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# **APPELLEE'S BRIEF**

2009-1372, -1380, -1416, -1417

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UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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FILED  
U.S. COURT OF APPEALS FOR  
THE FEDERAL CIRCUIT

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AKAMAI TECHNOLOGIES, INC.  
and *Plaintiff-Appellant,*

THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY,  
*Plaintiff-Appellant,*

v.

LIMELIGHT NETWORKS, INC.,  
*Defendant-Cross-Appellant.*

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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

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**BRIEF OF DEFENDANT-CROSS-APPELLANT  
LIMELIGHT NETWORKS, INC. ON REHEARING EN BANC**

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## CERTIFICATE OF INTEREST

Counsel for Defendant–Cross-Appellant Limelight Networks, Inc. certifies the following:

1. The full name of every party or amicus represented by me is  
Limelight Networks, 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:

Not applicable.

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this Court are:

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## **STATEMENT OF RELATED CASES**

Limelight Networks, Inc. accepts the Statement of Related Cases set forth in Akamai Technologies, Inc.'s opening brief on rehearing en banc.

## QUESTION PRESENTED

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?

## STATEMENT OF THE CASE

Appellant Akamai Technologies, Inc. (“Akamai”) sued Limelight Networks, Inc. (“Limelight”) for infringement of three patents: the ’703 (the only patent at issue in this en banc proceeding), the ’645, and the ’413, all of which share the identical specification. Before trial, Akamai stipulated that it could not prove infringement of the ’645 patent based on the district court’s claim constructions; the district court also entered summary judgment of non-infringement of the ’413 patent.

At trial, Akamai accused Limelight of directly infringing two independent and two dependent claims of the ’703 patent, dropping any claim of indirect infringement. The jury returned a verdict in favor of Akamai. After initially denying Limelight’s motion for judgment as a matter of law, the district court reconsidered and held, under this Court’s decision in *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318 (Fed. Cir. 2008), that Akamai had failed to prove that Limelight directly infringed. It was undisputed that Limelight does not carry out at least one step of each of the claimed methods. And Akamai failed to introduce

sufficient evidence “to establish the requisite direction or control by Limelight of its customers necessary to find it liable for direct infringement” based on its customers’ conduct. (A59.)

On appeal, Akamai argued that the district court erred in its application of *Muniauction*, but did not challenge the standard for direct infringement articulated in *Muniauction* and *BMC Resources, Inc. v. Paymentech, L.P.*, 498 F.3d 1373 (Fed. Cir. 2007). A unanimous panel affirmed, holding that there was no evidence that “the allegedly infringing activities of Limelight’s customers were attributable to Limelight.” *Akamai Techs., Inc. v. Limelight Networks, Inc.*, 629 F.3d 1311, 1322 (Fed. Cir. 2010). The panel’s ruling made it unnecessary to address Limelight’s cross-appeal and alternative grounds for affirmance, including that neither Limelight nor its customer performs the “tagging” step of the ’703 patent.

This Court granted rehearing en banc and vacated the panel opinion.

## **STATEMENT OF FACTS**

### **A. The ’703 Patent**

1. Content providers maintain websites that have web pages containing “embedded objects,” such as graphics or pictures. Each embedded object is identified by a uniform resource locator (“URL”) that can be used to retrieve the object after the base web page is served in response to an Internet user’s request.

(A265, fig. 2; A269, 5:23-32.) A typical URL (*e.g.*,

<http://www.provider.com/TECH/images/space.story.gif>) includes:

- a protocol (<http://>),

- a hostname (“[www.provider.com](http://www.provider.com)”),

- a path (“[/TECH/images/](http://www.provider.com/TECH/images/space.story.gif)”), and

- an object name (“[space.story.gif](http://www.provider.com/TECH/images/space.story.gif)”).

(A270, 8:4-7.) According to the patent specification, an object’s original URL is conventionally used to serve the object from the content provider’s server. (A269, 6:38-41.)

A user requests content over the Internet using the URL for that content, usually via a web browser such as Microsoft Explorer. The Internet’s Domain Name System (“DNS”) resolves the hostname portion of the URL and returns one or more Internet Protocol (“IP”) addresses identifying one or more content servers that may contain the requested content. The user’s browser then uses the URL to request the content from one of the content servers, which generally responds by delivering the requested content.

Content providers may prefer to direct some or all requests for content to a “content delivery network,” or CDN, thereby reducing the load on the content provider’s resources. The content provider can elect to do this by modifying an object’s original URL to include the hostname for the CDN. When a user requests



an object using this modified URL, the request for the object is directed to the CDN rather than the content provider's website.

2. The '703 patent describes a single way to modify an object's original URL to include the hostname for the CDN – namely, by prepending (*i.e.*, placing in the URL before the content provider's hostname) the CDN's virtual server hostname.

According to the invention, the embedded object URL is first modified, preferably in an off-line process, to condition the URL to be served by the global hosting servers. . . . Thus, according to the present invention, a virtual server hostname is prepended into the URL for a given embedded object . . . .

(A269, 6:41-44; A270, 7:24-26.) (The “virtual server hostname” is called “virtual” because it may correspond to multiple different “actual” physical computer servers in a CDN. (A343:56.))

