

No. \_\_-\_\_\_\_

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IN THE  
**Supreme Court of the United States**

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LIMELIGHT NETWORKS, INC.,  
*Petitioner,*

v.

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

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

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**PETITION FOR A WRIT OF CERTIORARI**

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## QUESTION PRESENTED

In *Limelight Networks, Inc. v. Akamai Technologies, Inc.*, 134 S. Ct. 2111 (2014), this Court noted that, under existing Federal Circuit law, “a method’s steps have not all been performed as claimed by the patent unless they are all attributable to the same defendant, either because the defendant actually performed those steps or because he directed or controlled others who performed them.” *Id.* at 2117. This Court then held that, on the assumption that rule was correct, “there has simply been no infringement of the method [at issue in this case], because the performance of all the patent’s steps is not attributable to any one person.” *Id.*

After remand, the *en banc* Federal Circuit reiterated that “[d]irect infringement under § 271(a) occurs where all steps of a claimed method are performed by or attributable to a single entity.” App. 25a. But it nevertheless unanimously held that Limelight could be held liable for direct infringement of Akamai’s method patent – despite this Court’s prior holding and even though nine out of the ten *en banc* court judges had previously held that Limelight could *not* be held liable under that rule. In so ruling, the Federal Circuit adopted a patent-specific conduct-attribution rule divorced from traditional vicarious-liability standards.

The question presented is:

Whether the Federal Circuit erred in holding that a defendant may be held liable for directly infringing a method patent based on the collective performance of method steps by multiple independent parties, even though the performance of all the steps of the method patent is “not attributable to any one person” under traditional vicarious-liability standards. *Limelight*, 134 S. Ct. at 2117.

## **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 September 30, 2015, Goldman, Sachs & Co. owned 30% of the shares of Limelight, and that ownership interest has not materially changed.

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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 final panel opinion of the court of appeals (App.<sup>1</sup> 1a-23a) is reported at 805 F.3d 1368. The latest *en banc* opinion of the court of appeals (App. 24a-31a) is reported at 797 F.3d 1020. The initial post-remand panel opinion of the court of appeals (App. 34a-94a) is reported at 786 F.3d 899. The post-remand order of the *en banc* court returning the case to the panel (App. 32a-33a) is unreported.

The initial panel opinion of the court of appeals in 2010 (App. 196a-231a) is reported at 629 F.3d 1311. The subsequent *en banc* opinion of the court of appeals in 2012 (App. 97a-195a) is reported at 692 F.3d 1301.

### **JURISDICTION**

The court of appeals entered judgment on November 16, 2015. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1). *See also Major League Baseball Players Ass'n v. Garvey*, 532 U.S. 504, 508 n.1 (2001) (per curiam).

### **STATUTORY PROVISIONS INVOLVED**

Relevant provisions of the Patent Act are reproduced at App. 232a-238a.

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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.

## INTRODUCTION

In the decision on review, the Federal Circuit disregarded this Court's prior decision in this case as well as established principles governing vicarious liability to fashion a new joint-infringement tort under the direct-infringement statute, 35 U.S.C. § 271(a). The lower court's holding conflicts with the statute and imposes unforeseeable strict liability based on "particular facts presented." App. 28a. If left uncorrected, the decision will promote litigation and undermine patent clarity. This Court should grant review.

As this Court noted, under the Federal Circuit's previous interpretation of the direct-infringement statute, 35 U.S.C. § 271(a), "a method's steps have not all been performed as claimed by the patent unless they are all attributable to the same defendant, either because the defendant actually performed those steps or because he directed or controlled others who performed them." *Limelight Networks, Inc. v. Akamai Techs., Inc.*, 134 S. Ct. 2111, 2117 (2014). This Court unanimously held that, under that rule, "there has simply been no infringement of the method in which [Akamai has] staked out an interest, because the performance of all the patent's steps is not attributable to any one person." *Id.* "Limelight cannot be liable for inducing infringement that never came to pass." *Id.* at 2118.

This Court remanded the case, leaving it open to the Federal Circuit to reconsider whether liability for infringement of a method patent under § 271(a) might be imposed even though no single actor was responsible for the performance of all the steps. *See id.* at 2119-20. A panel of the Federal Circuit reaffirmed the judgment of non-infringement for

Limelight “because Limelight . . . did not perform all of the steps of the asserted method claims . . . and because the record contains no basis on which to impose liability on Limelight for the actions of its customers who carried out the other steps.” App. 35a. But after Akamai petitioned for rehearing – and without permitting further briefing – a unanimous *en banc* Federal Circuit reversed.

The court began by purporting to reaffirm its prior rule that “[d]irect infringement under § 271(a) occurs where all steps of a claimed method are performed by or attributable to a single entity,” and it even stated that it would “continue to consider general principles of vicarious liability” in making that determination. App. 25a. But without so much as acknowledging this Court’s prior holding or the repeated statements by nearly every judge on the *en banc* court that Limelight did *not* directly infringe under the Federal Circuit’s previous precedent, the court held, “on the facts of this case,” that Limelight could be held liable. App. 26a. And the Court warned that, “[i]n the future, other factual scenarios may arise which warrant attributing others’ performance of method steps to a single actor” and, “[g]oing forward, principles of attribution are to be considered in the context of the particular facts presented.” App. 28a. Any inconsistent prior decisions – which the court did not identify – were “overruled.” App. 27a n.3.

