

* Divided Patent Infringement

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U.S. Patent Litigations

What is a patent?

A limited monopoly, i.e., a right granted by the government to an inventor to exclude others from making, using, selling, importing, or offering an invention for sale for a *fixed* period of time.

What are the eligible subject matters for patent?

Machine, manufacture, composition of matter, process, and improvement thereof.

Where are Patent Litigations taking place in the U.S.?

- * Federal District Courts
- * Court of Appeals for the Federal Circuit (CAFC)
- * U.S. Supreme Court

U.S. Patent Litigations

Key Observations of Patent Litigations in the U.S.

1. Complex

2. Steady Increase

From 5,418 (2012) to 6,092 (2013) - 12.4% increase

Overall # increases from 2005 to 2013 each year

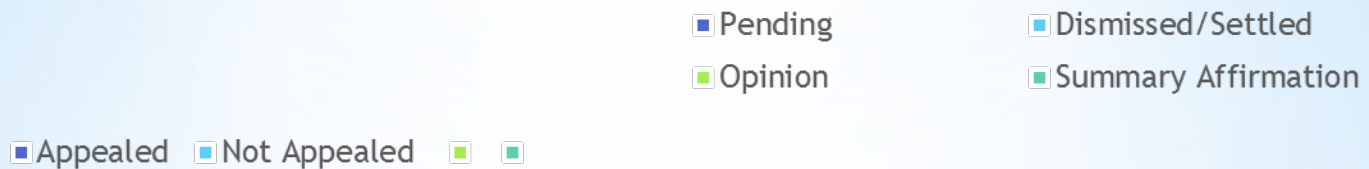
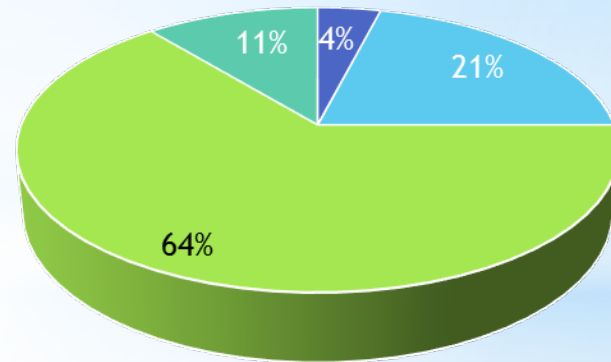
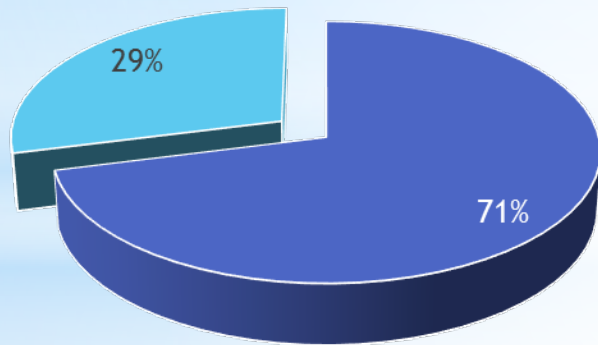
3. Large Awards

- *Apple v. Samsung* - \$1.05 billion (initial verdict)
- *Monsanto v. Du Pont* - \$1 billion

U.S. Patent Litigations

Key Observations of Patent Litigations in the U.S.

4. High Appeal Rate




Divided Patent Infringement

Divided Infringement (Direct v. Indirect)

* *Limelight Networks, Inc. v. Akamai Techs., Inc.*, 134 S. Ct. 2111 (U.S. 2014)

U.S. Patent No. 6,108,703 (the '703 patent).

			
		US006108703A	
United States Patent [19]		[11] Patent Number:	6,108,703
Leighton et al.		[45] Date of Patent:	Aug. 22, 2000
<hr/>			
[54]	GLOBAL HOSTING SYSTEM	5,933,832	8/1999 Suzuoka et al. 707/101
		5,945,989	8/1999 Freishtat et al. 345/329
[75]	Inventors: F. Thomson Leighton , Newtonville; Daniel M. Lewin , Cambridge, both of Mass.	5,956,716	9/1999 Kenner et al. 707/10
		5,961,596	10/1999 Takubo et al. 709/224
		5,991,809	11/1999 Kriegsman 709/226
		6,003,030	12/1999 Kenner et al. 707/10
[73]	Assignee: Massachusetts Institute of Technology , Cambridge, Mass.	6,006,264	12/1999 Colby et al. 709/226
FOREIGN PATENT DOCUMENTS			
[21]	Appl. No.: 09/314,863	2202572	10/1998 Canada .
		865180A2	9/1998 European Pat. Off. .
[22]	Filed: May 19, 1999	9804985	2/1998 WIPO .
OTHER PUBLICATIONS			
[60]	Provisional application No. 60/092,710, Jul. 14, 1998.	Shaw, David M. "A Low Latency, High Throughput Web Service Using Internet-wide Replication." Department of Computer Science, Johns Hopkins University, Aug. 1998, 33 pgs.	
[51]	Int. Cl. ⁷ G06F 13/00		
[52]	U.S. Cl. 709/226; 709/105; 709/219; 709/223; 709/224; 709/235		
[58]	Field of Search 707/10, 2, 104, 707/203, 500, 501, 511, 512, 513, 515;	(List continued on next page.)	