The patent then explains how the disclosed system operates, including the purpose of retaining the object's original URL after prepending the virtual server hostname: to be able to retrieve the object from the content provider if necessary. In the specification's example of an original object URL:

**www.provider.com/TECH/images/space.story.gif**  
[original object URL]

the object is “space.story.gif” and is associated with the alphanumeric string in the modified URL by prepending the virtual server hostname to the object's original URL:

ghost1467.ghosting.akamai.com/www.provider.com/TECH/images/space.story.gif  
[virtual server hostname] [original object URL]

(A270, 8:4-12.) The CDN receives requests for the object identified by this modified URL because the virtual server hostname is resolved by the DNS to an IP address in the CDN's domain (e.g., akamai.com). (A269, 6:35-46.)

After the CDN DNS resolves the user's request and returns an IP address of a CDN content server, the user then sends the URL to that content server in the CDN in order to serve the object. (A272, 12:26-28.) The CDN determines if it has the requested object on its own servers. If it does, it serves the object to the user in response to the request. If the CDN does not have the object, it requests the object from the content provider – using the original URL portion of the prepended URL to identify where the object can be found and making the request for it there. After the CDN retrieves the object from the content provider, the CDN serves it to the user in response to the request. (A272, 12:31-39.)<sup>1</sup>

During prosecution of the '703 patent, Akamai introduced the term "tagging" to describe prepending a virtual server hostname onto an object's original URL when it added application claims 42 and 47 (issued claims 17

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<sup>1</sup> An inventor of Akamai's patents admitted that the only way the patent discloses modifying an object's original URL is by using the object's original URL along with the virtual server hostname. (A364:46.) The patent nowhere describes or discloses "replacing" or "substituting" the hostname of the object's original URL. No evidence exists that a person of ordinary skill in the art would have known of other techniques for "replacing" a hostname with one that points to a CDN.

and 19). (A20134-35.) The only discussion of “tagging” occurred when Akamai later amended those claims, and added application claim 53 (issued claim 34).

(A20145-64.) The inventors argued for allowance of these claims by stating that all independent claims require “tagging” by “prepend[ing] given data to the domain name and path normally used to retrieve the embedded object”:

[T]his functionality [referring to the present invention] is achieved by modifying the embedded object URL that is normally sent with the base HTML of the web page when that page is served from the content provider server. In particular, the embedded object URL is modified (e.g., at the content provider server) *to prepend given data to the domain name and path normally used to retrieve the embedded object.*

...

[T]o simplify prosecution of this case, the undersigned (as promised) has gone back through the pending claims and cancelled certain claims and modified others where appropriate so that *all independent claims now emphasize the above-described aspects of the present invention.*

(A20155-56 (emphasis added).)

3. Akamai asserted that Limelight infringes two independent and two dependent claims of the '703 patent. Independent claim 34 is the focus of Akamai's appeal. That claim requires the “tagging” of “at least some of the embedded objects” on the content provider's web page. It claims, in relevant part, a “content delivery method, comprising:

distributing a set of page objects across a network of content servers managed by a domain other than a content provider domain . . . ;

for a given page normally served from the content provider domain,  
*tagging at least some of the embedded objects of the page* so  
that requests for the objects resolve to the domain instead of the  
content provider domain;

in response to a client request for an embedded object of the page:  
resolving the client request . . . ; and  
returning to the client an IP address of a given one of the  
content servers . . . .”

(A276, 20:32-52 (emphasis added).)

Independent claim 19 additionally requires the “serving” of a requested web  
page from the content provider’s domain, while separately delivering objects (such  
as movies or images) on that web page from the CDN. It claims a “content  
delivery service, comprising:

replicating a set of page objects across a wide area network of content  
servers managed by a domain other than a content provider  
domain;

for a given page normally served from the content provider domain,  
*tagging the embedded objects of the page* so that requests for  
the page objects resolve to the domain instead of the content  
provider domain;

responsive to a request for the given page received at the content  
provider domain, *serving the given page from the content  
provider domain*; and

serving at least one embedded object of the given page from a given  
content server in the domain instead of from the content  
provider domain.”

(A276, 19:6-20 (emphases added).)

## **B. Limelight's Content Delivery Network**

1. Limelight operates a CDN in competition with the dominant market player, Akamai (which controls roughly 75 percent of the market); Limelight is number two. Limelight's innovative CDN service operates very differently from Akamai's. It allows content providers 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 customer modifies the URLs for those objects.<sup>2</sup> Specifically, Limelight provides one or more hostnames for its customers to use to modify URLs. (A570:58; A587:121-23.) To modify a URL for objects it wants Limelight to deliver, the customer deletes the hostname identifying its domain and inserts in its place a hostname provided by Limelight. Thereafter, 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.) To access Limelight's CDN, Limelight customers never prepend a virtual server hostname to an object's original URL.

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<sup>2</sup> The customer can also modify a "CNAME record," which is stored in name servers and can be used by content providers to enable hostname aliases. In the case of modifying a CNAME record, the customer adds or changes a CNAME record on its name server.

On an object-by-object basis, customers select what 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.) Thus, a customer can change its hostname “at will” to direct some requests to Limelight and other requests to CDN competitors. (A571:65.) *See also Akamai*, 629 F.3d at 1320 (“the customers decide what content, if any, they would like delivered by Limelight’s CDN”).

Similarly, the customer is *solely* responsible for serving the underlying web pages that contain those objects. (A573-74:71-74; A586-87:119-22; A17807.) A customer can serve the web pages itself or may hire a hosting service to serve its web pages. (A573-74:71-74.) Limelight plays no role in how the customer serves its pages or what entity might serve those pages on the customer’s behalf. (*Id.*) *See also Akamai*, 629 F.3d at 1320 (“Limelight’s customers also perform the step of ‘serving’ their own web pages.”).