The Federal Circuit’s *en banc* decision, on a recurring issue of “exceptional importance,” Akamai Reh’g Pet. 1 (June 12, 2015), betrays the same sort of “fundamental[] misunderstand[ing]” that led this Court to review and reverse in this case once before. *Limelight*, 134 S. Ct. at 2117. Rather than apply established common-law vicarious-liability principles

that would have been understood by the Patent Act’s drafters, the Federal Circuit did precisely what the United States warned against in *Limelight*: it created “patent-specific rules of vicarious liability in order to bring [additional] scenarios within the coverage of Section 271(a).” U.S. Br. 13, No. 12-786 (U.S. filed Mar. 3, 2014) (“U.S. *Limelight* Br.”). This was error. See *Meyer v. Holley*, 537 U.S. 280, 286 (2003) (“Congress’ silence, while permitting an inference that Congress intended to apply *ordinary* background tort principles, cannot show that it intended to apply an unusual modification of those rules.”). Its interpretation of § 271(a) also conflicts with the statute’s codification in § 271(b) and (c) of the specific circumstances (with specific limits) in which one defendant may be liable for another’s infringing conduct.

This Court has repeatedly rejected the Federal Circuit’s efforts to craft patent-right-expanding exceptions to general legal rules. See, e.g., *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 134 S. Ct. 1749 (2014); *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006). The Federal Circuit’s “particular facts presented” standard for liability under § 271(a) deprives parties of fair notice concerning the scope of patent protection and ensures burdensome litigation. This Court should grant review and reverse.



## BACKGROUND

1. This case involves technology for alleviating Internet congestion by delivering content to users from multiple alternative servers. A webpage is typically made up of a base document and “embedded objects” such as graphics, text, audio, and video. The webpage 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/10-1491\\_rearg.pdf](http://www.supremecourt.gov/oral_arguments/argument_transcripts/10-1491_rearg.pdf)). Specific devices on the Internet (for example, servers) are identified using a numerical Internet Protocol (“IP”) address. A domain name system server or “DNS server” translates the “host-name” portion of URLs – for example, [www.supremecourt.gov](http://www.supremecourt.gov) – into corresponding IP addresses. 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 for the corresponding IP address. Once the browser obtains the IP address, it can send a request for content to the server storing the desired webpage. *See generally* App. 197a-198a.

A webpage 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 webpage 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 (which may be part of a “content delivery network” or “CDN”) that maintains a copy of the same content 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).

2. Akamai is the exclusive licensee of U.S. Patent No. 6,108,703, which claims a method of delivering website content using a CDN. *See Limelight*, 134 S. Ct. at 2115. Claim 19 (one of four claims asserted at trial) describes a four-step method of content delivery. First, an embedded object from a webpage – say, a video clip – is copied and stored on a CDN’s servers. Second, the URL of the embedded object is modified to redirect requests for those objects to the CDN. This process of modification is referred to as “tagging.” Third, a webpage – that is, the base document – is served from the content provider’s domain in response to an end-user request. Fourth, the embedded objects are served by the CDN.

Akamai accused Limelight of direct infringement. “A method patent claims a number of steps; under this Court’s case law, the patent is not infringed unless all the steps are carried out.” *Limelight*, 134 S. Ct. at 2117. Limelight, however, does not carry out at least two steps of the asserted claims. First, Limelight does not serve the content provider’s base webpage in response to an end-user’s request; the content provider does. Limelight has nothing to do with the manner in which the content provider serves its webpage; content providers were serving webpages long before Limelight came on the scene. Second, Limelight does not modify the URLs of the embedded objects on the content provider’s page; again,

the content provider performs this step. Although Limelight tells the content provider where to redirect requests for particular objects, content providers had been redirecting requests for web content by modifying URLs (for example, to steer requests to another server) for years before Limelight existed.

Limelight's customers maintain control over serving their own base webpages and over the URLs of all embedded objects; they thus retain the ability to decide at any moment whether to direct requests for embedded objects to Limelight's CDN; to deliver the content on their own; or to direct the request to some other CDN. A573-74:71-74; A570-71:61-65; A587:122.

3. Because Limelight does not perform all the steps of Akamai's patent, 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, together, they carried out all the steps.

After trial, the jury returned a verdict against Limelight and awarded Akamai more than \$40 million in damages. The district court, however, granted Limelight judgment as a matter of law based on the Federal Circuit's decision in *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318 (Fed. Cir. 2008), finding that the conduct of Limelight's customers could not be attributed to Limelight under the Federal Circuit's governing test.

4. 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. 207a. "Implicit in this court's holdings in [*BMC*

*Resources, Inc. v. Paymentech, L.P.*, 498 F.3d 1373 (Fed. Cir. 2007)] 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. 207a-208a; *see also* App. 211a. The panel concluded that Akamai failed to make the required showing. App. 212a-213a.

5. The Federal Circuit granted Akamai’s petition for rehearing *en banc*, as well as the petition for rehearing in another case that also involved a claim of “joint infringement.” 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 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. 101a (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 consti-

tute 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. 102a.

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.* And 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. 126a.

**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. 103a. The court held that a defendant could be liable under § 271(b) in that circumstance, even though no party could be held liable for direct infringement under § 271(a).

**6.** Judge Linn, joined by Judges Dyk, Prost, and O’Malley, dissented. The dissent noted that “[d]irect infringement liability requires that one actor performs each and every element or step of a claim.” App. 186a. When multiple actors carry out different

steps of a patented method, “[t]he well established doctrine of vicarious liability is the proper test for establishing direct infringement liability.” App. 191a-192a. The dissent explained that Akamai had drafted its asserted claims “so as to require the activities of both Limelight and its customers for a finding of infringement.” App. 194a. Akamai was thus required to prove that “the allegedly infringing activities of Limelight’s customers were attributable to Limelight. Akamai did not meet this burden.” *Id.*

Judge Newman also dissented.

7. This Court granted certiorari and reversed. It noted that, under the Federal Circuit’s interpretation of § 271(a), “a method patent is not directly infringed . . . unless a single actor can be held responsible for the performance of all steps of the patent. Because Limelight did not undertake all steps of the . . . patent and cannot otherwise be held responsible for all those steps, respondents’ rights have not been violated.” *Limelight*, 134 S. Ct. at 2119. In the absence of direct infringement, Limelight could not be held liable for indirect infringement under § 271(b). *See id.* at 2118; *see also id.* at 2117.

