

Secondary and Collective Liability in Patents

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Patent Infringement

35 U.S.C. § 271. Infringement of patent.

- (a) Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.
- (b) Whoever actively induces infringement of a patent shall be liable as an infringer.**
- (c) Whoever offers to sell or sells within the United States or imports into the United States a **component** of a patented machine, manufacture, combination, or composition, or a material or apparatus for use in practicing a patented process, constituting a **material part** of the invention, **knowing** the same to be especially made or especially adapted for use in an infringement of such patent, and **not a staple article** or commodity of commerce suitable for substantial noninfringing use, shall be liable as a **contributory** infringer.

Section 271(b)

Post-enactment Interpretation

“Section (b) fills a gap between the simple direct infringement of (a) and the type of contributory infringement defined in (c). The courts have frequently been at a loss in trying to classify the active inducer. It is often confusing to call an active inducer a contributory infringer. Now we have a clear statement that he ‘shall be liable as an infringer.’ As a joint tortfeasor that is precisely what he is.”

Giles S. Rich, Address Before the N.Y. Pat. Law Ass’n (Nov. 6, 1952), *reprinted in* 3 J. Fed. Cir. Hist. Soc’y 103, 113 (2009).

Patent Infringement by Multiple Actors

Direct infringement by joint infringement, 271(a):

X and Y practice different claim elements through agency or direction and control, and together practice all claim elements

Indirect infringement by inducing direct infringement by a single entity, 271(b):

- X actively induces Y to practice all claim elements
- X is liable for inducing direct infringement by Y

Indirect infringement by inducing divided, direct infringement, 271(b):

- X actively induces Y and Z to practice different claim elements, but together practice all claim elements
- X is liable for inducing divided, direct infringement by Y and Z

Akamai Patent Claim: method for transferring web page content to a user display

No direct infringement:

- Network service provider practiced some claim elements.
- Content provider/user practiced remaining claim elements.
- No direction or control.

Indirect infringement:

- Network service provider may be liable for inducing direct, divided infringement.

Akamai Technologies Inc. v. Limelight Networks Inc., 692 F.3d 1301 (Fed. Cir. 2012), petition for cert. filed, December 28, 2012 (No. 12-786).

McKesson Patent Claim: method for creating personalized patient web pages

No direct infringement:

- Doctors practiced some claim elements.
- Patients practiced remaining claim elements.
- No direction or control.

Indirect infringement:

- Licensor of software may be liable for inducing direct, divided infringement.

McKesson Technologies Inc. v. Epic Systems Corp., 692 F.3d 1301 (Fed. Cir. 2012), petition for cert. dismissed, 81 U.S.L.W. 3395 (U.S. March 11, 2013) (No. 12-800).

Logic of *BMC Resources*

1. Principle: Liability for induced infringement requires proof of direct infringement.
2. Principle: Liability for direct infringement requires that a single entity practice each and every element of a patent claim.
3. Conclusion: Liability for inducement of infringement requires direct infringement by a single entity.

$$1 + 2 \neq 3$$

Logic of Akamai/McKesson

BMC Resources (2007): Liability for inducement requires that direct infringement be committed by a single entity.

Party A **infringed** the claim.

Akamai (2012): Liability for inducement does not require that direct infringement be committed by a single entity.

The claim **was infringed by** Parties A and B.

Section 271(b)

Post-enactment Interpretation

“Its intention is to **hold liable the mastermind** who plans the whole infringement and sits back and watches it happen, somehow himself managing to avoid either making, using or selling. This can happen in a variety of ways.”

“These people are, legally speaking, joint tortfeasors, and they ought to be held liable. So the active inducer is made and denoted an infringer.”

Giles S. Rich, Address Before the N.Y. Pat. Law Ass’n (Nov. 6, 1952), *reprinted in* 3 J. Fed. Cir. Hist. Soc’y 103, 113 (2009).