3. Akamai argues that Limelight’s customers are “contractually obligated to perform the tagging and/or serving steps if they want Limelight’s service guarantee.” Akamai Br. 46. To the contrary, as the panel recognized, the “form contract does not *obligate* Limelight’s customers to perform any of the

method steps.” *Akamai*, 629 F.3d at 1321.<sup>3</sup> The contract language quoted by Akamai is not a promise by the customer to modify URLs on Limelight’s behalf and does not constitute “contracting out” by Limelight:

Customer shall be responsible for identifying via the then current Company process all uniform resource locators (“URLs”) of the Customer Content to enable such Customer Content to be delivered by the Company Network.

(A17807.) Rather than obligate the customer to do anything, this language puts the customer in control. The customer is “responsible for identifying” via a particular hostname in its URLs what content, if any, it wishes to have served by Limelight’s CDN. (A587:121.) This document similarly designates the customer as being “solely responsible” for its web site, IP addresses, domain names, hyperlinks, databases and other resources used to operate the customer’s web site. (A17807.) The customer alone decides if, when, and for which content it will modify URLs that direct user requests for embedded content to the Limelight CDN. (A569-71; A573-74; A587.)

### **C. Proceedings Before the District Court**

1. Before trial, Akamai gave up any claim of indirect infringement, pursuing claims of direct infringement only. Because it is undisputed that

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<sup>3</sup> As set out in Limelight’s panel brief, the document Akamai introduced was not an executed contract, and there was no evidence that the document was part of any “standard” contract or even if the particular language was ever included in an executed Limelight contract. *See* Panel Br. 24-25.

Limelight does not, itself, perform the “tagging” step of the asserted claims or the “serving” step of claim 19, Akamai’s “theory of infringement [was] joint infringement.” Akamai Panel Br. 4. Akamai sought and received an instruction that allowed the jury to impose liability if “the content provider, when carrying out [the tagging step], acts under the direction and control of Limelight such that Limelight can properly be deemed to be the one to do it.” (A818:20.)<sup>4</sup> At Akamai’s request, the court changed “direction and control” to “direction or control” – that is, it instructed the jury that the content provider’s activities would be “chargeable to Limelight” if Limelight “direct[ed] or control[led], control[led] or direct[ed]” those activities; “it doesn’t have to be both.” (A826:53).

2. After the verdict, Limelight moved for JMOL of no infringement because there was no substantial evidence Limelight “directed or controlled” its

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<sup>4</sup> The district court erroneously instructed the jury that it should “review the evidence, decide how the Limelight systems work, how does the interaction with the content provider work, and, specifically, does Limelight direct and control the modifications [of the URLs] or does the content provider carry out these tasks *entirely independently*.” (A818:21 (emphasis added).) The “entire independence” standard has no basis in this Court’s precedents. Limelight sought a new trial on the ground that this aspect of the instruction was erroneous; that motion was mooted when the district court granted judgment in favor of Limelight.



customers' actions; the district court denied the motion. (A15262-66.)<sup>5</sup> Following this Court's decision in *Muniauction*, Limelight moved for reconsideration. (A17877-82.) Finding "no material difference between Limelight's interaction with its customers and that of Thomson in *Muniauction*" and applying the holding of *Muniauction*, the district court granted JMOL of no infringement. (A1; A58.)

#### **D. The Panel Opinion**

A unanimous panel affirmed. As framed by Akamai, the sole issue with respect to the '703 patent was "[w]hether the district court erred in vacating the jury's verdict of infringement . . . based on *Muniauction*." Akamai Panel Br. 2. Akamai did not argue that either *BMC Resources* or *Muniauction* was wrongly decided or incorrectly reasoned in any respect. Instead, Akamai argued that, "[f]or those steps [of the asserted claims] that Limelight does not perform itself, Limelight both controls (through contractual requirements) and directs (through explicit detailed technical instructions) content providers to perform those steps." *Id.* at 40.

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<sup>5</sup> Limelight also sought a new trial based on the district court's interpretation of "optimal." (A20924-27.) Limelight further sought JMOL because there was no substantial evidence supporting the jury's verdict that Limelight met the "tagging requirement of the asserted claims and moved for JMOL on lost profits for want of legally sufficient evidence. (A15275-78.) The district court denied Limelight's motions without explanation. (A20680; A20683.) Limelight's alternative grounds for affirmance and cross-appeal on these issues were mooted by affirmance of the district court's judgment.

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.” *Akamai*, 629 F.3d at 1319. “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.” *Id.*; *see also id.* at 1321 (“What is critical . . . is whether the evidence shows that the relationship between Limelight and its customers is such that the steps in question are performed by the customers as agents of Limelight or under a contractual obligation and are, thus, properly attributable to Limelight.”). The panel concluded that *Akamai* failed to make the required showing. *Id.* at 1322.

The Court also affirmed the district court’s construction of the ’645 and ’413 patents. With respect to the ’645 patent, the panel agreed with the district court that the claim limitation “a given object of a participating content provider is associated with an alphanumeric string” requires that the alphanumeric string *include* the embedded object’s original URL. *Id.* at 1325. The Court held that the specification (which is also the specification of the ’703 patent) “makes clear that including the object’s original URL is the *only* method to achieve the claimed

association between an alphanumeric string and the embedded object.” *Id.* at 1327 (emphasis added). “Moreover, the specification specifically limits the object’s modified URL to either prepending or inserting a virtual server hostname into the URL.” *Id.*; *see also id.* at 1328 (“the specification clearly describes that the hostname will be ‘prepended into the URL for the given embedded object’”). The panel decision thus makes clear that “tagging,” as used in the patent claims, must involve prepending. In Limelight’s system, the content provider substitutes a *different* URL for the URL of the embedded object – *i.e.*, the modified URL does *not* include the original URL. For that reason, *no one* carries out certain steps of Akamai’s claimed invention, including the method claimed in the ’703 patent. As noted above, the panel did not need to reach this issue, but would need to do so if this Court does not affirm the district court.