This Court acknowledged the “concern” that “our interpretation of § 271(b) [would permit] a would-be infringer to evade liability by dividing performance of a method patent’s steps with another whom the defendant neither directs nor controls.” *Id.* at 2120. “Any such anomaly, however, would result from the Federal Circuit’s interpretation of § 271(a).” *Id.* The Court declined to review the merits of the Federal Circuit’s interpretation, noting that, “on remand, the Federal Circuit will have the opportunity to revisit the § 271(a) question.” *Id.*

8. After remand, the *en banc* court returned the case to the panel. App. 95a-96a.

a. Judge Linn, joined by Chief Judge Prost, again affirmed the district court, finding that “the record contains no basis on which to impose liability on Limelight for the actions of its customers.” App. 35a. “Encouraging or instructing others to perform an act is not the same as performing the act oneself and does not result in direct infringement.” App. 37a. The panel majority rejected Akamai’s claim that § 271(a) “incorporates joint tortfeasor liability.” App. 38a. Rather, the acts of a third party are attributable to an accused infringer pursuant to “traditional principles of vicarious liability.” App. 45a-46a. Turning to the facts of this case, the panel held that “there is nothing to indicate that Limelight’s customers are performing any of the claimed method steps as agents for Limelight, or in any other way vicariously on behalf of Limelight. To the contrary, Limelight’s customers direct and control their own use of Limelight’s [CDN].” App. 57a.

b. Judge Moore, added to the panel in place of a retired judge, dissented. The dissent would have discarded the “single entity” rule, that is, the principle that direct infringement requires a single actor to carry out each step of a method patent directly or vicariously. Instead, the dissent would have adopted Akamai’s suggested rule that a patent may be directly infringed when “multiple entities act[] in concert pursuant to a common plan or purpose” as “joint tortfeasors.” App. 71a. The dissent did not suggest that Limelight’s customers’ conduct could be attributed to Limelight under existing circuit precedent.

9. Akamai petitioned for *en banc* rehearing. Akamai criticized the Federal Circuit cases establish-

ing the single-entity rule, arguing that *BMC* “announced a single-entity rule that lacked ‘any precedential support,’” *Reh’g Pet.* 13, and echoed the dissenter’s view that the Federal Circuit had improperly “remove[d] common law joint-actor liability from § 271(a),” *id.* at 11. Limelight opposed the petition. The full Court (with Judges Taranto, Chen, and Stoll recused) granted the petition but did not allow further briefing. Instead, in a short, *per curiam* opinion, the court – unanimously – ruled for Akamai.

Rather than expressly adopt Akamai’s proposed theory, however, the court purported to reaffirm the single-entity rule. *See App.* 25a (“Direct infringement under § 271(a) occurs where all steps of a claimed method are performed by or attributable to a single entity.”). Furthermore, the court stated that an entity could be held responsible for others’ performance of method steps when “that entity directs or controls others’ performance,” a test that requires a court “to consider general principles of vicarious liability.” *Id.* The court found, however, “on the facts of this case, that liability under § 271(a) can also be found when an alleged infringer conditions participation in an activity or receipt of a benefit upon performance of a step or steps of a patented method and establishes the manner or timing of that performance.” *App.* 26a. And the court went on to hold that “[w]hether a single actor directed or controlled the acts of one or more third parties is a question of fact . . . when tried to a jury” and cautioned that, “[i]n the future, other factual scenarios may arise which warrant attributing others’ performance of method steps to a single actor.” *App.* 26a, 28a.

The court also stated that, “[t]o the extent our prior cases formed the predicate for the vacated panel



decision, those decisions are also overruled.” App. 27a n.3. The court thus effectively wiped out every prior decision addressing this issue, leaving no precedent, other than the *en banc* decision itself, to guide conduct.

The court then explained that the jury heard substantial evidence that “Limelight conditions its customers’ use of its content delivery network upon its customers’ performance of the tagging and serving steps, and that Limelight establishes the manner or timing of its customers’ performance.” App. 29a. This was so because, “if Limelight’s customers wish to use Limelight’s product, they must tag and serve content.” App. 30a. Further, Limelight “contains a hostname assigned by Limelight” and “provides step-by-step instructions to its customers telling them how to integrate Limelight’s hostname into its webpages if the customer wants to act as the origin for content.” *Id.* “In sum, Limelight’s customers do not merely take Limelight’s guidance and act independently . . . . Rather, Limelight establishes the manner and timing of its customers’ performance.” App. 31a.

**10.** The court returned the case to the panel “for resolution of all residual issues.” App. 31a. The panel, rejecting Limelight’s remaining arguments, “reiterate[d] the *en banc* court’s reversal of the district court’s grant of JMOL of non-infringement and remand[ed] with instructions to reinstate the jury’s original verdict and damages award.” App. 2a.

## REASONS FOR GRANTING THE PETITION

This case presents a broad question that Akamai agrees is of “exceptional importance,” Akamai Reh’g Pet. 1, concerning the scope of liability for direct infringement of a method patent. “A method patent claims a number of steps; under this Court’s case law, the patent is not infringed unless all the steps are carried out.” *Limelight*, 134 S. Ct. at 2117. It follows that a defendant directly infringes a method patent only if the performance of all the steps of the patent is attributable to that defendant.

It further follows, as a general rule, that, if one party carries out some steps of a method and a different, independent party carries out the remaining steps, neither party has practiced the method and neither party is liable. Everyone agrees, however, that in some circumstances the conduct of a third party may be attributed to a defendant for purposes of imposing direct-infringement liability. The question presented is what conduct-attribution rule or standard applies.