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Claim 19 of '703 Patent:

19. A content delivery service, comprising:

replicating a set of page objects across a wide area network of content servers managed by a domain other than a content provider domain;

for a given page normally served from the content provider domain, **tagging the embedded objects** of the page so that requests for the page objects resolve to the domain instead of the content provider domain;

responsive to a request for the given page received at the content provider domain, serving the given page from the content provider domain; and

serving at least one embedded object of the given page from a given content server in the domain instead of from the content provider domain.

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Claim 34 of '703 Patent:

34. A content delivery method, comprising:

distributing a set of page objects across a network of content servers managed by a domain other than a content provider domain, wherein the network of content servers are organized into a set of regions;

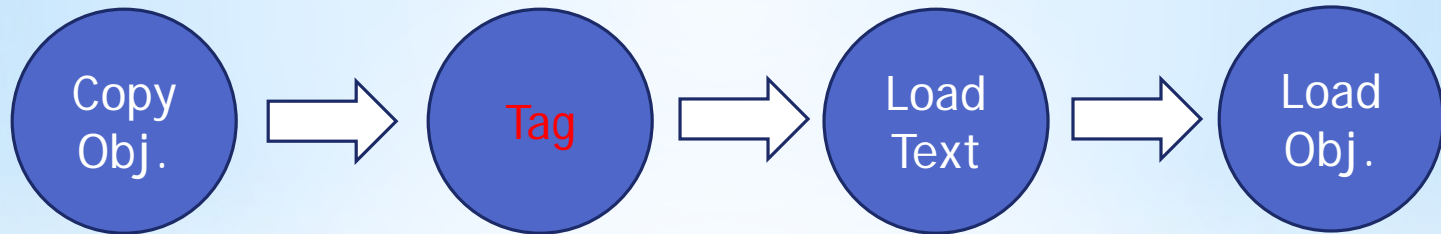
for a given page normally served from the content provider domain, **tagging at least some of the embedded objects** of the page so that requests for the objects resolve to the domain instead of the content provider domain;

in response to a client request for an embedded object of the page: resolving the client request as a function of a location of the client machine making the request and current Internet traffic conditions to identify a given region; and

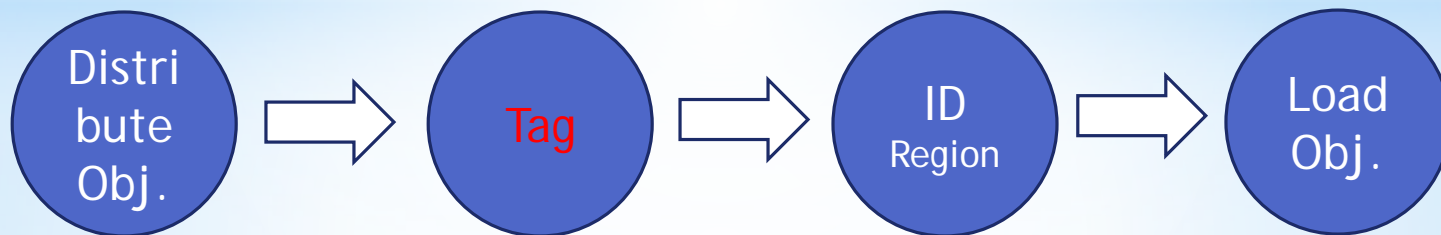
returning to the client an IP address of a given one of the content servers within the given region that is likely to host the embedded object and that is not overloaded.

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Claim 19 of '703 Patent:



Claim 34 of '703 Patent:



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Statute (35 U.S.C. §271)

- a) [...] whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

- b) Whoever actively induces infringement of a patent shall be liable as an infringer.

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Some Ground Rules from Case Law

- * There can be no indirect infringement without direct infringement.
- * Liability for direct infringement requires performance of all steps of a method patent by a single party. Where there are multiple parties, a single party must exercise control or direction over others over the entire process. *Muniauction, Inc. v. Thomson Corp.*, 532 F. 3d 1318 (Fed. Cir. 2008)
- * Control or direction can be found in an agency relationship between the parties who perform the method steps, or when one party is contractually obligated to the others to perform the steps. *Id.*
- * Where a participant does not directly infringe, he may still be liable under indirect infringement (i.e., induced infringement, contributory infringement).
- * In order to support a finding of induced infringement, not only must the inducement give rise to direct infringement, but in addition the direct infringement must be committed by a single actor. *BMC Resources, Inc. v. Paymentech, L.P.*, 498 F.3d 1373 (Fed. Cir. 2007).

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Issue

Can a party be liable for inducing infringement under *35 U.S.C. § 271(b)* when no one had directly infringed the patent under *35 U.S.C. § 271(a)* or any other statutory provision?

