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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**

**PETITION FOR A WRIT OF CERTIORARI**

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## QUESTION PRESENTED

Akamai holds a patent claiming a method involving redirecting requests for Internet content and selecting optimal servers. The Federal Circuit acknowledged that neither Limelight nor customers using Limelight's service directly infringe Akamai's patent under 35 U.S.C. § 271(a) because no one performs all the steps of the patented method. App. 6a, 30a. The Federal Circuit nevertheless held that Limelight could be liable, under 35 U.S.C. § 271(b), for inducing infringement if (1) it knew of Akamai's patent; (2) it performed all but one of the steps of the method; (3) it induced its customers to perform the final step of the claimed method; and (4) the customers performed that step. App. 30a. The question presented is:

Whether the Federal Circuit erred in holding that a defendant may be held liable for inducing patent infringement under 35 U.S.C. § 271(b) even though no one has committed direct infringement under § 271(a).

**PARTIES TO THE PROCEEDINGS**

Petitioner Limelight Networks, Inc. was the defendant and the cross-appellant below.

Respondents Akamai Technologies, Inc. and the Massachusetts Institute of Technology were the plaintiffs and the appellants below.

**CORPORATE DISCLOSURE STATEMENT**

Pursuant to Rule 29.6 of the Rules of this Court, petitioner Limelight Networks, Inc. states the following:

Limelight Networks, Inc. is a publicly held company that has no parent company. As of June 2012, Goldman, Sachs & Co. owned 31.45% of the shares of Limelight, and that ownership interest has not materially changed.

## TABLE OF CONTENTS

	Page
QUESTION PRESENTED .....	i
PARTIES TO THE PROCEEDINGS .....	ii
CORPORATE DISCLOSURE STATEMENT .....	iii
TABLE OF AUTHORITIES .....	vi
OPINIONS BELOW .....	1
JURISDICTION.....	1
STATUTORY PROVISIONS INVOLVED .....	1
STATEMENT.....	2
REASONS FOR GRANTING THE PETITION.....	15
I. THE FEDERAL CIRCUIT'S HOLDING CONFLICTS WITH THIS COURT'S PRECEDENT, THE STATUTORY TEXT, AND BASIC LIABILITY PRINCIPLES.....	16
A. The Decision Below Is Irreconcilable with the "Fundamental Precept" That There Can Be No Indirect Infringe- ment in the Absence of Direct Infringe- ment Under § 271(a).....	16
B. The Federal Circuit's Decision Can- not Be Squared with the Text of the Patent Act .....	21
C. The Majority's Analogies to Criminal Law and General Tort Law Do Not Support Its Result.....	27
II. THE FEDERAL CIRCUIT'S JUDG- MENT CREATES UNACCEPTABLE DOCTRINAL UNCERTAINTY, INVIT- ING COSTLY LITIGATION OVER INTERACTIVE METHOD PATENTS.....	29

CONCLUSION.....	34
APPENDIX:	
<i>En Banc</i> Opinion of the United States Court of Appeals for the Federal Circuit, <i>Akamai     Techs., Inc. v. Limelight Networks, Inc.</i> , Nos. 2009-1372 et al. (Aug. 31, 2012).....	1a
Panel Opinion of the United States Court of Appeals for the Federal Circuit, <i>Akamai     Techs., Inc. v. Limelight Networks, Inc.</i> , Nos. 2009-1372 et al. (Dec. 20, 2010) .....	100a
Memorandum and Order of the United States District Court for the District of Massachusetts, <i>Akamai Techs., Inc. v. Limelight Networks,     Inc.</i> , Civil Action No. 06-11109-RWZ (Apr. 24, 2009).....	136a
Order Granting Rehearing <i>En Banc</i> of the United States Court of Appeals for the Federal Circuit, <i>Akamai Techs., Inc. v. Limelight Net-     works, Inc.</i> , Nos. 2009-1372 et al. (Apr. 20, 2011) ...	195a
Order Denying in Part and Granting in Part Motion for Reconsideration of the United States Court of Appeals for the Federal Circuit, <i>Akamai Techs., Inc. v. Limelight Networks,     Inc.</i> , Nos. 2009-1372 et al. (Sept. 27, 2012) .....	198a
Statutory Provisions Involved.....	200a
35 U.S.C. § 271 .....	200a
Letter from Supreme Court Clerk regarding grant of extension of time for filing a petition for a writ of certiorari (Nov. 15, 2012) .....	207a

## TABLE OF AUTHORITIES

	Page
CASES	
<i>Akamai Techs., Inc. v. Cable &amp; Wireless Internet Servs., Inc.</i> , 344 F.3d 1186 (Fed. Cir. 2003) .....	3, 4
<i>Aro Mfg. Co. v. Convertible Top Replacement Co.</i> :	
365 U.S. 336 (1961) .....	11, 16, 17, 18, 21, 25
377 U.S. 476 (1964) .....	17
<i>BMC Res., Inc. v. Paymentech, L.P.</i> , 498 F.3d 1373 (Fed. Cir. 2007) .....	7, 8, 9, 10
<i>Central Bank of Denver, N.A. v. First Interstate Bank of Denver, N.A.</i> , 511 U.S. 164 (1994) .....	28
<i>Cimiotti Unhairing Co. v. American Fur Ref. Co.</i> , 198 U.S. 399 (1905) .....	32
<i>Circuit City Stores, Inc. v. Adams</i> , 532 U.S. 105 (2001) .....	24
<i>Civix-DDI, LLC v. Hotels.com, LP</i> , No. 05 C 6869, 2012 WL 5383268 (N.D. Ill. Nov. 1, 2012) .....	31
<i>Dawson Chem. Co. v. Rohm &amp; Haas Co.</i> , 448 U.S. 176 (1980) .....	17
<i>Deepsouth Packing Co. v. Laitram Corp.</i> , 406 U.S. 518 (1972) .....	11, 16, 17, 18, 19, 21, 23, 24
<i>Driessen v. Sony Music Entm't</i> , No. 2:09-CV-0140-CW, 2012 WL 5293039 (D. Utah Oct. 23, 2012) .....	31-32
<i>Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.</i> , 535 U.S. 722 (2002) .....	34

<i>Fromson v. Advance Offset Plate, Inc.</i> , 720 F.2d 1565 (Fed. Cir. 1983) .....	10, 26
<i>General Motors Corp. v. Devex Corp.</i> , 461 U.S. 648 (1983) .....	26
<i>Global-Tech Appliances, Inc. v. SEB S.A.</i> , 131 S. Ct. 2060 (2011) .....	16, 19, 20, 21, 30
<i>Henry v. A.B. Dick Co.</i> , 224 U.S. 1 (1912) .....	11
<i>Janus Capital Group, Inc. v. First Derivative Traders</i> , 131 S. Ct. 2296 (2011) .....	28
<i>KSR Int'l Co. v. Teleflex Inc.</i> , 550 U.S. 398 (2007) .....	4
<i>Mayo Collaborative Servs. v. Prometheus Labs., Inc.</i> , 132 S. Ct. 1289 (2012) .....	31
<i>McKesson Techs., Inc. v. Epic Sys. Corp.</i> , 463 F. App'x 906 (Fed. Cir. 2011) .....	9, 10, 13
<i>Mercoind Corp. v. Mid-Continent Inv. Co.</i> , 320 U.S. 661 (1944) .....	17
<i>Muniauction, Inc. v. Thomson Corp.</i> , 532 F.3d 1318 (Fed. Cir. 2008) .....	8, 9
<i>Peerless Equip. Co. v. W.H. Miner, Inc.</i> , 93 F.2d 98 (7th Cir. 1937) .....	25, 26
<i>Prism Techs., LLC v. McAfee, Inc.</i> , No. 8:10CV220, 2012 WL 5385210 (D. Neb. Nov. 1, 2012) .....	31
<i>Solva Waterproof Glue Co. v. Perkins Glue Co.</i> , 251 F. 64 (7th Cir. 1918) .....	25, 26
<i>Travel Sentry, Inc. v. Tropp</i> , Nos. 2011-1023 & 2011-1367, 2012 WL 5382736 (Fed. Cir. Nov. 5, 2012) .....	31
<i>Warner-Jenkinson Co. v. Hilton Davis Chem. Co.</i> , 520 U.S. 17 (1997) .....	30