In 2007, a unanimous panel of the Federal Circuit answered that question by holding that the acts of a third party could be attributed to a defendant for purposes of establishing liability for direct infringement under § 271(a) only if (1) the defendant had contracted out the step to the third party or (2) the conduct of the third party was otherwise attributable to the defendant pursuant to principles of vicarious liability. *BMC*, *supra*. As explained below, that limitation on liability for direct infringement is mandated by background principles of tort law, which permit attribution of an actor’s conduct for purposes of establishing a defendant’s liability without fault only if the defendant has a legal right to control the

actor's conduct. *See Meyer*, 537 U.S. at 285-86. And it is further mandated by the statute's structure, which "expressly defin[es] the *only* situations in which a party could be liable for something less than an infringement . . . clearing away the morass of multi-actor infringement theories that were the unpredictable creature of common law." App. 165a-166a (Linn, J., dissenting).

Although criticized for creating a loophole, the single-entity rule is not only faithful to the statute but also serves important patent policy interests. Direct infringement is a strict-liability statutory tort; in the absence of clear conduct-attribution rules, patent plaintiffs will have the incentive and the ability to aggregate conduct of unrelated parties to impose unforeseeable liability in the absence of direct infringement by any individual defendant. Moreover, loose conduct-attribution rules thus encourage patent applicants to draft ambiguous and overbroad claims, the better to snare the collective conduct of multiple, unrelated actors.

The Federal Circuit's *en banc* decision departed from its prior decisions without so much as a word of explanation. Although the court paid lip service to vicarious-liability standards (*see* App. 25a-26a n.2), it did not apply them, for this Court has made clear that, under the Federal Circuit's pre-existing standard, "in this case, performance of all the claimed steps cannot be attributed to [Limelight], so direct infringement never occurred." *Limelight*, 134 S. Ct. at 2118. Indeed, all but one member of the *en banc* Federal Circuit had previously agreed that Limelight did not infringe under vicarious-liability standards; two judges had so opined three times. And, earlier in this litigation, the government likewise agreed that

“[t]he ‘control or direction’ framework does not reach cases like this one.” U.S. *Limelight* Br. 13. Without any doctrinal or precedential basis, the Federal Circuit threw open the doors to any claim of “joint infringement,” by pronouncing the issue a “question of fact” to be considered “in the context of the particular facts presented” reviewable only for “substantial evidence” when tried to a jury. App. 26a, 28a. Such a rootless standard invites endless litigation. Review is warranted.

## **I. THE FEDERAL CIRCUIT’S EXPANSION OF “JOINT INFRINGEMENT” LIABILITY CONFLICTS WITH THE STATUTE AND BASIC TORT LAW PRINCIPLES**

### **A. Because Liability for Direct Infringement Is Strict, Principles of Vicarious Liability Govern Attribution of Conduct for Purposes of Establishing Liability Under § 271(a)**

1. The text of the Patent Act and background common-law principles preclude the imposition of liability under § 271(a) in circumstances where no defendant, directly or vicariously, has carried out each of the steps of a method patent. Section 271(a) – which provides that “whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States . . . , infringes the patent” – “defines ‘infringement,’” setting forth the grounds for claims of “direct infringement.” *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 342 (1961). In the case of a method patent, infringement under § 271(a) requires performance of each step of the method. *See Limelight*, 134 S. Ct. at 2117 (“A method patent claims a number of steps; under this Court’s case law, the patent is not

infringed unless all the steps are carried out.”). Unless an accused infringer has performed each step of the method, it has not used the invention, and it has not directly infringed. Accordingly, the claim that multiple parties together carried out all steps of a patented method – but that no single defendant carried out all the steps – fails to allege direct infringement *so long as* there is no basis for attributing the conduct of one party to the others.

A claim of direct infringement does not require proof of intent or knowledge: liability is strict. *See Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2065 n.2 (2011). That understanding has deep roots: the principle was present in English law,<sup>2</sup> and the Patent Act of 1790 imposed liability for infringement without fault. *See* Patent Act of 1790, ch. 7, § 4, 1 Stat. 109, 111. Early American cases repeatedly reaffirmed the principle,<sup>3</sup> and it has remained a constant, both before and after the current codification in 1952.<sup>4</sup> Akamai itself pursued (exclusively) a strict-liability claim, obtaining a jury instruction that direct infringement does not depend on the infringer’s knowledge of the patent or intent.

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<sup>2</sup> See Lord Mansfield’s charge to the jury in *Liardet v. Johnson* (K.B. 1778), as quoted in E. Wyndham Hulme, *On the History of Patent Law in the Seventeenth and Eighteenth Centuries*, 18 L.Q.R. 280, 285 (1902).

<sup>3</sup> *See Matthews v. Skates*, 16 F. Cas. 1133, 1135 (C.C.S.D. Ala. 1860); *Parker v. Hulme*, 18 F. Cas. 1138, 1143 (C.C.E.D. Pa. 1849).

<sup>4</sup> *See, e.g., Blair v. Westinghouse Elec. Corp.*, 291 F. Supp. 664, 670 (D.D.C. 1968); *Thurber Corp. v. Fairchild Motor Corp.*, 269 F.2d 841, 849 (5th Cir. 1959); *Toledo Plate & Window Glass Co. v. Kawneer Mfg. Co.*, 237 F. 364, 369 (6th Cir. 1916); *Thompson v. N.T. Bushnell Co.*, 96 F. 238, 243 (2d Cir. 1899).

Congress’s codification of a strict-liability tort in § 271(a) indicates that it “intend[ed]” for “ordinary tort-related vicarious liability rules” to apply. *Meyer*, 537 U.S. at 285; *see also eBay*, 547 U.S. at 391-92. Tort law draws a sharp distinction, however, between vicarious liability and joint tortfeasor doctrines. The latter extend tort liability for harm caused by another’s conduct based on fault. “Pure vicarious liability,” on the other hand, is “based on the actions of the other party regardless of any allegation of culpability on the party held vicariously liable.” *Laperriere v. Venta Ins. Group, Inc.*, 526 F.3d 715, 722 (11th Cir. 2008) (per curiam).<sup>5</sup>

