for violation of any right secured by patent.” Indeed, if anything, § 281 supports a finding of induced infringement because Akamai’s patent rights are violated regardless of whether Limelight induced its customers to perform all the steps of the claim or it performed certain steps while inducing its customer to perform the others.

Moreover, the Linn dissent’s contention that the majority’s holding does not define “infringement” and thus leaves the term open to any definition a

⁴ App. 200a-206a.

court wants to apply to it is a red herring. App. 74a. It is black-letter law that practicing every step of a patented method constitutes infringement. What is disputed is whether joint infringement is excluded, a gloss improperly added to § 271(a) by *BMC* and *Muniauction*. See *infra* Section V.

C. *Akamai* Is Consistent with Prior Precedent

1. *Akamai* Corrected a Recent Error in Federal Circuit Precedent

As discussed above, *Akamai* overruled *BMC*'s requirement that “in order for a party to be liable for induced infringement, some other single entity must be liable for direct infringement.” App. 3a. The court held “all the steps of a claimed method must be performed in order to find induced infringement, but that it is not necessary to prove that all the steps were committed by a single entity.” *Id.* The court explained that an inducer cannot escape liability merely because the inducer itself also performs steps of the process.⁵ App. 9a.

This holding was neither novel nor unprecedented. For example, in *Fromson*, 720 F.2d

⁵ Contrary to the argument by amicus for Limelight, Congress’s silence on the issue of joint infringement in the most recent reform of the Patent Act does not mean it tacitly approved a single-entity rule. See *Girouard v. United States*, 328 U.S. 61, 69-70 (1946). The joint infringement problem created by *BMC* and *Muniauction* is of recent vintage and has not existed for the fifty years that Epic contends in its petition (No. 12-800) Congress had to correct the problem. Epic Pet. 22.

at 1568, the accused infringer performed certain steps of a patented method but left the final step to its customer. The Federal Circuit noted that “[b]ecause the claims include the application of a diazo coating or other light sensitive layer and because Advance’s customers, not Advance, applied the diazo coating, Advance cannot be liable for direct infringement⁶ with respect to those plates *but could be liable for contributory infringement.*” *Id.* (emphasis added).⁷ Accordingly, because practice of the method was divided between the accused infringer and its customers, liability for indirect infringement could *not* have been premised on any single actor’s liability for direct infringement. The court could not have reached this conclusion under a single-entity rule.

2. *Akamai* Is Consistent with This Court’s Precedent

Limelight asserts that, prior to *Akamai*, the law has always required that a separate, single party be liable for direct infringement of a claimed method under § 271(a) before there could be liability for indirect infringement under § 271(b). Pet. 15. Thus, Limelight asserts that *Akamai* departs from

⁶ *See infra* n.16.

⁷ Limelight asserts (Pet. 26) that this statement only applies to product claims and should not be considered. Contrary to Limelight’s assertions, however, in *Fromson*, both product and method claims were asserted. App. 28a.

established precedent of this Court and constitutes a sweeping change in the law. Pet. 16.

In advancing this argument, Limelight relies heavily on this Court's decisions in *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 341 (1961) ("*Aro I*"), *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 526 (1972), and *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2065 (2011). According to Limelight, these cases support the proposition that a party who induced infringement of a method claim could escape *all* liability for infringement if it itself performed one of the steps of the method. Pet. 16-19.

The statements Limelight points to in these cases, however, simply note the unremarkable proposition that there must be a direct infringement in order to have a determination of induced infringement. But, as discussed above, this is *exactly* what the Federal Circuit held in *Akamai*. *See supra* Section I.A.

For example, in *Aro I*, this Court explained that "if there is no infringement of a patent there can be no contributory infringer." *Aro I*, 365 U.S. at 341 (citation omitted). But as explained in *Akamai*, the *Aro I* case simply did not address the issue of joint infringement of method claims. App. 24a-25a. Rather, in *Aro I*, the Court found that there was no infringement of the *product* claims at all, by any party, thus precluding any finding of indirect infringement. Thus, *Aro I* simply stands for the proposition that finding of a direct infringement is a necessary predicate for a determination of indirect infringement. This is, and has always been, the law.