## STATUTES

Patent Act (35 U.S.C.) .....	1, 15, 16, 18, 19, 21, 22, 23, 24
35 U.S.C. § 271 .....	21
35 U.S.C. § 271(a) .....	6, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 27, 28
35 U.S.C. § 271(b) .....	11, 12, 13, 15, 16, 19, 20, 21, 22, 25, 27, 28
35 U.S.C. § 271(c) .....	15, 17, 25, 26
35 U.S.C. § 271(e) .....	23
35 U.S.C. § 271(e)(2) .....	23
35 U.S.C. § 271(f) .....	23
35 U.S.C. § 271(f)(1) .....	23
35 U.S.C. § 271(f)(2) .....	24
35 U.S.C. § 271(g) .....	23
35 U.S.C. § 281 .....	22, 23
18 U.S.C. § 2(a) .....	27
18 U.S.C. § 2(b) .....	27
28 U.S.C. § 1254(1) .....	1

## LEGISLATIVE MATERIALS

<i>Contributory Infringement: Hearings on H.R. 3866 Before Subcomm. No. 4 of the H. Comm. on the Judiciary, 81st Cong. (1949)</i> .....	25
---	----

<i>Patent Law Codification and Revision: Hearings on H.R. 3760 Before Subcomm. No. 3 of the H. Comm. on the Judiciary, 82d Cong. (1951)</i> .....	25
---	----

## OTHER MATERIALS

James Bessen & Michael J. Meurer, <i>Patent Failure</i> (2008) .....	33
Julie E. Cohen & Mark A. Lemley, <i>Patent Scope and Innovation in the Software Industry</i> , 89 Cal. L. Rev. 1 (2001) .....	32-33
Nicole D. Galli & Edward Gecovich, <i>Cloud Computing and the Doctrine of Joint Infringement: 'Current Impact' and Future Possibilities</i> , 11 J. Marshall Rev. Intell. Prop. L. 673 (2012) .....	33
Mark A. Lemley et al., <i>Divided Infringement Claims</i> , 6 Sedona Conf. J. 117 (2005) .....	32
Stephen McJohn, <i>Scary Patents</i> , 7 Nw. J. Tech. & Intell. Prop. 343 (2009) .....	32, 33
Restatement of Torts (1938) .....	28
Restatement (Second) of Torts (1979) .....	28
Robert E. Thomas, <i>Debugging Software Patents: Increasing Innovation and Reducing Uncertainty in the Judicial Reform of Software Patent Law</i> , 25 Santa Clara Computer & High Tech. L.J. 191 (2008-09) .....	33

Petitioner Limelight Networks, Inc. respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

#### OPINIONS BELOW

The *en banc* opinion of the court of appeals (App.<sup>1</sup> 1a-99a) is reported at 692 F.3d 1301. The initial panel opinion of the court of appeals (App. 100a-135a) is reported at 629 F.3d 1311. The memorandum and order of the district court granting judgment to petitioner as a matter of law on the issue of infringement (App. 136a-194a) is reported at 614 F. Supp. 2d 90.

#### JURISDICTION

The court of appeals granted a petition for rehearing *en banc* on April 20, 2011 (App. 195a-197a), and the *en banc* court of appeals entered its judgment on August 31, 2012. The court of appeals denied a motion for reconsideration in relevant part on September 27, 2012. App. 198a-199a. On November 15, 2012, Chief Justice Roberts extended the time for filing a certiorari petition to December 28, 2012. App. 207a. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

#### STATUTORY PROVISIONS INVOLVED

Relevant provisions of the Patent Act are reproduced at App. 200a-206a.

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<sup>1</sup> References to "App. \_\_a" are to the appendix bound together with this petition; references to "A\_\_" are to the appendix filed in the Federal Circuit.

## STATEMENT

1. This case involves technology for alleviating Internet congestion by delivering content from multiple alternative servers. A web page is typically made up of a base document and “embedded objects” such as graphics, text, audio, and video. The web page is identified by an address known as a uniform resource locator or URL (*e.g.*, <http://www.supremecourt.gov>); each embedded object typically has its own URL (*e.g.*, [http://www.supremecourt.gov/oral\\_arguments/argument\\_transcripts/10-1491rearg.pdf](http://www.supremecourt.gov/oral_arguments/argument_transcripts/10-1491rearg.pdf)). Specific devices on the Internet are identified using a numerical Internet Protocol (“IP”) address. A domain name system server or “DNS server” translates the “hostname” portion of URLs – for example, [www.supremecourt.gov](http://www.supremecourt.gov) – into corresponding IP addresses, a process known as “resolving.” When a user enters a URL into a computer web browser, the browser extracts the hostname from the URL and sends a request to a DNS server to resolve the hostname into an IP address. Once the browser obtains the IP address, it can send a request for content to the server storing the desired web page. *See generally* App. 101a-102a.

A web page may be stored on the content provider’s server, known as an “origin” or “host” server. Early in the history of the Internet, congestion problems surfaced when numerous requests for the same web page object were received by the origin server at the same time. A number of techniques were developed to address Internet congestion, including “redirection,” in which a user’s request is redirected to an alternative server that maintains a copy of the same content object that is on the origin server. Redirection also often utilizes a process of “load balancing,”

to ensure that requests for content are directed to servers based on such criteria as distance from the requesting location or server load. Akamai did not invent these techniques. *See Akamai Techs., Inc. v. Cable & Wireless Internet Servs., Inc.*, 344 F.3d 1186, 1189-90 (Fed. Cir. 2003).

Using these techniques, service providers are able to create networks of servers that store and serve content for content providers; such networks are known as “content delivery networks” or CDNs. Akamai, after suing and then acquiring two of its competitors, has a near monopoly on CDN service, with 75% of the market. Limelight is the leading challenger. This lawsuit began, without warning, in 2006, the day after Limelight informed Akamai that it would not agree to Akamai’s proposal to acquire Limelight.