The common-law principles that govern vicarious liability are well established; vicarious liability arises only in circumstances where the defendant has the legal right to direct or control the conduct of the third party. *See Meyer*, 537 U.S. at 286 (“[t]he Restatement [(Second) of Agency] § 1 specifies that the relevant principal/agency relationship demands . . . [*inter alia*] control (or the right to direct or control)”); *Maruho*, 13 F.3d at 11 (“[t]he theories of vicarious liability . . . all require [plaintiff] to show that [defendant] had the legal right to control” the tortious conduct); *cf. Janus Capital Group, Inc. v. First Derivative Traders*, 131 S. Ct. 2296, 2302 (2011) (“Without control, a

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<sup>5</sup> *See also Gleason v. Seaboard Air Line Ry. Co.*, 278 U.S. 349, 356 (1929); *Rio Mar Assocs., LP v. UHS of Puerto Rico, Inc.*, 522 F.3d 159, 165 (1st Cir. 2008) (distinguishing “vicarious liability” from “joint tortfeasor liability”); *Aguirre v. Turner Constr. Co.*, 501 F.3d 825, 828-29 (7th Cir. 2007) (same); *AT&T Co. v. Winback & Conserve Program, Inc.*, 42 F.3d 1421, 1431 (3d Cir. 1994); *Maruho Co. v. Miles, Inc.*, 13 F.3d 6, 11 (1st Cir. 1993) (Breyer, C.J.) (discussing potential bases for vicarious liability where defendant is “without fault”); *Hunnicuttt v. Wright*, 986 F.2d 119, 123 (5th Cir. 1993).

person or entity can merely suggest what to say, not ‘make’ a statement in its own right.”).<sup>6</sup> Only in such circumstances is it proper to treat such conduct as that of the defendant.

2. Limelight cannot be held liable for direct infringement of Akamai’s patent under these principles. Limelight does not carry out at least two steps of the asserted claims: it does not serve the customer’s base webpage, and it does not modify the customer’s URL to redirect requests for embedded objects. *See* App. 202a (“It is undisputed that Limelight does not itself perform every step of the asserted claims.”). These steps are instead carried out by Limelight’s customers. Furthermore, there is no basis on which to attribute the customers’ conduct to Limelight. Customers are under no contractual obligation to carry out any steps on Limelight’s behalf, nor do they stand in the type of legal relationship – agency, partnership, joint venture – that would give Limelight a legal right to control their conduct.

Akamai cannot argue otherwise – indeed, it abandoned any claim that it could satisfy vicarious-liability standards in its post-remand briefing – because this Court has already held that the conduct of Limelight’s customers cannot properly be attributed to Limelight under vicarious-liability principles. Thus this Court held, on the assumption that “a method’s steps have not all been performed as claimed by the patent unless they are all attributable to the same defendant, either because the defendant actually performed those steps or because he directed

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<sup>6</sup> *See also* *Depositors Ins. Co. v. Wal-Mart Stores, Inc.*, 506 F.3d 1092, 1097 (8th Cir. 2007); *Clark v. Capital Credit & Collection Servs., Inc.*, 460 F.3d 1162, 1173 (9th Cir. 2006); Restatement (Third) of Agency § 1.01 (2006); *see also id.* § 7.04.

or controlled others who performed them,” that “there has simply been no infringement of [Akamai’s] method . . . , because the performance of all the patent’s steps is not attributable to any one person.” *Limelight*, 134 S. Ct. at 2117; *see also id.* at 2118 (“[I]n this case, performance of all the claimed steps cannot be attributed to a single person, so direct infringement never occurred.”); *id.* at 2119 (“Limelight did not undertake all steps of the . . . patent and cannot otherwise be held responsible for all those steps”).

In fact, all but one of the judges of the *en banc* Federal Circuit likewise had already recognized that “Limelight did not direct and control the actions of the content providers [its customers] as those terms have been used in this court’s direct infringement cases.” App. 126a (majority opinion); *see* App. 194a (dissenting opinion to the same effect). Indeed, two judges had *three times* ruled that Akamai had failed to prove that Limelight’s customers acted “in any . . . way vicariously on behalf of Limelight.” App. 57a; *see* App. 211a-212a (“[T]he evidence leaves no question that Limelight’s customers acted principally for their own benefit and under their own control.”). (No member of the court offered any explanation for abandoning that view.)

As the United States has argued, “[a]pplying traditional principles of vicarious liability” is the “correct” approach to evaluating claims that multiple parties have jointly infringed a patent. U.S. *Limelight* Br. 12. And that framework “does not reach cases like this one, . . . in which the vendor instructs its subscribers how to perform the process’s remaining steps, but the subscribers are not contractually or otherwise obligated to do so.” *Id.* at 13.



3. The Federal Circuit paid lip service to the idea that a claim of direct infringement requires proof that “all steps of a claimed method are performed by or attributable to a single entity,” and even referred to “general principles of vicarious liability.” App. 25a-26a. But its subsequent discussion makes clear that the court of appeals did precisely what the government warned against in *Limelight*: “devise[d] patent-specific rules of vicarious liability in order to bring [additional] scenarios within the coverage of Section 271(a).” U.S. *Limelight* Br. 13.

The court stated that, “on the facts of this case,” *Limelight* could be held liable because it had (supposedly) “condition[ed] participation in an activity or receipt of a benefit upon performance of a step or steps of a patented method and establishes the manner or timing of that performance.” App. 26a. But it cited no prior case articulating anything like that standard, which would reach nearly any service provider-customer relationship.<sup>7</sup> Furthermore, the

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<sup>7</sup> The court included a “*cf.*” cite to *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 930 (2005), apparently referring to this Court’s description of the holding in *Shapiro, Bernstein & Co. v. H.L. Green Co.*, 316 F.2d 304 (2d Cir. 1963), involving copyright infringement. *Shapiro, Bernstein* does not support *Akamai*: that case involved a circumstance where a defendant was held vicariously liable for another’s copyright infringement because it had the legal right to supervise and control the conduct of the infringer. *See* 316 F.2d at 307-08. Whatever the merits of that incremental expansion of *respondeat superior* liability in the context of the Copyright Act, there is no such basis for liability here, where *Limelight* has no legal right to direct or control its customers. And, in any event, reliance on copyright precedent is inappropriate here, because although under that statute “lines between direct infringement, contributory infringement and vicarious liability are not clearly drawn,” *Grokster*, 545 U.S. at 930 n.9 (internal quotations omit-

court emphasized that whether its joint-infringement standard would be met in any particular case was an analysis shaped by the particular facts of each case, rather than established rules of vicarious liability. *See id.* (“[w]hether a single actor directed or controlled the acts of one or more third parties is a question of fact”); App. 28a (“In the future, other factual scenarios may arise which warrant attributing others’ performance of method steps to a single actor.”).