As *Akamai* noted, “that is a sound and uncontroversial proposition.” App. 23a.

In *Deepsouth*, this Court once again confirmed this direct infringement requirement, stating that “it is established that there can be no contributory infringement without the fact or intention of a direct infringement.” 406 U.S. at 526. Again, there was no issue of joint infringement in *Deepsouth*.

And in *Global-Tech*, the issue now before the Court was not considered. The Court confirmed there must be a direct infringement to have induced infringement under § 271(b), but, like *Aro I* and *Deepsouth*, the Court did not address whether the inducer could itself perform steps of the claimed method. Indeed, in *Global-Tech*, the court stated that “[d]irect infringement has long been understood to require *no more than* the unauthorized use of a patented invention.” *Global-Tech*, 131 S. Ct. at 2065 n.2 (emphasis added).⁸

In fact, *Global-Tech* actually supports *Akamai*. In *Global-Tech*, this Court addressed the culpable conduct necessary to make a determination of induced infringement. Yet, under Limelight’s theory, a party could explicitly engage in all the conduct that meets the inducement standard, yet completely evade any liability simply by practicing one of the

⁸ While *Aro I*, *Deepsouth*, and *Global-Tech* reference direct infringement *under § 271(a)*, those references to § 271(a) were clearly dicta and, as previously noted, none of these cases deals with joint infringement.

claim steps itself. Such an outcome contradicts the policy underlying this Court's *Global-Tech* decision, which held that defendants should not be able to avoid infringement based on a technicality. There, this Court rejected attempts to read the inducement requirements so narrowly that it would have allowed parties to escape liability for inducement by burying their heads in the sand. Similarly, it contravenes sound patent policy to allow an inducer to escape all liability merely because the inducer participates in the process. *See infra* Section II.D.

Consistent with these cases, *Akamai* held that the law has *always* required that there must be direct infringement of a claimed method before there could be indirect infringement under § 271(b). App. 20a. But as explicitly recognized by the Federal Circuit, this does not mean, and has never meant, that a separate single actor must actually be found to be liable under § 271(a) before liability can be imposed under § 271(b). *Id.*

Indeed, under Limelight's (and its amici's) interpretation of the law, a party who otherwise induces infringement but also actually performs a step of a method claim is completely immunized from any finding of liability based on this performance. Limelight, however, fails to cite a single case from this Court that supports such a strained interpretation of the law. As the Federal Circuit stated, "[i]t would be a bizarre result to hold someone liable for inducing another to perform all of the steps of a method claim but to hold harmless one who goes further by actually performing some of the steps himself." App. 10a. As the court further noted, "[t]he

party who actually participates in performing the infringing method is, if anything, more culpable than one who does not perform any steps.” *Id.*

Moreover, contrary to Limelight’s assertions (Pet. 30), *Akamai* is also consistent with the “all elements” rule. In *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17, 29 (1997), this Court, in the context of clarifying the doctrine of equivalents, held that “[e]ach element contained in a patent claim is deemed material to defining the scope of the patented invention, and thus the doctrine of equivalents must be applied to individual elements of the claim, not to the invention as a whole.” Thus, direct infringement exists if each claimed element of the patent invention is present in the accused product or process. *Id.* at 40.

This “all elements” rule requires every step of a method be performed for the claim to be infringed. This rule, however, says nothing about *who* must practice each step. Accordingly, although *Warner-Jenkinson* discusses what constitutes direct infringement of a method claim—that is, the practice of every step of a claimed method—it does *not* address the issue of *who* must practice the steps.

Akamai properly held that, to find induced infringement, it must be shown that *all* of the steps of a method claim are being performed. App. 3a. This is entirely consistent with the all elements rule announced in *Warner-Jenkinson*.