Holdings by CAFC

YES!

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Why and How?

1. The single entity rule set by *Muniauction* restricts finding of Direct Infringement;
2. CAFC tried to resolve this dilemma by splitting the finding of direct infringement from establishing infringement liability:

“Requiring 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.”

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Two anomalies

“there is no reason to treat the two inducers differently. In particular, there is no reason to hold one inducer who has induced one party to commit infringement liable but hold another who has induced multiple parties harmless.”

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

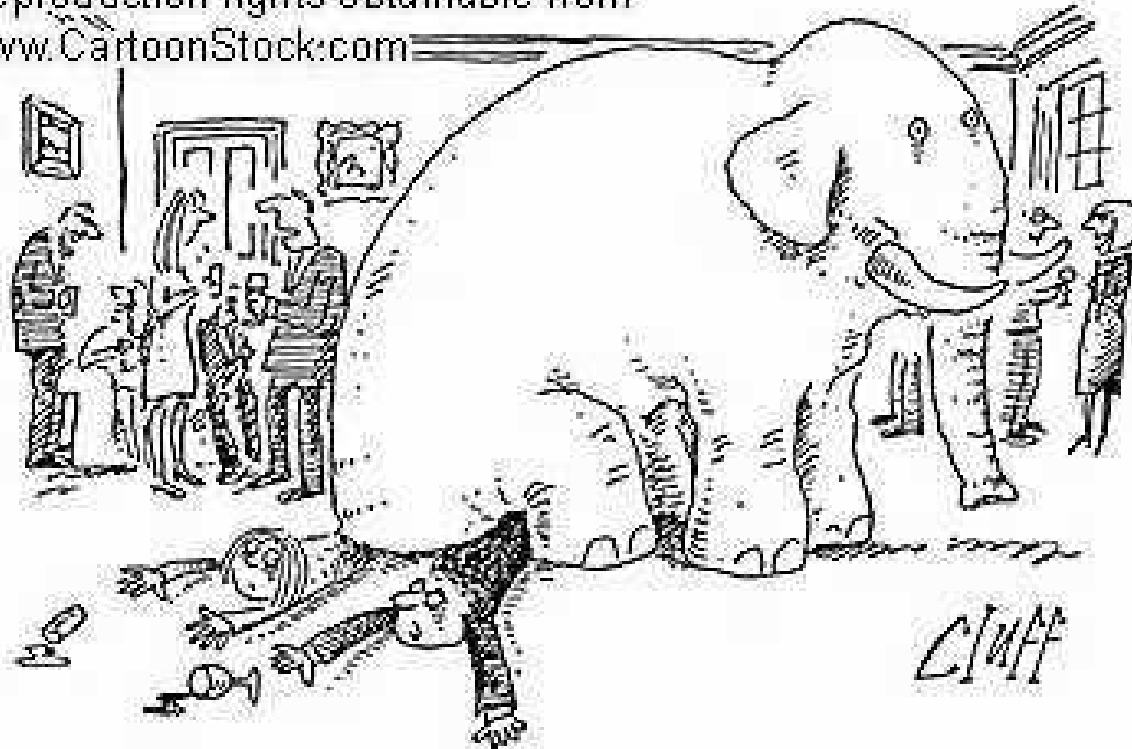
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After *Akamai v. Limelight* (Fed. Cir. 2012)

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- * Control or direction can be found in an agency relationship between the parties who perform the method steps, or when one party is contractually obligated to the others to perform the steps. *Id.*
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"HAVE YOU NOTICED IT, TOO?"

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S. Ct. Holdings

1. CAFC's decision in *Akamai* contradicts its own in *Muniauction*. Assuming CAFC's holding in *Muniauction* is correct, then there is no infringement here since the performance of all steps is not attributable to a single entity.
2. CAFC's decision will cause confusion and unpredictable for lower courts to follow;
3. If Congress wishes to impose liability for inducing activity that does not itself constitute direct infringement, it knows precisely how to do so.
4. The current anomaly that one may evade liability through divided performance of a claimed process is the natural result of *Muniauction*.

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Takeaways from *Akamai*

Method Claims

1. Keep the recited steps in a claim to the minimum
2. Claim method steps undertaken in response to steps taken by 3rd parties

Consider re-writting the tagging step in '703 patent's claim 19

"for a given page normally served from the content provider domain, **tagging the embedded objects** of the page so that requests for the page objects resolve to the domain instead of the content provider domain;"

as

"for a given page normally served from the content provider domain, **obtaining information of** [[tagging]] the embedded objects of [[the]] **an identified** page so that requests for the page objects resolve to the domain instead of the content provider domain;

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Takeaways from *Akamai*

System Claims

1. Pair method claims with System Claims; and
2. Target end user as 3rd party infringer

“Use” of a claimed system means

- 1) the system as a whole must be put into service; and
- 2) the actor exercises control and obtain benefit from the system

Questions?

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Thank you!

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