This case illustrates that the Federal Circuit’s new standard imposes no limits on attribution of conduct for purpose of establishing joint patent infringement. When Limelight’s customers serve their base webpages, they do so using whatever servers they choose in the manner they choose – content providers serve their pages whether they intend to use Limelight’s service, another vendor’s, or no CDN. In explaining why Limelight nevertheless is answerable for that conduct, the court noted that Limelight’s form contract states that “Limelight is not responsible for failures in its content delivery network caused by its customers’ failure to serve content.” App. 29a. The Federal Circuit did not explain how a statement that Limelight is *not* responsible for customers’ service of content could be the basis for a jury determination that Limelight *is* legally responsible for customers’ service of content. Nor did the court explain how Limelight establishes the manner or timing for that step. With respect to the “tagging” step, Limelight merely provides instructions to enable the customer to use Limelight’s service – just as any service provider does. It does not exercise any legal right to direct or control customers’ conduct.

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ted), the Patent Act draws those clear lines in § 271. *See infra* pp. 24-25.

“[T]raditional principles of vicarious liability would not support attributing customers’ voluntary actions to the vendor for purposes of direct-infringement liability.” U.S. *Limelight* Br. 14. Confronted with that inescapable conclusion, the Federal Circuit improperly discarded those principles. “Congress’ silence, while permitting an inference that Congress intended to apply *ordinary* background tort principles, cannot show that it intended to apply an unusual modification of those rules.” *Meyer*, 537 U.S. at 286.

**B. The Federal Circuit’s Expansion of Liability for Direct Infringement Conflicts with the Statute’s Limits on Indirect Liability**

Rather than argue that it could satisfy traditional vicarious-liability standards, Akamai has insisted that the proper framework for evaluating its claim of direct infringement is “common law joint-actor liability.” Akamai Reh’g Pet. 11; *see also* Akamai Br. 25, No. 12-786 (U.S. filed Mar. 26, 2014) (“Akamai *Limelight* Br.”) (“joint liability for torts committed by multiple defendants acting in concert”). Without adopting Akamai’s vocabulary, the Federal Circuit adopted Akamai’s “flexible” view of liability under § 271(a), allowing the attribution of “others’ performance of method steps to a single actor” whenever “the particular facts presented” so warrant. App. 28a. The structure and history of the statute preclude application of joint-tortfeasor doctrines to create new bases for liability under § 271(a).

1. “Prior to the enactment of the Patent Act of 1952, there was no statute which defined what constituted infringement.” *Hewlett-Packard Co. v. Bausch & Lomb Inc.*, 909 F.2d 1464, 1468-69 (Fed. Cir. 1990) (Rich, J.). Judicial decisions had, however, defined two general categories of infringing conduct.

Direct infringement was the unauthorized making, using, or selling of a patented invention – that is, acts that directly violated the patentee’s exclusive rights. *Cf.* 35 U.S.C. § 154(a)(1). “[C]ontributory infringement,” by contrast, was “any other activity where, although not technically making, using or selling, the defendant displayed sufficient culpability to be held liable as an infringer.” *Hewlett-Packard*, 909 F.2d at 1469 (internal quotations omitted). “Such liability was under a theory of joint tortfeasance, wherein one who intentionally caused, or aided and abetted, the commission of a tort by another was jointly and severally liable with the primary tortfeasor.” *Id.*; *see also Global-Tech*, 131 S. Ct. at 2067.

“When Congress enacted § 271, it separated what had previously been regarded as contributory infringement into two categories.” *Global-Tech*, 131 S. Ct. at 2067. Section 271(b) provides that one who “actively induces infringement . . . shall be liable as an infringer.” Section 271(c) prohibits what is now known as “contributory” infringement, that is, the selling of a component knowing it is “especially made or especially adapted for use in an infringement” of a patent. As the dissent from the prior *en banc* opinion correctly argued, the 1952 Patent Act thus “clear[ed] away the morass of multi-actor infringement theories that were the unpredictable creature of common law” in favor of two congressionally defined bases for indirect infringement liability. App. 165a-166a.

By the same token, the codification of the grounds for infringement liability precludes the courts from creating new, non-statutory bases for such liability. In determining the “scope of conduct prohibited by” § 271, “the statute itself resolves the case.” *Central Bank of Denver, N.A. v. First Interstate Bank of*

*Denver, N.A.*, 511 U.S. 164, 173, 178 (1994); *cf. Mertens v. Hewett Assocs.*, 508 U.S. 248, 254 (1993). The decision below discards traditional limitations on vicarious liability to create new grounds for joint-infringement liability under § 271(a). But by limiting § 271(a) to direct infringement and defining potential bases for joint tortfeasor liability in § 271(b) and (c), Congress foreclosed such a change. The expansion of potential liability under § 271(a) is even more dramatic than the judicial expansion of § 271(b) that led to this Court’s decision in *Limelight*.

In *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972), this Court decisively rejected the Fifth Circuit’s view that strict application of statutory rules created an “artificial” or “technical” barrier to liability or “allow[ed] an intrusion on a patentee’s rights.” *Id.* at 525. On the contrary, the 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. “Congress has previously enacted narrow additions to Section 271 to address perceived gaps in liability,” U.S. *Limelight* Br. 31, as it did after this Court’s decision in *Deepsouth*. See *Limelight*, 134 S. Ct. at 2118 n.4; 35 U.S.C. § 271(f), (g). Congress “can similarly address the relatively new problem of joint performance of patented methods if it believes a legislative response is needed.” U.S. *Limelight* Br. 31. But the Federal Circuit may not create a new joint-infringement tort to satisfy its own intuitions about the proper scope of patent protection.