Accordingly, none of these cases relied on by Limelight addresses whether a separate single entity

must be first held to be liable under § 271(a) as a predicate condition to impose liability under § 271(b).

3. *Akamai* Is Consistent with Pre-1952 Precedent

Similarly, case law from other circuits prior to the enactment of the 1952 Patent Act did not require a separate single entity be liable for direct infringement as a predicate for a determination of indirect infringement.⁹ For example, in *Peerless Equipment Co. v. W.H. Miner, Inc.*, 93 F.2d 98, 105 (7th Cir. 1937), the court upheld a finding of indirect infringement because the manufacturer performed all but one step of the asserted process claim and passed nearly finished gears on to the customer “with the knowledge that the railroads will put them to use and thereby flatten the crown, thus completing the final step of the process.” *See also* App. 26a-27a (discussing *Thomson-Houston Elec. Co. v. Ohio Brass Co.*, 80 F. 712, 721 (6th Cir. 1897); *Solva Waterproof Glue Co. v. Perkins Glue Co.*, 251 F. 64, 73-74 (7th Cir. 1918)).

Accordingly, *Akamai* noted, “the question whether the majority’s position constitutes a change in the law, or whether the dissent’s position would constitute a change, depends on what one thinks the prior rule was.” App. 28a. The case law from this Court, the Federal Circuit, and the pre-1952 case law

⁹ The pre-1952 case law relating to contributory infringement was not overruled by the 1952 Patent Act. *Aro I*, 365 U.S. at 347-48 nn.1, 3 (Black, J., concurring).

from other circuits all readily demonstrate that it was *BMC* and *Muniauction*, not *Akamai*, that represented a change in the law of indirect infringement. Properly understood, therefore, *Akamai* does not represent a sweeping change in the law of induced infringement.

D. The Legislative History Supports *Akamai*

The legislative history of the 1952 Patent Act further provides support for interpreting induced infringement as not requiring a single entity. *Akamai* correctly quoted the House reports and other commentary, which recount the broad nature of § 271(b). *See* App. 10a-14a. *Akamai* referenced statements made by Judge Rich, the principal drafter of § 271,¹⁰ during the legislative hearings on the 1952 Patent Act. App. 12a-13a. There, Judge Rich discussed a hypothetical case to explain why a provision like § 271(b) needed to be included in the statute. *Id.* Judge Rich noted the problem of some arts, such as radio communication, which involves both transmitting and receiving, which necessarily requires multiple actors. *Id.* As pointed out by *Akamai* (App. 12a), in commenting on the proposed version of what was to become § 271(b), Judge Rich

¹⁰ This Court has specifically cited Judge Rich's testimony to interpret issues of patent law, precisely because he played such a prominent role in drafting and promoting § 271. *See Dawson Chem. Co. v. Rohm & Haas Co.*, 448 U.S. 176, 205-06 (1980); *Aro I*, 365 U.S. at 366 (Brennan, J., concurring); *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 486 (1964); *Bilski v. Kappos*, 130 S. Ct. 3218, 3247 (2010).

made clear that he saw no anomaly in finding liability for indirect infringement where there was no infringement by a single actor (App. 12a-13a).

E. Other Areas of the Law Support *Akamai*

Akamai relied on other areas of the law to support its decision, explaining that a “principal’s liability for acts committed not only through an agent but also by an innocent intermediary who was induced by the principal is not an idiosyncrasy of patent law, but is found in other areas of the law as well.” App. 14a.

1. Tort Law Principles

Given that patent infringement is a tort,¹¹ *Akamai* relied on tort law (App. 16a-17a), primarily on § 876 of the Restatement of Torts (1938) and § 877 of the Restatement (Second) of Torts (1979), in holding that a party who knowingly induces another to perform method steps, while performing one or more steps itself, should be liable for the inducement of patent infringement. *Id.* These sections set forth the rules of liability for inducement of tortious conduct. *See* Restatement (Second) of Torts § 877(a) cmt. a (“[O]ne who accomplishes a particular consequence is as responsible for it when accomplished through directions to another as when accomplished by himself.”).