### SUMMARY OF ARGUMENT

The district court held that there was no evidence that Limelight performed the “tagging” step of any of the claims or the “serving” step of claims 19-21, and that Limelight therefore did not infringe those claims. This Court should affirm.

I. A. The standard articulated by this Court in *BMC Resources* and *Muniacution* and by the panel is correct. To establish direct infringement of a method claim under 35 U.S.C. § 271(a), a plaintiff must prove that the defendant performed each step of the method. *See Canton Bio-Med., Inc. v. Integrated Liner*

*Techs., Inc.*, 216 F.3d 1367, 1370 (Fed. Cir. 2000); *General Foods Corp. v. Studiengesellschaft Kohle mbH*, 972 F.2d 1272, 1274 (Fed. Cir. 1992). To the extent that a content provider, not Limelight, carries out the “tagging” and “serving” steps of the ’703 patent, Limelight does not itself perform each step of the method and therefore does not directly infringe the claim *unless* there is a basis for attributing the content provider’s conduct to Limelight. *See Fromson v. Advance Offset Plate, Inc.*, 720 F.2d 1565, 1568 (Fed. Cir. 1983); *cf. Cross Med. Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293, 1311 (Fed. Cir. 2005).

Patent infringement under § 271 is a species of statutory tort; “when Congress creates a tort action, it legislates against a legal background of ordinary tort-related vicarious liability rules and consequently intends its legislation to incorporate those rules.” *Meyer v. Holley*, 537 U.S. 280, 285 (2003). Akamai pursued a claim of direct infringement only, and asked for and received a jury instruction that correctly informed the jury that direct infringement is a strict-liability tort that does not depend on the infringer’s knowledge of the patent or intent. Akamai can therefore establish that Limelight may be held liable for the conduct of a third party only on proof of liability “based on the actions of the other party regardless of any allegation of culpability on the party held vicariously liable” – that is, “[p]ure vicarious liability.” *Laperriere v. Venta Ins. Group, Inc.*,

526 F.3d 715, 722 (11th Cir. 2008) (per curiam); *see also, e.g., Rio Mar Assocs., LP v. UHS of Puerto Rico, Inc.*, 522 F.3d 159 (1st Cir. 2008) (distinguishing “vicarious liability” from “joint tortfeasor liability”); *Aguirre v. Turner Constr. Co.*, 501 F.3d 825 (7th Cir. 2007) (same).

Vicarious liability for the acts of a third party attaches only if the defendant “direct[s], command[s], or knowingly authorize[s]” the acts in question. *Givens v. Mullikin*, 75 S.W.3d 383, 395 (Tenn. 2002); *see also, e.g.,* Restatement (Third) of Agency § 1.01 (2006); *see also id.* § 7.04. Under this standard, attribution of the conduct to the defendant is based on the legal right to control or direct the action of the third party, such that it is proper to treat such conduct as that of the defendant. *Maruho Co. v. Miles, Inc.*, 13 F.3d 6, 11 (1st Cir. 1993) (Breyer, C.J.) (“[t]he theories of vicarious liability that [plaintiff] argues . . . all require [plaintiff] to show that [defendant] had the legal right to control” the allegedly tortious conduct); *cf. Janus Capital Group, Inc. v. First Derivative Traders*, 131 S. Ct. 2296, 2302 (2011) (“Without control, a person or entity can merely suggest what to say, not ‘make’ a statement in its own right.”).

**B.** As the panel and the district court correctly determined, Akamai failed to satisfy that standard. Limelight has no legal ability to compel or control content providers’ actions, either by virtue of the parties’ relationship (*e.g.,* master/servant)

or by virtue of contractual obligation owed by the content providers. The content providers' actions therefore cannot be attributed to Limelight.

C. The argument that looser forms of influence over a third party's conduct provide a basis for a claim of direct infringement conflicts with the deeply rooted understanding – embodied in the statutory language and structure – that direct infringement does not depend on fault.

1. The Patent Act, codifying pre-1952 common law, establishes direct infringement as a strict liability tort: anyone who “makes, uses, offers to sell, or sells any patented invention” infringes – irrespective of intent. 35 U.S.C. § 271(a). By contrast, the Act recognizes only two circumstances in which a defendant can be held liable for the infringing acts of another: where the defendant actively induced infringement or where the defendant contributed to infringement by selling a non-staple product that is specially adapted for an infringing use. *Id.* § 271(b), (c). In both cases, Congress included the requirement that the defendant have culpable knowledge of the resulting infringement – *i.e.*, that the defendant “kn[ew] that the induced acts constitute patent infringement.” *Global-Tech Applicances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2068 (2011); *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 488 (1964) (violation of § 271(c) must know “that the combination for which his component was especially designed was both patented and infringing”).