Akamai has argued, in this Court and in the Federal Circuit, that joint action of independent parties

is subject to challenge under § 271(a) pursuant to tort doctrines that impose joint and several liability for “acting in concert.” See *Akamai Limelight* Br. 25-26; *Akamai Reh’g Pet.* 10-11. But concerted-action liability requires both (1) the commission of a tortious act by the primary tortfeasor and (2) knowledge of the wrongful nature of the primary actor’s conduct. See, e.g., *Beck v. Prupis*, 529 U.S. 494, 501-02 (2000); *In re Brooklyn Navy Yard Asbestos Litig.*, 971 F.2d 831, 841 (2d Cir. 1992) (“[C]oncert of action requires more than a supply relationship. It requires jointly undertaken tortious conduct.”). Akamai has never explained how the application of tort liability doctrines that depend on a culpable state of mind can be squared with the strict-liability nature of direct infringement under § 271(a). It cannot be. The creation of any such “conspiracy to infringe” cause of action is a matter for Congress, not the courts.

2. The consequence of the Federal Circuit’s failure to respect the law’s established limits on attribution of conduct is to swallow up the inducement statute, § 271(b), and to render pointless its culpable-knowledge requirement. To establish liability for inducement, a plaintiff must prove that the defendant knew about the patent and intended to bring about its infringement. See *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920 (2015). When a vendor directs its customer to carry out a process that infringes a patent, at least prior to the decision below, liability would attach based on the customer’s conduct only if the plaintiff could prove, under § 271(b), that the vendor intentionally induced infringement.

The Federal Circuit held that ordinary interactions between a vendor and its customer – offering of a service along with instructions on how to use it –

may render the vendor vicariously liable for the customer's performance of one or more steps of a method patent. But if that is so when a customer performs *some* of the steps of a method (and the vendor performs the rest), the same conduct-attribution principle would presumably apply when the customer performs *all* the steps. The basis for imposition of vicarious liability would be the same. As a result, under the Federal Circuit's decision, if a customer performs a patented method pursuant to the "direction" of a vendor, then the vendor would be liable for *direct* infringement under § 271(a), without proof of culpable knowledge.

More generally, if § 271(a) gave a court license to impose liability whenever it deemed it appropriate under the "particular facts presented," App. 28a, the indirect liability provisions of the statute would be rendered superfluous, and the limitations on liability established by Congress would be overridden. As a leading patent-law commentator has observed, "[c]onstruing the patent laws to permit the individual, non-infringing acts of unrelated parties together to add up to infringement would render both Section 271(b) and Section 271(c) meaningless." Mark A. Lemley et al., *Divided Infringement Claims*, 6 *Sedona Conf. J.* 117, 119-20 (2005). This conflict between the imposition of joint-infringement liability under § 271(a) and the specific statutory provisions governing indirect infringement is the reason why the *BMC* court limited conduct attribution to traditional vicarious-liability principles in the first place. Under the Federal Circuit's new approach, "a patentee would rarely, if ever, need to bring a claim for indirect infringement." *BMC*, 498 F.3d at 1381. The Federal Circuit was wrong to hold that the Patent Act

“extended traditional vicarious liability rules in this way.” *Meyer*, 537 U.S. at 286.

## **II. THE FEDERAL CIRCUIT’S DECISION CREATES UNACCEPTABLE DOCTRINAL UNCERTAINTY AND UNDERMINES IMPORTANT PATENT LAW POLICIES**

The issue presented by this petition is indisputably important: it has attracted participation of dozens of *amici* at the Federal Circuit and, previously, before this Court. It merits this Court’s immediate review, furthermore, because the Federal Circuit’s erroneous expansion of liability under § 271(a) invites burgeoning litigation to test the limits of the “particular facts presented” attribution standard. The Federal Circuit’s decision will deter innovation and investment and encourage the drafting of ambiguous patents.

### **A. The Federal Circuit’s Amorphous Standard Will Give Rise to Burdensome Litigation**

The Federal Circuit’s erroneous decision could not have been better designed to engender increasing litigation over claims involving alleged infringement of method claims by multiple actors.

Under prior Federal Circuit law, patent owners and accused infringers alike understood that, to make out direct infringement of a method claim, the plaintiff would have to show that the defendant performed each step directly or vicariously, and that vicarious liability would be governed by generally applicable conduct-attribution rules. No more. The *en banc* decision not only permits attribution of conduct in any circumstance where a service provider gives users instructions for the use of its service, but also invites the lower courts to impose liability whenever the “particular facts presented” may



warrant. App. 28a. Moreover, the Federal Circuit breezily noted that any prior decision limiting liability should be considered “overruled.” App. 27a n.3. Other than the *en banc* decision itself, there is no precedent to guide district courts or to constrain future panels.

Such a rootless standard ensures extensive litigation simply to begin to flesh out the contours of the Federal Circuit’s rule. It will no longer be possible to dispose of meritless cases on the pleadings or even on summary judgment because liability depends on the “particular facts presented.” And every case will have to come before the Federal Circuit to determine whether that tribunal considers the “particular facts” appropriate for the imposition of liability. “To craft different rules for the novel facts of each case [will] generate . . . much uncertainty and threaten . . . much expensive litigation.” *Delaware v. New York*, 507 U.S. 490, 510 (1993) (internal quotations omitted); see also *Mayo Found. for Med. Educ. & Research v. United States*, 562 U.S. 44, 59 (2011) (“wasteful litigation and continuing uncertainty . . . inevitably accompany any purely case-by-case approach”) (internal quotations omitted); *Central Bank of Denver*, 511 U.S. at 188-89 (warning of the “uncertainty and excessive litigation” produced by a legal standard requiring “decisions made on an ad hoc basis, offering little predictive value”) (internal quotations omitted).