¹¹ *Carbice Corp. of Am. v. Am. Patents Dev. Corp.*, 283 U.S. 27, 33 (1931) (“Infringement, whether direct or contributory, is essentially a tort, and implies invasion of some right of the patentee.”).

For example, under tort law, a party is responsible for the conduct it “orders or induces.” Restatement (Second) of Torts § 877(a). This principle provides a compelling basis for liability in the context of joint infringement based on policy and common law tort principles. It is well established that a party performing all method steps itself, as well as a party that induces another to perform all steps, would both be liable. There is no reason, based in policy or law, to immunize from all liability a party who combines those bases of liability by performing some steps itself and inducing the rest. This is the “bizarre result” of the single-entity requirement noted by the Federal Circuit. App. 10a. Because the Restatement states that a party is responsible for the conduct it “orders or induces,” an accused infringer would be liable for inducing another to perform steps of a method, even where it performs steps itself. *See* App. 17a-18a.

Both § 876 of the First Restatement and § 877 of the Second Restatement refer to the “tortious conduct” of another. Limelight asserts these sections provide inducement liability *only* in the presence of an underlying wrongful or “tortious conduct,” and that the performance of anything other than all steps of the method claim by a single entity is not independently wrongful and therefore not tortious. Pet. 28-29. The Restatements, as well as case law and commentary, however, show that the acts of either the induced party or the inducing party need not be an independent tort. *See* App. 16a-19a. As a leading treatise on tort law explains, liability attaches “where the acts of each of two or more parties, standing alone, *would not be wrongful*, but

together they cause harm to the plaintiff.” W. Page Keeton et al., *Prosser & Keeton on the Law of Torts* § 52, at 354 (5th ed. 1984). Prosser also points out: “[A]cts which individually would be innocent may be tortious if they thus combine to cause damage The single act itself becomes wrongful because it is done in the context of what others are doing.” *Id.* Therefore, the Restatement means that when the inducing party performs some steps “*in the context*” of inducing another to perform the remaining steps, the inducing party is liable for infringement. *See, e.g., Town of Sharon v. Anahma Realty Corp.*, 123 A. 192, 193 (Vt. 1924) (parties’ actions “caused and could cause no damage” independently); *Blair v. Deakin*, 57 L.T.R. 522, 525-26 (1887) (independently harmless substances); *Hillman v. Newington*, 57 Cal. 56, 63-64 (1880) (independently harmless diversions of common water supply).

Accordingly, the Federal Circuit’s *Akamai* decision was amply supported by the plain meaning of the statute, the Federal Circuit’s precedent, the precedent of this Court, case law from other circuits, its legislative history, related principles of law, and policy. There is simply no basis under precedent or patent policy to allow an inducer to escape liability for patent infringement merely because it also performs a step of the process. This Court should therefore not waste its resources to review the correctly decided *Akamai* decision.

2. Federal Criminal Code

Akamai also cited aiding and abetting sections of the Federal Criminal Code, including 18 U.S.C. § 2(a) and 2(b), and noted these sections are similar

in language to § 271. App. 14a-15a. After noting this similarity, the court cited several cases interpreting the criminal code to allow an accessory to a crime to be convicted even if the principal is not convicted of the underlying criminal conduct. App. 15a-16a.

Limelight, however, asserts that § 2(b) cannot apply because § 2(b) requires that the parties involved be engaged in “prohibited conduct.” Pet. 27. According to Limelight, because each party is only performing some of the method steps, there is no “prohibited conduct.” Pet. 27-28.

