United States Court of Appeals

for the

Federal Circuit

AKAMAI TECHNOLOGIES, INC.,

Plaintiff-Appellant,

– and –

THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY,

Plaintiff-Appellant,

– v. –

LIMELIGHT NETWORKS, INC.,

Defendant-Cross-Appellant.

APPEALS FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS IN CASE NOS. 06-CV-11109 AND 06-CV-11585, JUDGE RYA W. ZOBEL

BRIEF OF *AMICI CURIAE* DOUBLE ROCK CORPORATION, ISLAND INTELLECTUAL PROPERTY, LLC AND BROADBAND iTV, INC. IN SUPPORT OF THE STATEMENT REQUESTING CONTINUED *EN BANC* REVIEW

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CERTIFICATE OF INTEREST

Counsel for *amici curiae* state the following:

1. The full names of every party or *amicus* represented by me are:
   Double Rock Corporation
   Island Intellectual Property, LLC
   Broadband iTV, Inc.
2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:
   Not applicable.
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or *amicus* curiae represented by me are:
   None.
4. The names of all law firms and the partners or associates that appeared for any of the parties or *amicus* now represented by me in the trial court or agency or are expected to appear in this Court are:
   Charles R. Macedo and Jessica A. Capasso of Amster, Rothstein & Ebenstein LLP.

Dated: June 20, 2014 By: /s/ Charles R. Macedo
Charles R. Macedo
Amster, Rothstein & Ebenstein LLP

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STATEMENT OF INTEREST OF *AMICUS CURIAE*

Double Rock Corporation ("Double Rock"), Island Intellectual Property, LLC ("Island"), and Broadband iTV, Inc. ("BBiTV") respectfully submit this amicus curiae brief in support of continued en banc review in order for the Court to address the issue of joint infringement under 35 U.S.C. § 271(a). Double Rock, Island, and BBiTV (collectively, the "Amici Curiae") represent former practicing entities and patent holders that built, developed, and commercialized technology and which patented the results of their research and development. While Amici Curiae have since sold and/or licensed portions of their business that commercialize the results of their patented technologies, Amici Curiae maintain a substantial interest and investment in the fruits of their research and development in the form of their respective patent portfolios. The current ambiguity in the law on joint infringement, which this Court originally sought to address as the question presented in paragraph 4 of this Court's April 20, 2011 Order (ECF No. 69) granting rehearing en banc, creates confusion and uncertainty in the marketplace. Thus, Amici Curiae each believe it is important for this Court to clarify the law with respect to joint infringement under 35 U.S.C. § 271(a).[1]

[1] Amici Curiae file, concurrent with this brief, a motion requesting leave to file. Pursuant to Federal Rule of Appellate Procedure 29(c)(5), no counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No

ARGUMENT

Pursuant to the Supreme Court's recent decision in *Limelight Networks, Inc. v. Akamai Technologies, Inc.*, No. 12-786, 2014 U.S. LEXIS 3817, at *19 (U.S. June 2, 2014), this case will soon be remanded to this Court. Amici Curiae support the Statement of Akamai Technologies, Inc. and The Massachusetts Institute of Technology (ECF No. 290), and respectfully submit that this Court should resolve the uncertainty in the law of joint infringement under 35 U.S.C. § 271(a).

I. DIVIDED INFRINGEMENT PRESENTS A REAL CONCERN FOR BUSINESSES

In this case, Akamai Technologies, Inc. ("Akamai") owns a patent directed to a method for delivering web content. Limelight Networks, Inc. ("Limelight")—a direct competitor of Akamai—carries out all but a few of the steps claimed in the patent-in-suit, requiring its customers to carry out the remaining steps. For business competitors, including both patent holders and potential patent infringers, clarity regarding infringement of method claims is highly desired. Additionally, the overly strict and rigid rule of limiting direct infringement by multiple parties to situations where one of the parties is under the "direction or control" of another party leads to unfortunate results.

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person other than Amici Curiae or their counsel made a monetary contribution to fund the preparation or submission of this brief.

While in many instances issues of divided infringement can be addressed with better claims drafting, the issue can be raised, as was the case here, by a competitor having a different business model. Moreover, as cloud computing develops and portions of a previously unified task are segregated and outsourced, single actors perform complete processes with increasing scarcity. The inability of a patent claim to capture and predict which portions will be performed by which actors in the twenty years following filing is problematic for our patent system and weakens the incentives offered in exchange for disclosing one's invention.