Customers as well as service providers will need to worry about “joint infringement” claims based on the Federal Circuit’s new standard. Akamai could have flipped its claim to assert that Limelight’s alleged actions – the copying of embedded objects and service of those objects from Limelight’s CDN – should be attributed to its content-provider customers rather than the other way around. Indeed, Akamai has

previously suggested that it *could* have sued Limelight’s customers. *See Akamai Limelight* Br. 51.

More generally, the Federal Circuit’s new joint-infringement rule means that infringement claims “are more likely to be brought and survive summary judgment, and the costs of litigating . . . will potentially skyrocket, as patent defendants must take into account geographically and temporally disparate actors and actions.” *Google et al. Br. 11, No. 12-786* (U.S. filed Mar. 3, 2014) (discussing potential liability for induced infringement). When this Court reviewed the Federal Circuit’s prior *en banc* ruling, leading companies and trade associations from financial services, food and agriculture, consumer electronics, software, social media, electronic equipment, wireless communications, and Internet retailing all raised concerns about unpredictable liability and burgeoning litigation. The impact of the Federal Circuit’s new decision is likely to be worse.

### **B. Expansion of Liability for Divided Infringement Undermines Important Patent Policies**

This Court, in *Limelight*, acknowledged the concern that requiring proof that the performance of all the steps of a method patent is attributable to a single actor may “permit[] a would-be infringer to evade liability by dividing performance of a method patent’s steps.” 134 S. Ct. at 2120. As noted above, however, any such policy concern should be addressed to Congress, not the courts. *See Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1305 (2012). Furthermore, for many reasons, attempting to address this concern by broadening the basis for direct-infringement liability under § 271(a) would not be a solution.

*First*, there is a mismatch between the stated concern – that a party will *deliberately* evade a method patent by dividing steps – and the Federal Circuit’s new liability rule. Direct infringement is a strict-liability tort; whether there is infringement depends on the scope of the patent, not the alleged infringer’s state of mind. Congress might choose to address the concern by expanding the scope of liability under § 271(b) or by adopting a provision specifically directed to objectionable conduct – as it has done before. *See* 35 U.S.C. § 271(f), (g). Expanding § 271(a) will catch up much conduct that is not alleged to be a deliberate evasion of any patent – like Limelight’s conduct here.

*Second*, expanding method patents to reach collective conduct “substantially alters the doctrine and scope of patent infringement liability”; “parties who have ordered their conduct based on their understanding of the previously-established law may face unanticipated liability.” U.S. *Limelight* Br. 31. “[C]ourts must be cautious before adopting changes that disrupt the settled expectations of the inventing community.” *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 739 (2002).

*Third*, the Federal Circuit’s rule is bad for innovation because it improperly broadens the scope of method claims, burdening rivals’ efforts to invent around – or to avoid – a patented method. A plaintiff no longer has to prove that the accused infringer carried out all the steps of the method patent. Instead, the plaintiff can seek to establish liability by cobbling together the actions of multiple independent parties. That is so even when, as for Akamai’s patent, none of the steps is new and the independent party may be doing something it was already doing on its own – for

example, serving its own webpage. Permitting a patentee to prevent a rival from performing fewer than all the steps because its customer separately performs an additional, conventional step dramatically expands the scope of a patentee's rights and narrows what remains in the public domain. See Christina Bohannon & Herbert Hovenkamp, *Creation without Restraint: Promoting Liberty and Rivalry in Innovation* 10 (2012) (“Broad construction reduces rivals’ incentive to improve by turning their improvements into infringements.”).

*Fourth*, the new *Akamai* rule complicates companies’ efforts to determine whether the processes they employ are infringing. A company must attempt to take into account not only its own conduct, but also conduct of other independent actors – for example, customers and suppliers. The company may not know how such independent actors carry out a function or use a service, and therefore may have no way to know in advance whether some combination of activities may include each method step. The risk of unpredictable liability raises the costs of – and thus deters – innovation.

*Fifth*, the *Akamai* rule is not needed to encourage future innovation because, as the Federal Circuit has previously acknowledged, “[a] patentee can usually structure a claim to capture infringement by a single party.” *BMC*, 498 F.3d at 1381; see also Lemley, 6 *Sedona Conf. J.* at 124 (“Most inventions that involve cooperation of multiple entities can be covered using claims drafted in unitary form simply by focusing on one entity.”). An inventor can obtain appropriate protection by taking care to draft claims from the point of view of a single actor – including, as appropriate, multiple claims covering the actions of different actors. No incentives to invent are lost.

*Sixth*, the Federal Circuit’s rule creates damaging incentives with respect to claim drafting. See *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120, 2129 (2014) (warning against legal rules that give “patent applicants . . . powerful incentives to inject ambiguity into their claims”). It has been established practice for many years for patent attorneys to draft method claims from the perspective of a single actor. See Robert C. Faber, *Faber on Mechanics of Patent Claim Drafting* § 7:3, at 7-7 (6th ed. 2012). Such drafting adds precision, making clear not just *what must be done* but what each potential infringer *must do* to infringe. Patents that describe desired results without precisely defining how a particular step of the method is performed “may leave the outer boundaries of the claim difficult to decipher.” Federal Trade Comm’n, *The Evolving IP Marketplace: Aligning Patent Notice and Remedies with Competition* 100 (Mar. 2011), available at <http://www.ftc.gov/reports/evolving-ip-marketplace-aligning-patent-notice-remedies-competition>.

The Federal Circuit’s rule, by expanding claims to reach conduct by multiple independent parties, affirmatively encourages patent applicants to avoid clarity in the hope that the patent will reach unanticipated allocations of method steps. Patent rules should create the opposite incentive – they should encourage clear patent drafting *ex ante* to improve notice and enable incremental innovation.

### CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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