To permit attribution of conduct in the absence of direction or control would create a new, hybrid infringement tort in which a defendant could be held liable for *direct* infringement based on inducing conduct of a third party. Recognition of such a tort would necessarily conflict with and undermine the lines Congress drew in the 1952 Act. Either it would undermine the strict liability nature of direct infringement – *i.e.*, would make a defendant’s liability for direct infringement turn on knowledge of the patent and an awareness that the third party’s conduct. Or it would allow imposition of liability, without any traditional basis in agency law for attributing the acts of the third party to the defendant, in the absence of culpable knowledge or intent – thus undermining the intent requirement of § 271(b) and (c). Such a fundamental change to the statutory scheme – and undermining of the settled expectations of the inventive community – can only come from Congress. *See Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 529-30 (1972); *see also Central Bank of Denver, N.A. v. First Interstate Bank of Denver, N.A.*, 511 U.S. 164, 173 (1994).

2. Akamai’s theory conflicts with underlying tort principles as well. To the extent a defendant may be held liable based on a defendant’s inducing another to engage in tortious conduct, such liability can never be imposed where the defendant did not *know* that the conduct in question was tortious – that is, liability for inducement requires *mens rea*. *See* Restatement (Second) of Torts § 877(a)

(1979); *Pittman ex rel. Pittman v. Grayson*, 149 F.3d 111, 123 (2d Cir. 1998).

Akamai did not argue, much less prove, that Limelight acted with knowledge that the conduct of the content providers would infringe. More fundamentally, the conduct of the content providers does *not* infringe.

II. There is no other potential basis for imposing liability on Limelight for direct infringement.

A. The sole theory of liability that Akamai preserved before the district court was that Limelight was liable for direct infringement because it “direct[ed] or control[led]” the actions of content providers in performing one or more steps of the claimed methods. Akamai waived any other potential theory of “joint infringement” liability that it now urges before this Court. *See Microsoft Corp. v. i4i Ltd. P’ship*, 131 S. Ct. 2238, 2251 (2011); Fed. R. Civ. P. 51(d).

B. Neither (1) “joint enterprise” liability nor (2) co-conspirator liability is available to establish direct infringement.

1. The basis for imposition of “joint enterprise” liability is, as in the case of liability based on a principal-agent relationship, the right to exercise legal control over the action of the joint venturer. *See Maruho*, 13 F.3d at 11 (“joint enterprise requires something that shows a mutual *right* of control”) (citing W. Page Keeton et al., *Prosser and Keeton on Torts* § 72, at 519-20 (5th ed. 1984) (“Prosser & Keeton”)). The service provider / customer relationship between



Limelight and content providers does not evince any right of control by either party over the action of the other, such that joint enterprise liability might provide a basis for combining the acts of multiple parties to establish direct infringement.

2. Limelight cannot be held liable as based on a “concert of action” theory of liability. The Patent Act does not recognize liability for “conspiracy to infringe.” Where a defendant does not directly infringe and has not engaged in indirect infringement as defined in the statute, there is no statutory basis for imposing liability. *See International Rectifier Corp. v. Samsung Elecs. Co.*, 361 F.3d 1355, 1360 (Fed. Cir. 2004).

Moreover, “concert of action” cannot be the basis for imposing liability for the harm caused by the unlawful acts of another where the parties did not agree to pursue an *unlawful* scheme. Where no party infringes a patent, there is nothing for which “co-conspirators” can be held liable. *See* Restatement (Second) of Torts 876 cmt. c (“[I]t is essential that the conduct of the actor be in itself tortious.”). And co-conspirator liability cannot be a basis for imposition of liability without fault; the reason that the law allows the imposition of liability on all members of a conspiracy is that they have acted with a conscious commitment to achieve an objective that is *known* to be unlawful. *Pittman*, 149 F.3d at 123. That was not alleged or proven here.

III. Maintaining the integrity of standards for direct infringement is important for the just administration of the patent system and threatens no unfairness to patentees. The indispensable function of patent claims is to provide clear notice of the scope of what the patent protects. Where a defendant does not carry out all of the steps claimed in a method, the defendant has not infringed the patent. Judicial rewriting of claims to reach such conduct would stifle innovation and competition and leads to windfalls for patentees. *E.g., United Carbon Co. v. Binney & Smith Co.*, 317 U.S. 228, 236 (1942); *McClain v. Ortmayer*, 141 U.S. 419, 428 (1891). The patent laws are set up to encourage work-arounds to promote innovation. By contrast, requiring patentees to claim the invention for which they seek exclusive rights poses no undue burden in general and did not do so in this case.

### ARGUMENT

The Court properly limited the issue presented for en banc consideration to direct infringement; Akamai abandoned any claim for indirect infringement before trial. Just as clearly, the sole theory of “joint infringement” open to Akamai is based on the “control or direction” standard of *BMC Resources* – which was the basis for the jury instruction that Akamai asked for and received. In any event, Akamai’s effort to identify some other basis for liability conflicts with the statute and has no basis in principles of tort law or in the evidence.

**I. A DEFENDANT DOES NOT DIRECTLY INFRINGE A METHOD CLAIM WHERE THIRD-PARTY CONDUCT IS NOT ATTRIBUTABLE TO THE DEFENDANT UNDER AGENCY LAW PRINCIPLES**

**A. This Court's Control or Direction Standard – As Elaborated in *BMC Resources*, *Muniauction*, and the Panel Opinion – Is Correct**

This Court has held (1) that a defendant does not directly infringe a method claim unless the defendant performs all steps of the claimed method; and (2) that, where the defendant does not *itself* perform one or more steps, the performance of those steps by a third party may be attributed to the defendant *only* if the defendant exercised “direction or control” over the third party – a standard that incorporates general principles of agency law. *See Akamai*, 629 F.3d at 1318-19; *Muniauction*, 532 F.3d at 1328-30; *BMC Res.*, 498 F.3d at 1378-81. Each of those conclusions is correct; together, they require affirmance of the district court's judgment.