The “prohibited conduct” or “offense,” however, is the offense of infringement of a patent, i.e., “the unauthorized use of a patented invention.” *See Global-Tech*, 131 S. Ct. at 2065 n.2. Limelight’s argument fails because it presupposes a patentee’s exclusive right is limited only to a right to exclude single actors who infringe. To the contrary, as noted above, a patent owner’s exclusive rights are infringed whenever its patented process is performed, regardless of how many parties performed the steps.¹²

III. *AKAMAI*/DOES NOT CREATE UNACCEPTABLE DOCTRINAL UNCERTAINTY

Limelight and its amici assert *Akamai* undermines basic principles of patent law and invites

¹² Like *Akamai*, in *Global-Tech*, 131 S. Ct. at 2068-71, this Court looked to well-established principles of criminal law when examining the issue of knowledge required under § 271(b).

costly litigation. Pet. 29. Not so. As the Federal Circuit noted:

Because section 271(b) extends liability to a party who advises, encourages, or otherwise induces others to engage in infringing conduct, it is well suited to address the problem presented by the cases before us, i.e., whether liability should extend to a party who induces the commission of infringing conduct when no single “induced” entity commits all of the infringing acts or steps but where the infringing conduct is split among more than one other entity.

App. 7a. Nevertheless, Limelight’s and its amici’s sky-is-falling arguments are examined below.

A. *Akamai* Does Not Undermine the Strict Liability Nature of Direct Infringement Under § 271(a)

Limelight asserts that the *Akamai* decision undermines the “strict-liability nature of direct infringement” under § 271(a). Pet. 30. This is simply not the case. The Federal Circuit’s decision depends on § 271(b), which does *not* implicate issues of strict liability. App. 5a-6a.

The Federal Circuit explained that, under circumstances where the induced conduct satisfied the induced infringement requirements, there could be liability under § 271(b) even if the inducer also performed steps itself. App. 9a. Principles of strict liability under § 271(a) are not affected by this holding.

B. *Akamai* Will Not Lead to Abuse

In the proceedings below, Limelight and its supporting amici at the Federal Circuit expressed great concern that “innocent infringers,” i.e., parties that innocently performed a step of a claim unaware that their conduct could be infringing, would be liable for infringement and would lead to abuse. *Akamai*, however, alleviates this concern.¹³

The Federal Circuit noted that liability under § 271(b) imposes certain restrictions that do not apply to liability under § 271(a). App. 7a. Specifically, the court noted that the patentees in *Akamai* still have to show: (1) Limelight knew of the patent; (2) it performed all but one of the steps of the method claimed in the patent; (3) it induced the content providers to perform the final step of the claimed method; and (4) the content providers in fact performed that step. App. 30a. A party that satisfies all four criteria cannot in any way be considered an “innocent infringer.”

As the Federal Circuit noted, “using inducement to reach joint infringement does not present the risk of extending liability to persons who may be unaware of the existence of a patent or even unaware that others are practicing some of the steps claimed in the patent.” App. 7a n.1.

¹³ Because of the strict liability nature of § 271(a), “innocent” infringers may be held liable under that section of the statute. Section 271(b) is a more restrictive standard.

Michael Barclay, who assisted the Electronic Frontier Foundation (“EFF”) in writing its amicus brief in support of Limelight before the Federal Circuit, noted that *Akamai* resolved the greatest concern for the amici in support of Limelight. Following the decision, Mr. Barclay sent an email to a popular patent blog, which it published. While Epic cited this blog for the proposition that “the decision opens a can of worms that will continue to squirm for years to come” (Epic Pet. 30), Epic failed to acknowledge that the blog goes on to say:

It’s not as bad as I thought when I saw that they overruled [*BMC*]. The majority merely holds that an active inducer will be held liable so long as one or more parties are induced to practice all the steps of a claimed method. It appears that innocent actors who were “induced” by someone else will ****not**** be individually liable (unless, of course, they perform all the steps of the method claim themselves and thus are direct infringers). That was one point of EFF’s amicus brief, so from that standpoint, the decision was not all bad. Our brief urged that innocent third parties (those with no level of intent) not be held strictly liable for direct infringement. It appears that is the law.

<http://www.patentlyo.com/patent/2012/08/joint-infringement-federal-circuit-changes-the-law-of-inducement.html>.