Because patents play a vital role in the economy,[2] and the judicial standards used to enforce patent rights inevitably affect the value of those patents, the outcome of this case may have far-reaching effects beyond the parties directly involved. It is time for this Court to take the issue en banc and apply a flexible rule that recognizes situations, in addition to when one party is under the direction or control of another, where entities acting in concert can be held responsible for direct infringement.

[2] *See*, *e.g.*, Econ. & Statistics Admin. and USPTO, Intellectual Property and the U.S. Economy: Industries in Focus (Mar. 2012), http://www.uspto.gov/news/publications/IP_Report_March_2012.pdf ("IP is used everywhere in the economy, and IP rights support innovation and creativity in virtually every U.S. industry").

II. THIS COURT HAS PREVIOUSLY RECOGNIZED THE NEED TO CLARIFY THE CURRENT STATE OF JOINT INFRINGEMENT UNDER 35 U.S.C. § 271(a)

This Court has previously observed a conflict in the law where different parties perform different parts of a patented method. In fact, the en banc Court *in this case* "was convened in order to resolve inconsistencies in past panel rulings for situations in which different entities perform separate parts of a patented method." *Akamai Techs., Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301, 1319 (Fed. Cir. 2012) (en banc) (Newman, J. dissenting).

Specifically, this Court was called upon to address the question, "[i]f 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?" (ECF No. 69, Apr. 20, 2011 Order Granting En Banc Review at 2). Indeed, just one week prior to agreeing to hear this question, at least one Judge on this Court noted in a concurring opinion the need for this Court to consider whether the law on joint infringement is correct as set forth in *BMC Resources, Inc. v. Paymentech, LP*, 489 F.3d 1367 (Fed. Cir. 2007), *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318 (Fed. Cir. 2008), and *Akamai Technologies, Inc. v. Limelight Networks, Inc.*, 629 F.3d 1311 (Fed. Cir. 2011). Specifically, Judge Bryson considered the question of whether the law set forth in those decisions is correct to be "close enough and important enough that it may warrant

review by the en banc court in an appropriate case." *McKesson Techs. Inc. v. Epic Sys. Corp.*, No. 2010-1291, 2011 U.S. App. LEXIS 7531, at *15 (Fed. Cir. Apr. 12, 2011) (Bryson, J., concurring)[3].

Unfortunately, despite raising the question and noting its importance, this Court did not address the § 271(a) issue in its en banc decision. Specifically, this issue was not resolved on the grounds that it was not necessary since Limelight could be found liable for inducing infringement even though it did not itself perform all of the steps of the claim. *See Akamai Techs., Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301, 1306 (Fed. Cir. 2012) (en banc) ("these cases and cases like them can be resolved through an application of the doctrine of induced infringement."); *see also id.* at 1307 ("Because the reasoning of our decision today is not predicated on the doctrine of direct infringement, we have no occasion at this time 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).").

The very question respecting direct infringement for which this Court set out to impart clarity was left unanswered.

[3] In that same decision, another Judge of this Court noted that the *BMC Resources, Muniauction,* and *Akamai Technologies* line of authority was actually in conflict with at least one earlier panel decision in *Fromson v. Advance Offset Plate, Inc.*, 720 F.2d 1565 (Fed. Cir. 1983). *See McKesson*, 2011 U.S. App. LEXIS 7531, at *27-36 (Newman, J. dissent).

III. THE SUPREME COURT'S RECENT DECISION FURTHER SUPPORTS EN BANC REVIEW

Following this Court's en banc decision, both Limelight and Akamai filed petitions for certiorari. The Supreme Court granted Limelight's petition, which asked the Supreme Court to decide whether a party may be liable for inducing infringement even though no party has committed direct infringement. The Supreme Court's decision confirmed that the reasoning by which this Court avoided the issue of joint infringement was misplaced, and the law of inducement was not appropriately applied here. *Limelight Networks, Inc. v. Akamai Techs., Inc.*, No 12-786, 2014 U.S. LEXIS 3817, at *11-12 (U.S. June 2, 2014).

In a unanimous opinion, the Supreme Court held that a party cannot be liable for inducing infringement under § 271(b) without an underlying act of direct infringement under § 271(a). *Id.* However, in reaching this decision, the Supreme Court noted that the *Muniauction* rule of law may be suspect (like other rigid rules that have been struck by that Court in recent years) and expressly authorized, but did not require, this Court to consider anew on remand the same question that was originally presented for en banc review on April 20, 2011, *i.e.*, "[i]f 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?" Importantly, the Supreme Court noted "the possibility that [this Court]

erred by too narrowly circumscribing the scope of § 271(a)." *Limelight*, 2014 U.S. LEXIS 3817, at *17.