2. The only patent still at issue is U.S. Patent No. 6,108,703, a “Global Hosting System” for web content (the “’703 patent”). A263-77. The first claim of the patent describes a system that allows a content provider to continue to serve a web page base document while directing requests for embedded objects contained in its web page to a CDN. In 2003, in a suit by Akamai against a different defendant, the Federal Circuit ruled that Claims 1 and 3 of the ’703 patent were invalid because they were anticipated by U.S. Patent No. 6,185,598 (the “’598 patent”). *See Akamai*, 344 F.3d at 1194-95. The ’598 patent, like the ’703 patent, is directed to a system for increasing the accessibility of web pages on the Internet, including by redirecting requests for embedded objects. Akamai, in the 2003 case, did not contest that the ’598 patent was prior art; it argued, however, that the difference between the two patents

was that the '703 patent disclosed placement of load-balancing software at the DNS server, rather than at the origin server (as in the '598 patent). *Id.* at 1193. The Federal Circuit ruled that Claims 1 and 3 of the '703 patent did not require any particular load-balancing mechanism and therefore were anticipated. *Id.* at 1194-95.

The Federal Circuit upheld the validity of two other claims because they included load-balancing software on the DNS server. The court recognized that use of load-balancing software at a DNS server was also old technology: Cisco had disclosed it as early as 1997. But the court – considering the question prior to *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007) – held that the defendant had not met its burden of showing that “no reasonable jury could have found” the claims nonobvious. 344 F.3d at 1196.

3. Akamai sued Limelight for infringement of three patents, including the '703 patent, all of which share the same specification. Before trial, Akamai stipulated that it could not prove infringement of one of the patents based on the district court's claim constructions; the district court also entered summary judgment of non-infringement of a second patent. (The judgments of non-infringement of these two patents were affirmed by the panel; the *en banc* court, after initially vacating, restored those judgments.)

At trial, Akamai claimed that Limelight infringed two independent and two dependent method claims of the '703 patent. Each of the claims includes the step of “tagging at least some of the embedded objects” of a web page. The term “tagging” is not used in the specification; the court of appeals noted that “tagging” refers to the “process of modifying an

embedded object's URL to link to an object on” the CDN. App. 104a.<sup>2</sup>

For example, independent Claim 19 claims a “content delivery service” that includes four steps: (1) replicating embedded objects across a network of content servers on the content delivery network; (2) “tagging the embedded objects of the page so that requests for the page objects resolve to the [CDN provider's] domain instead of the content provider domain”; (3) serving the base page from the content provider domain; and (4) serving at least one embedded object from the CDN provider's domain. A276.<sup>3</sup>

4. Limelight's CDN service allows a content provider to request that Limelight's CDN deliver certain embedded objects rather than delivering the content itself. A573-74:71-74. In each case, the customer decides whether it wants Limelight to deliver particular objects. A570-71:61-65; A587:122. If a customer chooses to use Limelight to deliver some or all of the objects on its web page, the

<sup>2</sup> The court made clear that the “only method” for tagging an embedded object described in the patent is to “prepend” the new hostname onto the embedded object URL. App. 127a. The specification gives the example of an original embedded-object URL `www.provider.com/TECH/images/space.story.gif`, which could be modified by prepending a new “hostname” to the URL: `ghost1467.ghosting.akamai.com/www.provider.com/TECH/images/space.story.gif`. Limelight's method does not involve such prepending. Limelight argued before the Federal Circuit that this provided an alternative ground for affirmation, but the court of appeals declined to address the issue, leaving it for the district court on remand. *See* App. 199a.

<sup>3</sup> Dependent Claims 20 and 21 add additional steps related to server selection. Independent Claim 34 omits the serving steps and includes steps related to selection of a content server based on the requesting party's location and network load.

customer creates URLs for those objects that include a hostname provided by Limelight or, alternatively, modifies the existing URLs for those objects by replacing the original hostname with a hostname provided by Limelight. A570:58; A587:121-23. As a result, when an Internet user requests those objects, the request is sent to Limelight rather than to the customer's content servers. A570:58-61; A587:121-22.

On an object-by-object basis, customers select which objects to ask Limelight to deliver, to ask another CDN to deliver, or to deliver themselves. A570:59-61; A586:119. The customer controls who delivers its content and can direct requests for content alternatively to Limelight and to competing CDNs, such as Akamai, on an object-by-object basis. A570-71:60-65; A442:39-40. See also App. 113a ("the customers decide what content, if any, they would like delivered by Limelight's CDN").

5. At trial, Akamai pursued claims of *direct* infringement – that is, infringement under 35 U.S.C. § 271(a) – only.<sup>4</sup> Because Limelight does not modify the URLs of the embedded objects on the content provider's website, Akamai's "theory of infringement [was] joint infringement." Akamai Panel Br. 4 (Sept. 15, 2009). Akamai argued that Limelight and its customers jointly infringed the patent because,

<sup>4</sup> Akamai expressly waived any claim of indirect infringement to obtain exclusion of rulings from prior litigation involving the '703 patent, including rulings regarding invalidity of certain claims. Claims of indirect infringement accordingly were not at issue either before the panel or in Akamai's *en banc* petition.

together, they carried out all of the steps of the claimed methods.<sup>5</sup>

a. At the time of trial, the Federal Circuit had recently decided *BMC Resources, Inc. v. Paymentech, L.P.*, 498 F.3d 1373 (Fed. Cir. 2007), which also involved a theory of "joint infringement." In *BMC*, the patent claimed a method for processing debit-card transactions. *Id.* at 1375. The defendant carried out certain steps of the method; its customers and financial institutions, in using the defendant's service, carried out the remaining steps. The district court held on summary judgment that the defendant did not directly infringe, and the Federal Circuit affirmed. It noted that "[i]nfringement requires, as it always has, a showing that a defendant has practiced each and every element of the claimed invention." *Id.* at 1380. To attribute the conduct of another party to the defendant for purposes of proving direct infringement of a method claim, the court held, the patent-holder would have to prove that the defendant exercised "control or direction" over the conduct of that third party. *Id.* at 1381. The court "acknowledge[d]" that the standard requiring control or direction for a finding of joint infringement may in some circumstances allow parties to enter into arms-length agreements to avoid infringement," but it held that "this concern does not outweigh concerns over expanding the rules governing direct infringement." *Id.* And it noted that concerns over "avoiding infringement . . . can usually be offset by proper claim drafting." *Id.*

<sup>5</sup> Limelight disputes that *anyone* performs a "tagging" step in connection with its content delivery service. See *supra* note 2.

Based on *BMC*, Akamai sought and received an instruction that allowed the jury to impose liability for direct infringement if “the content provider, when [modifying the embedded object URLs], acts under the direction [or] control of Limelight such that Limelight can properly be deemed to be the one to do it.” A818:20. The jury returned a verdict against Limelight and awarded Akamai more than \$40 million in damages.

b. The district court initially denied Limelight’s motions for judgment as a matter of law. The Federal Circuit then decided *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318 (Fed. Cir. 2008). The patent at issue in *Muniauction* involved electronic methods for conducting bond auctions; the only theory of infringement presented by the plaintiff was “so-called joint infringement” based on actions performed by the defendant and by bidders using its system. *Id.* at 1328; *see id.* at 1321. The court noted that, “where the actions of multiple parties combine to perform every step of a claimed method, the claim is directly infringed only if one party exercises ‘control or direction’ over the entire process such that every step is attributable to the controlling party.” *Id.* at 1329. “[M]ere ‘arms-length cooperation’ will not give rise to direct infringement by any party.” *Id.* In particular, the fact that the defendant “controls access to its system and instructs bidders on its use” is not sufficient to incur liability for direct infringement. *Id.* at 1330.