Mr. Barclay is correct. *Akamai merely* holds that an inducer can be liable in situations where all of the steps of a method claim are performed.

Amici for Limelight, however, now assert that the “intent” component of induced infringement is an illusory shield as it allegedly provides no practical protection in view of a pre-*Akamai* decision holding that service of a complaint for induced infringement is sufficient to meet the intent threshold. According to the amici, the *Akamai* ruling has empowered non-practicing entities or “NPEs” with a powerful negotiating weapon and shifted enormous risk onto business. Not so. While filing a complaint may meet the “knowledge of the patent” requirement, *see Walker Digital, LLC v. Facebook, Inc.*, 852 F. Supp. 2d 559, 565 (D. Del. 2012), the pre-*Akamai* case law at the Federal Circuit makes clear that knowledge by itself is not sufficient; a complaint “must contain facts plausibly” showing all the other elements of inducement, which is not limited to knowledge of the patent, *In re Bill of Lading Transmission & Processing Sys. Patent Litig.*, 681 F.3d 1323, 1339 (Fed. Cir. 2012).

The undercurrent of much of the amici’s parade-of-horribles appears to be from NPEs that stretch the meaning of their claims and cause business risk and expense to practicing entities. Limelight’s amici discount the massive harm to the inventing community caused by allowing a party to induce infringement of a valid patent, yet provide no remedy to the patentee merely because the inducer also performed a step in the process. It is inconsistent with federal patent policy to establish rules that ensure that numerous duly issued and valid patents can never be enforced.

This restrictive single-entity standard left patentees without a patent infringement remedy. This affected *all* patentees with method claims, and is not limited to NPEs or, as Limelight alleges, to only those patentees with so-called “interactive” method patents (Pet. 32), as two entities could split up the performance of any traditional method claim and thus avoid infringement under the single-entity rule. This rule seriously impaired the incentive function of patents for an increasing number of patentable inventions by permitting circumvention in the form of contrived “non-infringing” multiple-actor scenarios.

Limelight’s and its amici’s arguments that proper claim drafting will somehow mitigate the issue of joint infringement are wrong. Pet. 7. This is demonstrated in *Golden Hour Data Systems, Inc. v. emsCharts, Inc.*, 614 F.3d 1367 (Fed. Cir. 2010). There, the claims were drafted to cover a single actor carrying out the steps, but the defendants divided the performance of the different steps between them. *Id.* at 1382-83. The joint infringement was the result of the parties’ actions, not claim drafting. Indeed, it is extremely difficult for any claim draftsman to contemplate all the ways in which would-be copyists might evade infringement by designing their activities to jointly perform a method. In addition, there are important multi-participant inventions that are best captured by multi-participant claims or that should not cover each party separately. To suggest that claims be drafted which ignore that fact makes no sense as a matter of patent law or policy. The Federal Circuit’s prior precedents created a loophole

that simply cannot be closed through claim drafting. *See* App. 44a.

In contrast, *Akamai* provides a sensible, workable standard for induced infringement under § 271(b) that *does* close the loophole that otherwise allowed infringers to escape liability based on a technicality. It does a good job of balancing the interests of patentees and those accused of infringement.

C. *Akamai's* Flexible Approach to Joint Liability Is Consistent with Supreme Court Policy

This Court has long expressed a preference for flexible fact-based standards that avoid bright-line rules. For example, in this Court's recent decisions regarding patent eligibility, including *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289 (2012), and *Bilski*, 130 S. Ct. at 3225-26, this Court articulated a flexible legal inquiry to be applied in cases dealing with patentable subject matter. Similarly, in *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398, 415 (2007), this Court rejected a rigid approach for determining obviousness. *See also eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 392-93 (2006) (rejecting a bright-line rule granting permanent injunctions when validity and infringement have been found); *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 65-66 (1998) (rejecting a bright-line rule that an invention cannot be "on sale" unless and until it is reduced to practice). The Federal Circuit's single-entity rule prior to *Akamai* proved too limiting, requiring the existence of an agency relationship or an equivalent

contractual relationship establishing a single party's control over the infringing acts in order to establish infringement.