1. A defendant directly infringes if, without authority, it “uses . . . within the United States . . . any patented invention.” 35 U.S.C. § 271(a) (in relevant part). “Each element contained in a patent claim is deemed material to defining the scope of the patented invention . . . .” *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 29 (1997). Unless a defendant has performed each step of the patented method, therefore, it has not used the invention, and it has not directly infringed. *See Canton Bio-Med.*, 216 F.3d at 1370 (“[i]nfringement of process inventions is subject to the ‘all-elements rule’ whereby each of the claimed steps of

a patented process must be performed in an infringing process”); *General Foods*, 972 F.2d at 1274 (“a claim to a process comprising the step A followed by step B followed by step C defines, as a matter of law, only the A-B-C process and one cannot properly speak of any single step as being ‘claimed’, for it is not”); *cf. Aro Mfg. Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 344 (1961) (“For if anything is settled in patent law, it is that the combination patent covers only the totality of the elements in the claim and that no element, separately viewed, is within the grant.”). The claim that two parties each carried out some but not all steps of a patented method, without some basis for attributing the conduct of one party to the other, fails to allege direct infringement.<sup>6</sup> *See Schumacher v. Cornell*, 96 U.S. 549, 554 (1877) (“A combination is always an entirety. . . . If more or less than the whole of his ingredients are used by another, such party is not liable as an infringer, because he has not used the invention or discovery patented.”).

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<sup>6</sup> In many cases, none of the steps of the method is individually patentable. For example, the prepending technique employed in the ’703 patent to redirect requests for an object was known for many years before Akamai existed. *See* U.S. Patent No. 6,029,175, col. 5, l. 19 (issued Feb. 22, 2000). To find infringement based on performance of only certain steps of a patented method would, by definition, expand the scope of the patentee’s right to exclude beyond what the PTO granted. *See also Prouty & Mears v. Ruggles*, 41 U.S. (16 Pet.) 336, 341 (1842) (“The patent is for a combination . . . . None of the parts referred to are new, and none are claimed as new; nor is any portion of the combination, less than the whole, claimed as new[.]”).

Decisions of this Court that predate *BMC Resources* illustrate the point. In *Fromson*, the process claim for preparing a photographic plate involved steps of (1) applying to an aluminum sheet a solution of an alkali metal silicate; (2) drying the resulting water-insoluble layer; (3) applying a light-sensitive coating. 720 F.2d at 1567. The defendant manufactured and sold plates that had been treated with a solution of an alkali metal silicate, which the defendant dried. The customers, however, not the manufacturer, applied the light-sensitive coating. *See id.* at 1568. This Court held that, as a result, the manufacturer “cannot be liable for direct infringement with respect to those plates.” *Id.*<sup>7</sup> The same conclusion applies here. Akamai and amici do not attempt to distinguish *Fromson* and provide no basis for ignoring it. *See* AIPLA Br. 8. In particular, the relevant analysis of direct infringement cannot be dismissed as dicta because it foreclosed the plaintiff from claiming, on remand, that the manufacturer’s sale of unfinished plates constituted direct infringement. And many other cases recognize the basic principle. *See, e.g., Mobil Oil Corp. v. Filtrol Corp.*, 501 F.2d 282, 291-92 (9th Cir. 1974) (“We question whether a method claim can be infringed when two separate entities

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<sup>7</sup> The Court also noted in dicta that the manufacturer *could* be liable for contributory infringement with respect to such plates. That observation makes sense because plaintiff’s patent included a product claim. The recitation of 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. Akamai does not explain why the Court’s statement is “contradictory.” Br. 11.

perform different operations and neither has control of the other's activities."); *Faroudja Labs., Inc. v. Dwin Elecs., Inc.*, No. 97-20010 SW, 1999 WL 111788, at \*3-\*4 (N.D. Cal. Feb. 24, 1999) (noting that, because "infringement of a method claim occurs only when the accused infringer carries out every step as set forth in the claim," a defendant "does not directly infringe any claim" of the patent at issue where the defendant did not itself carry out at least one step of claimed methods); *E.I. DuPont de Nemours & Co. v. Monsanto Co.*, 903 F. Supp. 680, 735 (D. Del. 1995) (noting absence of precedent for the proposition that a "third party who performs one step of a patented process and then sells the resulting product to the direct infringer . . . is . . . liable as a *direct* infringer under § 271(a)"), *aff'd mem.*, 92 F.3d 1208 (Fed. Cir. 1996).

Similarly, in *Cross Medical*, the plaintiff argued that the defendant, Medtronic, could be found to directly infringe an apparatus claim because it manufactured a device that met every claim limitation after implantation by a surgeon. *See* 424 F.3d at 1310. The Court rejected that argument noting that although Medtronic's representatives were sometimes present "in the operating room" and "identify instruments used by surgeons" – that is, provided instructions leading to the making of the allegedly infringing device – the surgeons nevertheless were not "agents of Medtronic" such that their actions could be attributed to Medtronic. *Id.* at 1311 ("Because Medtronic does not itself make an

[infringing] apparatus . . . , Medtronic does not directly infringe.”). That *Cross Medical* involved apparatus claims and not method claims does not diminish the relevance of the Court’s analysis. It illustrates that third-party conduct cannot be loosely attributed to a defendant, but can be so attributed only on the basis of agency-law principles.