Relying on *Muniauction*, Limelight moved for reconsideration of the denial of its motion for judgment of non-infringement as a matter of law. Finding Akamai’s theory of liability indistinguishable from the claim the Federal Circuit rejected in *Muniauction*, the

district court granted Limelight’s motion. App. 138a, 193a-194a.

6. A unanimous Federal Circuit panel affirmed. The panel noted that “what is essential” in evaluating a claim of liability for “joint infringement” is “whether the relationship between the parties is such that acts of one may be attributed to the other.” App. 111a. “Implicit in this court’s holdings in *BMC Resources* and *Muniauction* is that the performance of a method step may be attributed to an accused infringer when the relationship between the accused infringer and another party performing a method step is that of principal and agent.” *Id.* “Similarly, . . . joint infringement occurs when a party is contractually obligated to the accused infringer to perform a method step.” App. 111a-112a; *see also* App. 115a. The panel concluded that Akamai failed to make the required showing. App. 116a-117a.

7. The Federal Circuit granted Akamai’s petition for rehearing *en banc*, setting forth the following question to be addressed:

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 (per curiam) (emphasis added).

8. Subsequently, a different panel of the Federal Circuit, with Judge Newman dissenting, affirmed the district court’s summary judgment of non-infringement in *McKesson Technologies, Inc. v. Epic Systems Corp.* The court granted McKesson’s petition for rehearing *en banc*, asking the parties in that case to file briefs addressing two questions:

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 1565 (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 court later ordered argument in Akamai's appeal and in McKesson's appeal to be heard by the *en banc* court on the same date.

9. A fractured *en banc* court issued a single set of opinions covering both cases. Six of 11 active judges joined the per curiam majority.

a. The court noted that, "for a party to be liable for direct patent infringement under 35 U.S.C. § 271(a), that party must commit all the acts necessary to infringe the patent, either personally or vicariously. In the context of a method claim, that means the accused infringer must perform all of the steps of the claimed method, either personally or through another acting under his direction or control. Direct infringement has not been extended to cases in which multiple independent parties perform the steps of the method claim." App. 5a (citations omitted). Relying on *BMC*, the court noted that, although "direct infringement applies when the acts of infringement are committed by an agent of the accused infringer or a party acting pursuant to the accused infringer's direction or control," "[a]bsent an agency relationship between the actors or some equivalent ... a party

that does not commit all the acts necessary to constitute infringement has not been held liable for direct infringement even if the parties have arranged to 'divide' their acts of infringing conduct for the specific purpose of avoiding infringement liability." App. 6a.

The court declined "to revisit any of those principles regarding the law of divided infringement as it applies to liability for direct infringement under 35 U.S.C. § 271(a)." *Id.*

b. The court then turned to the question of inducement to infringe under 35 U.S.C. § 271(b). The court stated that, 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.

The court acknowledged that "inducement gives rise to liability only if the inducement leads to actual infringement. That principle, that there can be no indirect infringement without direct infringement, is well settled." App. 8a (citing *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 526 (1972); *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 341 (1961); *Henry v. A.B. Dick Co.*, 224 U.S. 1, 12 (1912)). The court stated, 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. If a party has knowingly induced others to commit the acts necessary to infringe the

plaintiff's patent and those others commit those acts, there is no reason to immunize the inducer from liability for indirect infringement simply because the parties have structured their conduct so that no single defendant has committed all the acts necessary to give rise to liability for direct infringement." App. 9a.

The majority rejected the dissent's objection that "the approach we adopt today has the effect of 'defin[ing] direct infringement differently for the purposes of establishing liability under § 271(a) and (b).'" App. 20a (alteration in original). The court held that "[s]ection 271(a) does not define the term 'infringement.' Instead, it simply sets forth a type of conduct that qualifies as infringing." *Id.* "Section 271(b) sets forth another type of conduct that qualifies as infringing. . . . But nothing in the text of either subsection suggests that the act of 'infringement' required for inducement under section 271(b) must qualify as an act that would make a person liable as an infringer under section 271(a)." *Id.*

c. The court held that, "although the jury found that the content providers acted under Limelight's direction and control, the trial court correctly held that Limelight did not direct and control the actions of the content providers as those terms have been used in this court's direct infringement cases." App. 30a. The court nevertheless held that, "under the principles of inducement laid out above, 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 pro-

viders in fact performed that final step." *Id.* The court acknowledged that "the patentee in *Akamai*" – unlike the patentee in *McKesson*, the companion case – "did not press its claim of induced infringement at trial." *Id.* The court nevertheless indicated that Akamai's express waiver did not bar it from seeking to gain "the benefit of this court's ruling" on remand. *Id.*

10. Judge Linn, joined by Judges Dyk, Prost, and O'Malley, dissented. The dissent accused the court of "assum[ing] the mantle of policy maker":

[The court] has decided that the plain text of § 271(a) and (b) fails to accord patentees certain extended rights that a majority of this court's judges would prefer that the statute covered. To correct this situation, the majority effectively rewrites these sections, telling us that the term 'infringement' was not, as was previously thought, defined by Congress in § 271(a), but instead can mean different things in different contexts.

App. 69a (Linn, J., dissenting). The dissent noted that the "majority's approach is contrary to both the Patent Act and to the Supreme Court's longstanding precedent." *Id.* "Under the majority's approach, if two or more parties independently practice the elements of a claim, an act of 'infringement' to support a charge of induced infringement under § 271(b) has occurred. The problem with that approach is that there is no statutory basis for concluding that such independent acts constitute infringement and no basis for asserting a cause of action for infringement against any of those independent parties." App. 79a (citation omitted). "There is no tort for inducing an act that is something less than an

infringement, and thus *not* itself wrongful, tortious, or a breach of duty.” App. 90a.

11. Judge Newman also dissented. She noted that the majority had made “dramatic changes in the law of infringement” and that the court’s “new ‘inducement-only rule’ . . . is not in accordance with statute, precedent, and sound policy . . . and contains vast potential for abuse.” App. 31a (Newman, J., dissenting). “[A]n inducement-only rule has never been held, in any case. It has no foundation in statute, or in two centuries of precedent.” App. 33a. “For all forms of indirect infringement liability, it is necessary to establish that the claimed invention is directly infringed.” App. 49a. “When the performance of the claim steps is not unlawful, the inducer cannot be liable for inducing infringement.” App. 50a. Judge Newman would have held that, as long as all steps of a method claim are performed “whether by a single entity or in interaction or collaboration,” all parties are liable for direct infringement; “[r]emedies are then allocated as appropriate to the particular case.” App. 68a.

12. Limelight filed a motion for reconsideration and clarification that was denied in relevant part. App. 198a-199a.

## REASONS FOR GRANTING THE PETITION

The Federal Circuit has created a new basis for patent-infringement liability that conflicts with this Court’s precedents and the Patent Act. Section 271(a) defines conduct that *directly* infringes a patentee’s exclusive rights. Sections 271(b) and (c) define statutory bases for extending liability to one who does not directly infringe but who, with specific intent to bring about infringement, either “actively induces” infringement or contributes to infringement by selling a component specially adapted solely for infringing use. These statutory definitions of *indirect* infringement displaced theories of indirect infringement applied under common law.