Now that the Supreme Court has addressed the relationship between infringement under 35 U.S.C. § 271(a) and induced infringement under 35 U.S.C. § 271(b), a reconsideration of the standard for joint infringement under 35 U.S.C. § 271(a) is particularly appropriate. On June 13, 2014, Akamai requested this Court to "retain the case and decide the issue of joint infringement under 35 U.S.C. § 271(a) that was the subject of Akamai's originally-granted petition for rehearing en banc." (ECF No. 290 at 1). Amici Curiae join in Akamai's request and respectfully submit that at this time this Court should consider en banc the issue of under what circumstances there can be direct infringement when a method step is performed by multiple parties.

IV. THIS IS THE PROPER CASE TO CONSIDER THE ISSUE OF JOINT INFRINGEMENT UNDER 35 U.S.C. § 271(a)

At this point in time, based on this Court's own prior skepticism of the *BMC Resources*, *Muniauction*, and *Akamai Technologies* rule of law as expressed by at least Judge Bryson, and the Supreme Court's similar note of concern, there is a cloud in the law that needs clarity. While Amici Curiae respectfully submit, and will be prepared to address at the merits stage of briefing, that this Court should adopt a flexible rule that takes into account not only whether one party is under the "direction or control" of another party, but also other factors such as whether the

parties have taken "concerted action" to conspire to perform each of the steps of the claim, among others, Amici Curiae at this time only emphasize that unless and until this Court provides the bar with a definitive answer to this question, there will remain too much uncertainty.

The issues raised during the history of this case below, as well as the dire need for guidance in this area of law, make this case an appropriate choice for resolving the ambiguity in the law on joint infringement. It is not insignificant that this Court has previously determined that inconsistencies need to be resolved in the law on joint infringement. Unfortunately, this issue was not resolved in this Court's prior en banc decision. However, the facts of this case squarely present the issue to be clarified. As this case has already proven, Limelight and its customers each perform separate steps of the claimed method such that all of the claimed steps are performed. Thus, the question presented is clear -- does this constitute joint infringement and to what extent are each of the parties liable?

Furthermore, the parties are sufficiently motivated to argue the issue, counsel is more than capable of presenting the issue, and more than sufficient amici have provided this Court with input. The parties and counsel for the parties are prepared and capable of presenting and arguing this issue and have the necessary resources to do so. In fact, the majority of the briefing for the en banc decision was focused on the issue of joint infringement under § 271(a).

Additionally, this case has garnered significant input from third parties, including multiple amicus curiae briefs filed during briefing for the en banc decision in this Court and at the Supreme Court. Those briefs, representing the views of patent practitioners, companies in biotechnology and pharmaceutical industries, and more collectively confirm that this case involves an "important question of federal law."

Accordingly, Amici Curiae respectfully submit that this is the right case and right time for the Court to take en banc this issue on the remand from the Supreme Court.

CONCLUSION

Amici Curiae respectfully submit that regardless of the Court's position with respect to Limelight's liability for joint infringement under 35 U.S.C. § 271(a), the uncertainty in the law on this issue must be addressed.

June 20, 2014

Respectfully submitted,

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CERTIFICATE OF FILING AND SERVICE

United States Court of Appeals
for the Federal Circuit

Akamai Technologies, Inc.. v Limelight Networks, Inc.,
2009-1372, -1380, -1416, -1417

CERTIFICATE OF SERVICE

I, Maryna Sapyelkina, being duly sworn according to law and being over the age of 18, upon my oath depose and say that:

Counsel Press was retained by AMSTER ROTHSTEIN & EBENSTEIN LLP, Attorneys for *Amici Curiae* Double Rock Corporation, Island Intellectual Property, LLC and Broadband iTV, Inc. to print this document. I am an employee of Counsel Press.

On the **20th Day of June, 2014**, counsel for *Amici Curiae* has authorized me to electronically file the within **Brief of *Amici Curiae* Double Rock Corporation, Island Intellectual Property, LLC and Broadband iTV, Inc. in Support of the Statement Requesting Continued En Bank Review** with the Clerk of the Court using the CM/ECF System, which will serve via e-mail notice of such filing to any of the following counsel registered as CM/ECF users:

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On the same day as above, sixteen paper copies will be filed with the Court, via Federal Express Mail.

June 20, 2014

/s/ Maryna Sapyelkina
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