Akamai argues that the Court erred in *Muniauction* when it held that “direct infringement requires a *single party* to perform every step of a claimed method.” *Muniauction*, 532 F.3d at 1329 (emphasis added); *see also* AIPLA Br. 9. But Akamai misconstrues that holding. The Court did not hold that *only* the actions of a single party can ever be considered in evaluating whether there has been direct infringement. To the contrary, all of the Court’s cases make clear that the conduct of a third party may sometimes be attributed to a defendant for purposes of determining whether the defendant has infringed. *See BMC Res.*, 498 F.3d at 1379 (rejecting the argument that the rules governing direct infringement “provide a loophole for a party to escape infringement by having a third party carry out one or more of the claimed steps on its behalf”). The Court was simply making clear that,

where no “single party” has – either itself or vicariously – performed all of the steps of a method patent, no one has directly infringed.<sup>8</sup>

None of the cases that Akamai relies on (at 12-13, 16-17) dispenses with the requirement that a single party be responsible for direct infringement. In *Shields v. Halliburton Co.*, 493 F. Supp. 1376 (W.D. La. 1980), the court found that defendants “*singularly and jointly infringed*” the subject patents. *Id.* at 389 (emphasis added). The court additionally indicated that employees of one of the defendants (which was a wholly owned subsidiary of the other) had been acting subject to the direction and control of the other. *See id.* at 1388 (“the actual grouting operation was conducted by Halliburton which was assisted by Brown and Root employees”).<sup>9</sup> In *Free Standing Stuffer, Inc. v. Holly Dev. Co.*, 187 USPQ 323 (N.D. Ill. 1974), *Metal Film Co. v. Metlon Corp.*, 316 F. Supp. 96 (S.D.N.Y. 1970), and *Jackson v. Nagle*, 47 F. 703 (C.C.N.D. Cal. 1891), the defendant had contracted out one or more of the steps of a method; it was therefore responsible for the performance of that step under general vicarious liability principles. *See Free Standing Stuffer*, 187 USPQ at 333 (making clear that

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<sup>8</sup> The extended discussion of the meaning of “whoever” as used in § 271(a) in the briefs of Akamai and AIPLA is irrelevant. *See* AIPLA Br. 5-6. The question is whether anyone has “used” Akamai’s method. Because no one has performed all the steps, no one has.

<sup>9</sup> Brown & Root was a wholly owned subsidiary of Halliburton. *See In re Marine Constr. Antitrust Litig.*, 487 F. Supp. 1355, 1355 (J.P.M.L. 1980).



defendant was liable for acts of “alter egos[,] . . . agents and contractors”); *Metal Film*, 316 F. Supp. at 110 & n.12; *Jackson*, 47 F. at 703-04.<sup>10</sup> In *Halliburton v. Honolulu Oil Corp.*, 98 F.2d 436 (9th Cir. 1938) – which was reversed in relevant part by the Supreme Court and therefore has no value as precedent – the court held that “[a]ll the steps of the claims in suit are employed by the appellee.” *Id.* at 440. The court’s unexplained reference to “joint infringement” may refer to the fact that the defendant contracted with a service company to perform the method – there is no discussion of the issue – which this Court has recognized may provide a basis for attributing the conduct of contractor to the principal. *See, e.g., BMC Res.*, 498 F.3d at 1379.

*Peerless Equipment Co. v. W.H. Miner, Inc.*, 93 F.2d 98 (7th Cir. 1937), undermines rather than supports Akamai’s argument. In that case, the court found that the defendant directly infringed a claim on a shock-absorbing mechanism. The court also held that the defendant had infringed process claims even though the defendant’s customer, not the defendant, carried out the final step of the process. *See id.* at 105. But the court found the defendant liable for “contributory”

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<sup>10</sup> In *New Jersey Patent Co. v. Schaeffer*, 159 F. 171 (C.C.E.D. Pa. 1908), the defendant induced a retail licensee to procure patented phonograph records and then resold them at a price that violated the conditions in the licensee’s agreement with the plaintiff. The Supreme Court soon made clear that such conditions on resale are not enforceable under patent law; in any event, the intentional scheme to violate enforceable conditions on a patent license has no analog in this case.

– *i.e.*, indirect – infringement of the process claims, *not* direct infringement. *Id.* (emphasis added).<sup>11</sup> Thus, the holding is potentially material only to a construction of 35 U.S.C. § 271(c) – the contributory infringement provision – not 35 U.S.C. § 271(a). And, of course, cases where a defendant contributes to direct infringement by another provide no support for Akamai’s suggestion that performance of less than all of the steps of a patented method can be the basis for a claim of direct infringement. *See Solva Waterproof Glue Co. v. Perkins Glue Co.*, 251 F. 64, 73 (7th Cir. 1918) (defendant “was a contributory infringer”); *Thomson-Houston Elec. Co. v. Ohio Brass Co.*, 80 F. 712, 721 (6th Cir. 1897) (Taft, J.) (applying “the doctrine of contributory infringement”).