The Federal Circuit acknowledged that, to prove that a defendant has *directly* infringed a method patent, a patentee must show that the defendant performed every step of the claimed method. A bare majority of the court nevertheless held that a defendant may be liable for *indirect* infringement if a patentee can show that the defendant, with knowledge of the patent, intentionally caused some group of independent actors – none of whom performs all of the steps of the method and none of whom is liable for direct infringement – *collectively* to perform all the method steps.

That decision conflicts with this Court’s holding that no defendant can be liable for indirect infringement in the absence of proof of direct infringement. It is irreconcilable with the text and structure of the Patent Act, which does not distinguish between direct infringement that violates § 271(a) and direct infringement that provides a predicate for claims of inducement under § 271(b). It ignores the nature of the intellectual property rights embodied in a patent,

which grants enumerated rights to exclude that do not depend on the intent of the infringer but that also do not extend beyond the boundaries established in the patent claims and the express terms of the Patent Act.

By undermining important pillars of patent doctrine, the decision disturbs settled expectations of the inventive community, creating enormous uncertainty. The decision also greatly increases the *in terrorem* effect of and litigation involving interactive method patents, which are often abstract and lack well-defined claim boundaries. Such a basic change to the patent law must come, if at all, from Congress, not from the Federal Circuit.

#### I. THE FEDERAL CIRCUIT'S HOLDING CONFLICTS WITH THIS COURT'S PRECEDENT, THE STATUTORY TEXT, AND BASIC LIABILITY PRINCIPLES

##### A. The Decision Below Is Irreconcilable with the "Fundamental Precept" That There Can Be No Indirect Infringement in the Absence of Direct Infringement Under § 271(a)

The Federal Circuit's holding that Limelight may be liable, under 35 U.S.C. § 271(b), for inducing infringement of Akamai's patent even though no party directly infringed the patent under § 271(a) conflicts with this Court's holding, repeatedly reaffirmed, that "if there is no *direct* infringement of a patent there can be no [indirect] infringement." *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 341 (1961) ("*Aro I*") (referring to principle as a "fundamental precept" of patent law); *see Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2065 (2011); *Deepsouth Packing Co. v. Laitram Corp.*, 406

U.S. 518, 526 (1972); *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 483 (1964); *see also Dawson Chem. Co. v. Rohm & Haas Co.*, 448 U.S. 176 (1980); *Mercoird Corp. v. Mid-Continent Inv. Co.*, 320 U.S. 661, 677 (1944) (Frankfurter, J., dissenting).

1. In *Aro I*, the plaintiff held a patent on convertible car tops; the defendant sold replacement fabrics knowing that "the purchasers intend[ed] to use the fabric for replacement purposes on automobile convertible tops which are covered by the claims of [the] combination patent." 365 U.S. at 341. This Court held that "manufacture and sale with that knowledge might well constitute contributory infringement under § 271(c), *if, but only if*, such a replacement by the purchaser himself would in itself constitute a *direct* infringement under § 271(a)." *Id.* (first and third emphases added). The Court clarified that "if the purchaser and user could not be *amerced as an infringer* certainly one who sold to him . . . cannot be amerced for contributing to a non-existent infringement." *Id.* (quoting *Mercoird*, 320 U.S. at 674 (Roberts, J., dissenting)) (emphasis added; alteration in original). The Court thus made clear that a necessary predicate for liability for indirect infringement is the existence of direct infringement *under § 271(a)*: unless someone is liable for direct infringement (may be "amerced as an infringer"), no one can be liable for indirect infringement.

This Court applied the same rule in *Deepsouth*. In that case, the respondent held a patent on a shrimp deveiner; sale and use of the petitioner's deveiner infringed the respondent's combination patent. 406 U.S. at 519. The petitioner sought a modification of the injunction against it to permit it to continue to

ship “deveining equipment to foreign customers in three separate boxes, each containing only parts of the 1 3/4-ton machines, yet the whole assemblable in less than one hour.” *Id.* at 524. The Fifth Circuit rejected the request; this Court reversed. It noted that if the petitioner’s conduct “were intended to lead to use of patented deveiners inside the United States its production and sales activity would be subject to injunction as an induced or contributory infringement.” *Id.* at 526. But, the Court held, the petitioner could not be liable for indirect infringement in the absence of direct infringement. Quoting *Aro I*, the Court noted that the Patent Act “defines contributory infringement in terms of direct infringement.” *Id.* (quoting 365 U.S. at 341). Under § 271(a), “it is not an infringement to make or use a patented product outside of the United States.” *Id.* Because the petitioner’s deveiner did not infringe the respondent’s patent until fully assembled, and because that assembly was completed outside of the United States, the petitioner’s conduct did not subject it to liability under the Patent Act.

The holding and analysis of *Deepsouth* are controlling here. *First*, this Court held that, because the petitioner’s conduct did not result in direct infringement of the respondent’s patent by anyone, the petitioner could not be held liable for indirect infringement. *Second*, this Court did not even entertain the argument that the meaning of “infringement” for purposes of assessing potential liability for *indirect* infringement might be broader than the meaning of “infringement” for purposes of assessing liability for *direct* infringement: to the contrary, the fact that § 271(a) defines infringement in terms of activity *in the United States* provided sufficient reason to reject

liability for both direct and indirect infringement based on foreign conduct that would have been infringing had the Patent Act applied. *Third*, this Court rejected the Fifth Circuit’s holding that such a construction of the Patent Act was “artificial” or “technical” or “allow[ed] an intrusion on a patentee’s rights.” *Id.* at 525 (internal quotations omitted). To the contrary, this Court held that it “would require a clear and certain signal from Congress before approving the position of a litigant who . . . argues that the beachhead of privilege is wider, and the area of public use narrower, than courts had previously thought.” *Id.* at 531. The Court left the matter to Congress (which eventually amended the Patent Act to address the issue, *see infra* pp. 23-24).

This Court reaffirmed the basic principle – that liability for indirect infringement requires proof that some party has directly infringed – just two Terms ago in *Global-Tech*. It noted that § 271(b) has two “possible” readings, which differ with respect to the inducer’s state of mind; both such readings, however, *require* that the inducer “lead another to engage in conduct that . . . amount[s] to infringement, *i.e.*, the making, using, offering to sell, selling, or importing of a patented invention. See § 271(a).” 131 S. Ct. at 2065. The Court’s analysis started from the premise that a showing that some party has directly infringed within the meaning of § 271(a) is the necessary first step in showing that some other party induced infringement within the meaning of § 271(b).

2. As the five dissenting judges below recognized, “[t]he majority’s approach” – which permits imposition of liability under § 271(b) even though no party has directly infringed under § 271(a) – “is contrary . . . to the Supreme Court’s longstanding precedent.”

App. 69a (Linn, J., dissenting); *see also* App. 49a (Newman, J., dissenting) (“For all forms of indirect infringement liability, it is necessary to establish that the claimed invention is directly infringed.”). The Federal Circuit expressly held that Akamai failed to prove that Limelight or its customers directly infringed. *See* App. 30a. That determination should have ended the case: because Limelight did not “lead another to engage in conduct that . . . amount[s] to infringement” under § 271(a), *Global-Tech*, 131 S. Ct. at 2065, the prerequisite for liability under § 271(b) is absent.

