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U.S. Court Sets High Bar For Joint Infringement Of Method Claims

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The U.S. Court of Appeals for the Federal Circuit issued its remand decision in *Akamai Technologies, Inc. v. Limelight Networks, Inc.*, and this time affirmed the district court decision that Limelight was not liable for infringement of Akamai's patents because Limelight had not performed each step of the method claims and was not responsible for the actions of its customers. The decision sets a high bar for joint infringement of method claims, requiring a principal-agent relationship, contractual relationship, or joint enterprise to hold a party liable for the actions of another.

Liability For U.S. Patent Infringement

Liability for U.S. patent infringement is provided for in 35 USC § 271. Paragraph (a) defines direct infringement:

> (a) Except as otherwise provided in this title, 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.

Paragraph (b) defines vicarious liability for induced infringement:

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

Paragraph (c) defines vicarious liability for contributory infringement:

> (c) Whoever offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.

In the case at issue, although Limelight did not perform all of the steps of the claimed methods, Akamai argued that it should be liable for infringement because Limelight's customers carried out the other steps. In the first Federal Circuit decision, the court found Limelight liable for induced infringement, but the Supreme Court granted *certiorari* and held that Limelight could not be held liable for induced infringement unless there also was direct infringement. In this remand decision,

the Federal Circuit considered whether Limelight could be liable for direct infringement.

The Federal Circuit Decision

The Federal Circuit decision was authored by Judge Linn and joined by Judge Prost. Judge Moore wrote a dissenting opinion.

Judge Linn sets forth the majority's decision early in the opinion:

> [D]irect infringement liability of a method claim under 35 U.S.C. § 271(a) exists when all of the steps of the claim are performed by or attributed to a single entity—as would be the case, for example, in a principal-agent relationship, in a contractual arrangement, or in a joint enterprise. Because this case involves neither agency nor contract nor joint enterprise, we find that Limelight is not liable for direct infringement.

Referring to Akamai's arguments, the majority opinion states:

> Encouraging or instructing others to perform an act is not the same as performing the act oneself and does not result in direct infringement.

The majority notes that encouraging infringement can give rise to liability for ***induced*** infringement, but as the Supreme Court held when it heard this case, an essential predicate for induced infringement is "a finding that some party is directly liable for the entire act of direct infringement."

> Applying these principles to the facts of the case, and placing the burden of proper patent claiming on the patent holder, the majority states:
> In the present case, the asserted claims were drafted so as to require the activities of both Limelight and its customers for a finding of infringement. Thus, Akamai put itself in a position of having to show that the allegedly infringing activities of Limelight's customers were attributable to Limelight. Akamai did not meet this burden because it did not show that Limelight's customers were acting as agents of or otherwise contractually obligated to Limelight or that they were acting in a joint enterprise when performing the tagging and serving steps. Accordingly,we affirm the district court's grant of Limelight's motion for JMOL of non-infringement under § 271(a).

Caveat Claim Drafter

The principle that method claims should be drafted to have a single infringer is not new to patent practitioners, but it is not always easy to implement, especially when patent examiners condition allowance on additional method steps. Applicants should be wary of accepting such compromises if it is not likely that every step of the claimed method will be performed by or under the direction and control of the same entity.

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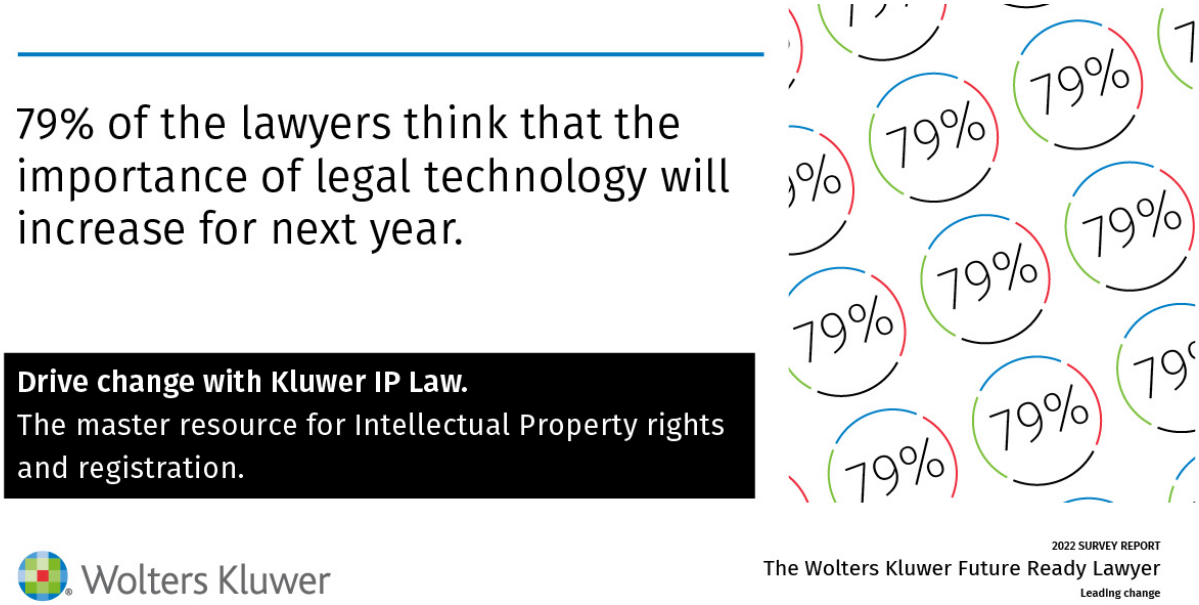

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