D. *Akamai* Does Not Implicate Issues of Extraterritoriality

Professor Holbrook, amicus in *Epic*, No. 12-800, asserts *Akamai* removes the territorial limits on inducement, because pre-*Akamai*, the Federal Circuit used the territorial limits in section § 271(a) to limit inducement under § 271(b).

Simply because the liability requirement of § 271(b) is not coupled to § 271(a) does *not* mean that the court will divorce itself from the territorial requirements of direct infringement—the same way that the Federal Circuit has not divorced itself from the notion that all steps of the method must be performed. *See supra* Section II.A. The court has required that, in order to find direct infringement, the steps of the method must be practiced in the United States. *Merial Ltd. v. Cipla Ltd.*, 681 F.3d 1283, 1302 (Fed. Cir. 2012). There is no reason to believe that this will change as a result of *Akamai*. Indeed, this Court itself has limited the application of U.S. laws in foreign countries. *See Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 455 (2007) (relying on the presumption that U.S. law governs domestically to interpret § 271(f) narrowly).

Further, as Professor Holbrook admits, neither this case nor *Epic* presents issues of extraterritoriality. Thus, this is a perfect example of why this case is not ripe for review, a factor discussed in detail above. *See supra* Section I. Denial of

certiorari at this stage will allow time for *Akamai* to be applied in other cases, thus creating a more complete picture of the actual effect of the decision in other cases.

**IV. AN ALLEGED CONFLICT AT THE
FEDERAL CIRCUIT IS NOT ALONE A
REASON TO GRANT CERTIORARI**

Limelight and its amici assert that the split decision in *Akamai* shows the court is fractured on this issue, the implication being that this Court should grant certiorari because of a conflict. Pet. 10.

This Court, however, has denied petitions for certiorari from the Federal Circuit where the court was evenly divided on an issue of law. For example, this Court recently denied a petition for certiorari in the case *Eli Lilly & Co. v. Sun Pharmaceutical Industries, Ltd.*, 131 S. Ct. 2445 (2011), involving the correct legal standard for obviousness-type double patenting. There, the Federal Circuit was evenly split (5-4) on a request to rehear a panel decision en banc. Further, in *Sun*, because the request for en banc rehearing was denied, the Federal Circuit did not have an opportunity to potentially correct the law, as it did here. Accordingly, a split decision is not reason alone to grant certiorari.

**V. COUPLING § 271(a) AND (b) PROVIDES
ALTERNATIVE SUPPORT FOR AKAMAI,
SINCE THERE IS NO SINGLE-ENTITY
RULE UNDER § 271(a)**

Even if this Court were to accept Limelight's assertions that liability under § 271(a) must be established before imposing liability under § 271(b),

there would in fact be such liability under § 271(a) here because two or more parties (here Limelight and its customers) working together can jointly infringe a process patent under § 271(a). Limelight's arguments to the contrary presuppose that *only* a single entity can be held liable for infringement under § 271(a), i.e., the single-entity rule. Under this single-entity rule, if another party performs any step of the claim, it must do so under the guise of an agency relationship or a contractual agreement.

But Limelight is wrong. There is no basis under precedent, the plain language of the Patent Act, or the policies underlying the Patent Act for reading into § 271(a) a single-entity requirement, as pointed out in the dissent by Judge Newman. App. 36a-46a. Indeed, there is not a single decision from the Federal Circuit or this Court that supports the single-entity rule announced in *BMC* and *Muniauction*¹⁴ which provides a sound, reasoned basis to impose a single-entity restriction on § 271(a).¹⁵ As Limelight and its customers acted

¹⁴ Including *Warner-Jenkinson*, 520 U.S. at 17; *Canton Bio-Medical, Inc. v. Integrated Liner Technologies, Inc.*, 216 F.3d 1367 (Fed. Cir. 2000); *General Foods Corp. v. Studiengesellschaft Kohle mbH*, 972 F.2d 1272 (Fed. Cir. 1992); *Joy Technologies, Inc. v. Flakt, Inc.*, 6 F.3d 770 (Fed. Cir. 1993); *Fromson*, 720 F.2d 1565; and *Cross Medical Products, Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293 (Fed. Cir. 2005), all relied upon by *BMC*.