The Federal Circuit majority attempted to distinguish this Court’s precedents by maintaining that there is a distinction between infringement as defined in § 271(a) and infringement as used in § 271(b): while the *en banc* majority acknowledged that direct infringement under § 271(a) requires that a party “commit all the acts necessary to infringe the patent,” App. 5a, “[n]othing in the text indicates that the term ‘infringement’ in section 271(b)” is so limited, App. 10a. “Rather, ‘infringement’ in this context appears to refer most naturally to the acts necessary to infringe a patent, not to whether those acts are performed by one entity or several.” *Id.*; *see also* App. 24a (suggesting that performance of all method steps by independent entities constitutes “actual infringing conduct” but not infringement under § 271(a)). That analysis conflicts with the plain terms of the statute, as explained below; it also conflicts with this Court’s prior statements and analysis. Most recently, in *Global-Tech*, the Court expressly noted that “infringement” as used in § 271(b) means “the making, using, offering to sell, selling, or importing of a patented invention” – that is, the same conduct that is defined

as infringement in § 271(a). *See* 131 S. Ct. at 2065. In *Deepsouth*, the Court found that the petitioner did not induce infringement because the induced conduct took place overseas and “[t]he statute makes it clear that it is not an infringement to make or use a patented product outside of the United States.” 406 U.S. at 527. That limitation appears in § 271(a), not in § 271(b). And, in *Aro I*, the Court directly stated that a party may be liable for indirect infringement “if, but only if,” it led to “direct infringement under § 271(a).” 365 U.S. at 341 (first and third emphases added).

Without discussing *Global-Tech* or *Deepsouth*, the Federal Circuit dismissed this Court’s statement in *Aro I* as dicta, stating that “it was because the purchaser of the fabric was engaged in repair rather than reconstruction – and thus was not guilty of infringement at all – that the Court found there could be no contributory infringement.” App. 24a. But the same is true here: the Federal Circuit acknowledged that neither Limelight nor its customers were “guilty of infringement at all” because neither performed all the steps of the claimed method. The Federal Circuit majority’s creation – extra-statutory, non-§ 271(a) “infringement” – cannot be reconciled with this Court’s precedents.

#### B. The Federal Circuit’s Decision Cannot Be Squared with the Text of the Patent Act

Even if this Court had not already spoken directly to the question, the Federal Circuit’s holding could not be squared with the text of the Patent Act.

1. Section 271, entitled “Infringement of patent,” begins with § 271(a), which “defines infringement.” App. 72a (Linn, J., dissenting); *see Aro I*, 365 U.S. at 341 (“§ 271(a) of the new Patent Code . . . defines

'infringement'). That is, § 271(a) provides that "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 therefore, *infringes the patent.*" 35 U.S.C. § 271(a) (emphasis added). No other provision in the Patent Act uses the italicized phrase.

Section 271(b) provides that "[w]hoever actively induces *infringement of a patent* shall be liable as an infringer." *Id.* § 271(b) (emphasis added). By its terms, that provision does not purport to define "infringement of a patent" but instead imposes liability on one who "actively induces" such infringing conduct. *See* App. 7a (acknowledging that § 271(b) applies where the defendant actively "induces others to engage in infringing conduct"). Inducement of conduct that does not "infringe the patent" cannot be a basis for liability under § 271(b). *See* App. 73a-74a (Linn, J., dissenting) ("A person who does not practice the entire invention is not liable under subsection (a); a person who actively induces such partial practice is not liable under subsection (b)."). The *en banc* majority's statement that "nothing in the text . . . suggests that the act of 'infringement' required for inducement under section 271(b) must qualify as an act that would make a person liable as an infringer under section 271(a)," App. 20a, ignores the most straightforward reading of the statutory text.

Furthermore, as the dissent noted (App. 79a (Linn, J., dissenting)), the majority's recognition of "actual infringing conduct" for which no party can be held liable "runs directly afoul" of § 281. That provision states that "[a] patentee *shall* have remedy by civil action for infringement of his patent." 35 U.S.C.

§ 281 (emphasis added). If the performance of all steps of a method by various independent parties constituted "infringement," § 281 dictates that the patentee has a remedy. Conversely, once the Federal Circuit acknowledged that the performance of less than all the steps of a method patent is not actionable, even if other parties perform the remaining steps, it should have rejected any claim for indirect infringement as well.

The majority also noted that the Patent Act defines acts of "infringement" that do not give rise to liability under § 271(a). *See* App. 20a-21a (citing §§ 271(e)(2), 271(f)). But, as the dissent noted, "these newer additions do not support the majority; indeed they contradict it." App. 81a (Linn, J., dissenting). "The fact that § 271(e), (f), and (g) identify acts not falling under § 271(a) that are to be treated as infringement confirms that, when Congress intended to cover acts not encompassed within the traditional definition of infringement, it knew how to create an alternative definition thereof." *Id.*

The language and circumstances surrounding the adoption of § 271(f) make the Federal Circuit's extra-statutory improvisation especially jarring. That provision was adopted to respond to this Court's holding in *Deepsouth*, which was perceived as a "loophole." *See* App. 82a. Congress established liability for "actively induc[ing] the combination . . . outside of the United States" of "all or a substantial portion of the components of a patented invention . . . in a manner that would infringe the patent if such combination occurred within the United States." 35 U.S.C. § 271(f)(1). This provision imposes liability for inducement without requiring proof of direct infringement under § 271(a), but only under circumstances defined

by Congress – that is, where the induced conduct would have directly infringed if United States law had applied. *See also id.* § 271(f)(2) (creating comparable analog to contributory infringement).

There is no such statutory basis for the Federal Circuit's imposition of inducement liability in this case: the Federal Circuit should have treated Akamai's potential claim for indirect infringement as this Court treated the respondent's claim in *Deepsouth*. Congress, of course, has the power to expand the scope of patent rights by imposing liability for inducing another to perform less than all the steps of a method patent. But such an expansion of the rights granted under a patent is beyond the courts' proper role – as this Court made clear in *Deepsouth*. *See* 406 U.S. at 531.

2. The Federal Circuit majority reached a contrary result based on testimony in a 1948 congressional hearing proposing that a defendant might be liable for contributory infringement even if no one directly infringed; two pre-1952 court of appeals cases cited for the same proposition; and a prior Federal Circuit decision also purportedly suggesting that possibility. None of these materials supports the result.

*First*, this Court has repeatedly admonished that isolated statements in legislative hearings and committee reports cannot be used to alter the meaning of a statute revealed through its language and structure. *See, e.g., Circuit City Stores, Inc. v. Adams*, 532 U.S. 105, 119-20 (2001); App. 78a (Linn, J., dissenting). That is particularly true here, where the only statement relied on was by a witness in a hearing held two congressional terms prior to the adoption of the 1952 Patent Act, and where the same witness – Giles, later Judge, Rich – later testified that a claim

of contributory infringement *would* require the existence of a direct infringer. When asked, during a later hearing, whether statutory recognition of contributory infringement would “broaden[] the law of patents,” he replied, “[d]efinitely not. As I have told you, *you can always go after the direct infringer*, if you are not misusing.” *Contributory Infringement: Hearings on H.R. 3866 Before Subcomm. No. 4 of the H. Comm. on the Judiciary*, 81st Cong. 19 (1949); *see also Aro*, 365 U.S. at 347 n.1 (Black, J., concurring) (“I should state at the outset that wherever there is a contributory infringement there is somewhere something called direct infringement, and to that direct infringement someone has contributed.”) (quoting *Patent Law Codification and Revision: Hearings on H.R. 3760 Before Subcomm. No. 3 of the H. Comm. on the Judiciary*, 82d Cong. 151 (1951) (testimony of G. Rich)). The result in this case, by contrast, is to broaden method patents to impose liability for indirect infringement even though no party is a direct infringer.

*Second*, neither *Peerless Equipment Co. v. W.H. Miner, Inc.*, 93 F.2d 98 (7th Cir. 1937), nor *Solva Waterproof Glue Co. v. Perkins Glue Co.*, 251 F. 64 (7th Cir. 1918), provides a basis for disregarding the language of the statute and this Court's precedents. As the dissent below noted, by “expressly defining” the elements of indirect-infringement claims under § 271(b) and (c), Congress “clear[ed] away the morass of multi-actor infringement theories that were the unpredictable creature of common law.” App. 69a-70a (Linn, J., dissenting). Moreover, in both *Peerless* and *Solva*, statements with respect to contributory infringement of method claims were inessential to the finding of liability; in each case, the defendant was also found liable for contributing to the infringement of a product claim – that is, there was action-

able direct infringement (*i.e.*, making or using the patented invention) to which the defendant contributed. See *Peerless*, 93 F.2d at 105 (finding that “the accused structure” infringed product claim); *Solva*, 251 F. at 73-74 (finding contributory infringement of “product” claim). There is no basis for claiming that Congress was aware of, much less can be understood to have codified, an inessential holding from these cases when it adopted, for the first time, statutory provisions expressly governing indirect infringement. Cf. *General Motors Corp. v. Devex Corp.*, 461 U.S. 648, 654 (1983) (rejecting argument that statutory provision incorporated “common law standard that developed in the absence of any specific provision” governing the matter).

*Third*, the Federal Circuit’s *Fromson* decision – which in any event cannot override contrary precedent from this Court – provides no support for the result below. In that case, the court held that the defendant could *not* be liable for direct infringement of a patent related to preparation of a photographic plate, because the customers, not the manufacturer, performed the last step of the process. The Federal Circuit also noted (in dicta) that the defendant manufacturer could be liable for contributory infringement. But that observation made sense because the plaintiff’s patent included a product claim in addition to the method claim, and the court’s recitation of the facts suggests that, if the ultimate product was infringing, the unfinished plates sold by the manufacturer were specially made for use in an infringement of the patent and had no substantial non-infringing use. See 720 F.2d at 1567-68; cf. 35 U.S.C. § 271(c). The court did not suggest, much less state, that the defendant could be liable for contributory infringement if no one directly infringed.

### C. The Majority’s Analogies to Criminal Law and General Tort Law Do Not Support Its Result

The Federal Circuit majority’s analogies to federal criminal law and generalized tort-law liability principles fail for reasons largely explained by the dissent.

1. The majority attempted to draw an analogy between § 271(b) and 18 U.S.C. § 2(b), which imposes criminal liability on a defendant who causes “an act to be done which if directly performed by him or another would be an offense against the United States.” See App. 14a-17a. That analogy “is facially incorrect”: the “operative language” of 18 U.S.C. § 2(b) – “*would be an offense*” – has no counterpart in 35 U.S.C. § 271(b). App. 84a, 86a (Linn, J., dissenting). Rather, the “appropriate analogy . . . is between 35 U.S.C. § 271(b) and 18 U.S.C. § 2(a),” which establishes criminal liability for one who induces the commission of an offense against the United States. App. 84a (Linn, J., dissenting). “Like 18 U.S.C. § 2(a), which requires an actual ‘offense,’ 35 U.S.C. § 271(b) requires an actual ‘infringement.’” App. 85a (Linn, J., dissenting). And “[w]hen a defendant is charged with aiding and abetting under § 2(a) . . . *the guilt of the principal must be proven.*” *Id.* By analogy, to establish inducement liability under § 271(b), a plaintiff must establish that the induced party is liable for direct infringement under § 271(a) – which Akamai failed to do.

Furthermore, even if the analogy to 18 U.S.C. § 2(b) were valid, it would not justify the majority’s result. That is because “to be liable under § 2(b) the actor must . . . cause ‘*prohibited conduct.*’” App. 86a (Linn, J., dissenting). “Practicing less than all elements of a claim is *not* patent infringement under

§ 271(a).” App. 87a (Linn, J., dissenting). “When a person induces one or more entities to perform acts that do not constitute the statutorily defined act of *patent infringement* . . . that person does not induce any prohibited conduct.” *Id.*

2. There is likewise no basis for creating a new “quasi-inducement” theory of liability under tort-law principles. At the outset, § 271(b) defines the basis for imposition of inducement liability – that is, active inducement of infringement of a patent. The statutory language and this Court’s decisions make clear that, in the absence of direct infringement, there is no basis for imposition of liability under this provision; congressional codification of indirect infringement liability precludes the Federal Circuit from drawing on common-law analogies that would expand liability beyond the scope of the statute. *See Central Bank of Denver, N.A. v. First Interstate Bank of Denver, N.A.*, 511 U.S. 164, 173 (1994); *see also Janus Capital Group, Inc. v. First Derivative Traders*, 131 S. Ct. 2296, 2304 (2011).

In any event, the majority’s tort-law analogies are inapt. The majority noted that the Restatement recognizes the principle that “a person [may be] liable for tortious conduct if he ‘orders or induces the conduct, if he knows or should know of circumstances that would make the conduct tortious if it were his own.’” App. 16a (quoting Restatement (Second) of Torts § 877(a) (1979)); *see also* App. 17a (citing Restatement of Torts § 876 (1938)). But § 876 and § 877 of the Restatement encapsulate holdings from cases involving liability for “the tortious conduct of another” that causes “harm.” Under these general principles, any indirect liability depends on showing the invasion of the legally protected rights of the

injured party. Yet that is what Akamai failed to show: as the majority acknowledged, “[a]bsent an agency relationship between the actors or some equivalent, . . . a party that does not commit all the acts necessary to constitute infringement [is not] liable for direct infringement.” App. 6a; *see also* App. 30a. Because Akamai failed to show that any party directly infringed its patent, it failed to show any legally cognizable harm – *i.e.*, any invasion of a legally protected right to exclude – that would provide the basis for imposition of liability. *See* App. 76a (Linn, J., dissenting).

## II. THE FEDERAL CIRCUIT’S JUDGMENT CREATES UNACCEPTABLE DOCTRINAL UNCERTAINTY, INVITING COSTLY LITIGATION OVER INTERACTIVE METHOD PATENTS

There should be no dispute that the Federal Circuit’s decision addresses an issue of substantial importance: in seeking review of the panel decision, Akamai represented that the issue presented was a “precedent-setting question of exceptional importance,” Akamai Pet. 1 (Feb. 18, 2011), and dozens of *amici* filed briefs after *en banc* review was granted. The Federal Circuit’s unprecedented decision intensifies the importance of the question presented: the result below, and the Federal Circuit majority’s refusal to adhere to the statute and this Court’s decisions, undermines basic principles of patent law on which the inventive community has long relied and invites costly litigation.