¹⁵ While Limelight argues that the Federal Circuit in *Fromson* found no joint infringement liability regarding the process claim, the district court on remand reversed its

together to infringe the claimed method, such joint action should constitute direct infringement under § 271(a). *See On Demand Mach. Corp. v. Ingram Indus., Inc.*, 442 F.3d 1331, 1344-45 (Fed. Cir. 2006) (finding no flaw in the statement “[i]t is not necessary for the acts that constitute infringement to be performed by one person or entity. When infringement results from the participation and combined action(s) of more than one person or entity, they are all joint infringers and jointly liable for patent infringement.”).

Liability should be imposed under such circumstances based on two legal theories—both of which are well-established joint liability doctrines. First, if one party “directs or controls”¹⁶ another to perform steps of a method claim, those steps may be attributed to the directing or controlling party (the “mastermind”) as if it performed such steps itself. This doctrine prevents a party from immunizing itself from infringement by performing nearly all the steps of a method claim while directing or controlling the performance of the remaining steps by another.

noninfringement finding, holding all asserted claims “directly and contributorily” infringed, 1984 WL 1390, at *8 (D. Mass. July 17, 1984), which the Federal Circuit affirmed, 755 F.2d 1549, 1559 (Fed. Cir. 1985).

¹⁶ There is no basis for confining such direction or control to an agency or contractual relationship. *See, e.g., Gershwin Publ’g Corp. v. Columbia Artists Mgmt., Inc.*, 443 F.2d 1159, 1162 (2d Cir. 1971) (“This court attached no special significance to the technical classification of the Green-Jalen relationship.”).

Second, where parties “act in concert,” each such party should be jointly and severally liable for direct infringement under § 271(a). This doctrine applies whenever the parties act in concert to perform the steps that constitute a method claim, whether they are partners, part of a joint enterprise, or have a contractual relationship. Each circumstance is a recognized form of joint liability where the mastermind and the parties acting in concert are liable for their acts. *See, e.g.*, 1 U.S.C. § 1 (“whoever” in § 271(a) must be construed as including single or plural actors); Restatement (Second) of Torts §§ 876, 877; Restatement (Second) of Agency § 212 (1958); *Prosser & Keeton on Torts* §§ 46, 52; *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 435 (1984).

Additionally, a party cannot avoid liability simply by contracting out a step of a claimed method. *BMC*, 498 F.3d at 1381. Such a contractual obligation can also be strong evidence of direction or control or that the parties are acting in concert.

Given the foregoing, coupling § 271(a) to § 271(b) would be an alternative ground supporting judgment in Akamai’s favor.

CONCLUSION

For the foregoing reasons, the petition should be denied.

Respectfully submitted,

ROBERT S. FRANK, JR.
CHOATE, HALL &
STEWART LLP
Two International Pl.
Boston, MA 02110
(617) 248-5207

*Attorney for
Respondent
The Massachusetts
Institute of Technology*

DONALD R. DUNNER
Counsel of Record
KARA F. STOLL
FINNEGAN, HENDERSON,
FARABOW, GARRETT &
DUNNER, LLP
901 New York Avenue,
NW
Washington, DC 20001
(202) 408-4000
don.dunner@finnegan.com

JENNIFER S. SWAN
FINNEGAN, HENDERSON,
FARABOW, GARRETT &
DUNNER, LLP
3300 Hillview Avenue
Palo Alto, CA 94304
(650) 849-6676

*Attorneys for Respondent
Akamai Technologies, Inc.*

April 3, 2013