A. The Federal Circuit’s decision undermines at least two pillars of patent doctrine, with unpredictable consequences.

First, the “all elements” rule – the repeatedly re-affirmed principle that a defendant infringes only if he practices each and every element of a claimed invention, see *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 29 (1997) – is compromised by the majority’s approach. The *en banc* majority, along with four judges in dissent, recognized that neither Limelight nor its customers perform each element of Akamai’s claimed invention, nor is there any basis for attributing the acts of Limelight to its customers or vice versa. For that reason, as 10 of 11 Federal Circuit judges acknowledged, no party directly infringed the patent. Yet the *en banc* majority created a rule that potentially imposes liability nevertheless – based on the judgment that the “impact on the patentee” is “precisely the same.” App. 9a-10a. If such reasoning is permissible, no company is safe. By divorcing the basis for liability from the scope of what the patent claims, the Federal Circuit unsettles the fundamental terms of the patent bargain: a patentee obtains statutory rights to exclude, but only for conduct that falls within the scope of the patent’s claims.

Second, the decision ignores and undermines the strict-liability nature of direct infringement. Before the *en banc* court ruled, it was settled that a patent confers a right to exclude defined by the patent’s claims; the scope of what the patent covers – that is, what constitutes actionable direct infringement – does not depend on the intent of the infringer. See *Global-Tech*, 131 S. Ct. at 2065 n.2 (“Direct infringement has long been understood to require no more than the unauthorized use of the patented invention. Thus, a direct infringer’s knowledge or intent is irrelevant.”) (citations omitted). Under the *en banc*

majority’s decision, that fundamental principle is abandoned: the owner of a method patent has no right to prevent independent parties, collectively, from performing all the steps of a method *unless* one party knows of the patent and intends to induce performance of all the steps. App. 29a-30a. But collective performance of the steps of a method by independent individuals does not infringe a method claim, and there is nothing “wrong” with such conduct – it falls outside the patentee’s right to exclude.

B. The Federal Circuit’s decision was apparently motivated by concern that “interactive” method patents – those that are most likely to be performed by multiple parties acting independently – would often be difficult to enforce and consequently of little value if the statute were applied as written. Addressing such concerns is the province of Congress, not the courts. See *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1305 (2012). Moreover, not only was that concern misplaced, but the Federal Circuit’s decision also creates the mirror-image problem by increasing the innovation-obstructing and competition-deadening effects of interactive method patents.<sup>6</sup>

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<sup>6</sup> That the Federal Circuit’s ruling will encourage and prolong litigation seems certain: in the few months since the Federal Circuit’s decision, its ruling has brought at least two cases back to life in addition to the two cases revived in the decision below. See *Travel Sentry, Inc. v. Tropp*, Nos. 2011-1023 & 2011-1367, 2012 WL 5382736 (Fed. Cir. Nov. 5, 2012) (vacating grant of summary judgment); *Civix-DDI, LLC v. Hotels.com, LP*, No. 05 C 6869, 2012 WL 5383268 (N.D. Ill. Nov. 1, 2012) (reconsidering grant of summary judgment); see also *Prism Techs., LLC v. McAfee, Inc.*, No. 8:10CV220, 2012 WL 5385210 (D. Neb. Nov. 1, 2012) (granting leave to amend); *Driessen v. Sony Music Entm’t*,

The patent application process gives an inventor the ability to establish the boundaries of the inventor's property right; a patentee cannot legitimately complain if a competitor achieves the same result without intruding on the inventor's exclusive domain. See *Cimiotti Unhairing Co. v. American Fur Ref. Co.*, 198 U.S. 399, 410 (1905); App. 95a-96a (Linn, J., dissenting). This does not mean that inventors cannot secure meaningful protection for their inventions. "Most inventions that involve cooperation of multiple entities can be covered using claims drafted in unitary form simply by focusing on one entity." Mark A. Lemley et al., *Divided Infringement Claims*, 6 Sedona Conf. J. 117, 124 (2005). Akamai drafted its claims to cover performance of all steps by a single party – which is the way its system operated – and a CDN provider that performed all of those steps would infringe. But Limelight does not; Akamai should not be heard to claim a broader claim scope that it did not ask the PTO to examine and allow.

Singling out interactive method patents for special protection is particularly ill-advised because such patents are part of a class of computer-implemented patents that often disserve the innovation-promoting goals of patent law. Computer-implemented method patents "are often abstract," which "may result in granting patent protection for an invention far beyond the scope of the inventor's work." Stephen McJohn, *Scary Patents*, 7 Nw. J. Tech. & Intell. Prop. 343, at \*2 (2009). This problem is exacerbated because, under current Federal Circuit law, software patentees generally are not required to "disclose much, if any, detail about their programs." Julie E.

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No. 2:09-CV-0140-CW, 2012 WL 5293039 (D. Utah Oct. 23, 2012) (denying motion to dismiss in part).

Cohen & Mark A. Lemley, *Patent Scope and Innovation in the Software Industry*, 89 Cal. L. Rev. 1, 24-25 (2001). Furthermore, "the previous work in the field is often difficult to locate," so "[a] patent examiner or infringing defendant may not locate a piece of invalidating prior art." McJohn, *Scary Patents* at \*2, \*3; see also James Bessen & Michael J. Meurer, *Patent Failure* 22, 191 (2008) (noting that software patents are more than twice as likely to be litigated as other patents).

The types of "interactive" patents that are most likely to be implicated by the Federal Circuit's decision are those "without well-identified claim boundaries, with virtually no implementation details, and with few clues about the quality of claim implementation"; inflating the exclusive power of such patents reduces, rather than increases, innovation. Robert E. Thomas, *Debugging Software Patents: Increasing Innovation and Reducing Uncertainty in the Judicial Reform of Software Patent Law*, 25 Santa Clara Computer & High Tech. L.J. 191, 217-18 (2008-09). The Federal Circuit's decision increases the value of the very patents that may be least innovative and most prone to abuse. See, e.g., Nicole D. Galli & Edward Gecovich, *Cloud Computing and the Doctrine of Joint Infringement: 'Current Impact' and Future Possibilities*, 11 J. Marshall Rev. Intell. Prop. L. 673, 691 (2012).

Akamai may argue that the Federal Circuit's decision is a wise policy choice – that it expands liability to capture those who unfairly take advantage of inventions revealed through others' patents without catching up "innocent" parties who may carry out steps of a method but who should not face potential liability. But such reasoning is at odds with patent

doctrine as it has developed over the history of the patent laws. Enforcement of patents in conformity with their claims is "essential to promote progress, because it enables efficient investment in innovation. A patent holder should know what he owns, and the public should know what he does not." *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 730-31 (2002). If an accused infringer's "bad intent" expands the boundaries of a patentee's exclusive rights, the notice function of patents is severely compromised, with a chilling effect on productive activity and innovation. It is open to Congress to decide that "interactive" patents should be granted special protection. It should not be open to the Federal Circuit to do so.

#### CONCLUSION

The petition for a writ of certiorari should be granted.

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## APPENDIX