AIPLA’s apparent claim (at 19) that *Wallace v. Holmes*, 29 F. Cas. 74 (C.C.D. Conn. 1871) (No. 17,100), casts doubt on the requirement that liability for direct infringement depends on the performance of every step of a claimed method likewise confuses the basis for liability in that case – *i.e.*, knowing contribution to

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<sup>11</sup> The rule that a defendant cannot be liable for indirect infringement unless there is a direct infringer, *see Aro Mfg.*, 365 U.S. at 341, indicates that the *Peerless* court’s analysis is, at a minimum, incomplete. Indeed, the understanding that “wherever there is contributory infringement there is somewhere something called direct infringement, and to that direct infringement someone has contributed” preceded the enactment of § 271. *Patent Law Codification and Revision: Hearings on H.R. 3760 Before Subcomm. No. 3 of the H. Comm. on the Judiciary*, 82nd Cong. 151 (1951) (hereinafter “1951 Hearings”) (statement of Giles S. Rich); *see also id.* at 162 (“[T]here is no contributory infringement without direct infringement.”) (statement of Wilbur L. Fugate, U.S. Dep’t of Justice).

direct infringement by another – with direct infringement. *See* Janice M. Mueller, *Patent Law* 446 n.188 (3d ed. 2009) (“the doctrine of contributory patent infringement, statutorily codified at 35 U.S.C. § 271(c) in the 1952 Patent Act, originated in judicial decisions such as *Wallace v. Holmes*”). The Robinson treatise’s reference to “use in part with *intent* that others shall complete the operation,” 3 William C. Robinson, *The Law of Patents* § 904, at 63 (1890) (emphasis added), also addresses indirect, not direct, infringement – as the cross-references make clear. *See also id.* § 924, at 101 (“A combination is complete when all its elements, with their connecting parts, are finished ready to be united. But here, as elsewhere, the specific intent may supply in some degree the place of the exterior act. To make or sell a single element with the intent that it shall be united to the other elements, and so complete the combination, is infringement.”).

2. Principles of agency and tort law dictate that Akamai cannot hold Limelight liable for direct infringement based on evidence that Limelight’s customer carried out one or more steps of the method absent evidence (not introduced here) that the customer acted subject to Limelight’s right to direct or control the customer’s conduct. Because direct infringement is a strict liability tort, the alleged fault or knowledge of the defendant can provide no basis for attribution of third party conduct.

Patent infringement is a statutory tort, *see, e.g., Carbice Corp. of Am. v. American Patents Dev. Corp.*, 283 U.S. 27, 33 (1931); *Wordtech Sys., Inc. v. Integrated Networks Solutions, Inc.*, 609 F.3d 1308, 1313 (Fed. Cir. 2010), and Akamai’s claims must be evaluated in light of “ordinary tort-related vicarious liability rules,” *Meyer*, 537 U.S. at 285. The statute preserves a sharp distinction, however, between direct infringement (§ 271(a)) and indirect infringement (§ 271(b), (c)). “Direct infringement has long been understood to require no more than the unauthorized use of a patented invention. . . . [A] direct infringer’s knowledge or intent is irrelevant.” *Global-Tech*, 131 S. Ct. at 2065 n.2; *BMC Res.*, 498 F.3d at 1381. Akamai relied on the “strict liability” nature of direct infringement in making its case below: it asked for and received an instruction that “infringement . . . does not have to be intentional. It can occur even if the person who is said to infringe doesn’t know that he or she is infringing, doesn’t even know about the patent. So, there’s no need to prove intentional infringement.” (A818:19.) Accordingly, any basis for attributing third-party conduct to an alleged direct infringer *must* be based on a conduct-attribution rule that applies irrespective of any fault on the part of the defendant – that is, pure vicarious liability. *See Gleason v. Seaboard Air Line Ry.*, 278 U.S. 349, 356 (1929) (discussing “liability of the principal without fault of his own”); *Laperriere*, 526 F.3d at 722; *AT&T Co. v. Winback & Conserve Program, Inc.*, 42 F.3d 1421, 1431 (3d Cir. 1994);

*Maruho*, 13 F.3d at 11 (discussing potential bases for vicarious liability where defendant is “without fault”); *Hunnicut v. Wright*, 986 F.2d 119, 123 (5th Cir. 1993); *see also infra* Part I.C (explaining that a looser standard for conduct-attribution is inconsistent with the statutory distinction between direct and indirect infringement).

As this Court recognized in *BMC Resources* and reconfirmed in *Muniauction* and in the panel opinion, such pure vicarious liability does not arise *except* in circumstances where the defendant has the right to direct or control the conduct of the third party. *BMC Res.*, 498 F.3d at 1379 (“[T]he law imposes vicarious liability on a party for the acts of another in circumstances showing that the liable party controlled the conduct of the acting party.”); *see also Muniauction*, 532 F.3d at 1329 (“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”); *Akamai*, 629 F.3d at 1321; *Depositors Ins. Co. v. Wal-Mart Stores, Inc.*, 506 F.3d 1092, 1097 (8th Cir. 2007) (defendants not “vicariously liable or joint tortfeasors” where “[n]either . . . shared control over the other’s manufacturing operation”); *Clark v. Capital Credit & Collection Servs., Inc.*, 460 F.3d 1162, 1173 (9th Cir. 2006) (“Under general principles of agency – which form the basis of vicarious liability under the [Fair Debt Collection Practices Act]

– to be liable for the actions of another, the ‘principal’ must exercise control over the conduct or activities of the ‘agent.’”) (citation omitted).<sup>12</sup>

Thus, “[a]n agency relationship is created when one party consents to have another act on its behalf with the principal controlling and directing the acts of the agent.” *Winback*, 42 F.3d at 1434 (quoting *Sears Mortg. Corp. v. Rose*, 634 A.2d 74, 79 (N.J. 1993)); see also *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)”). An agent need not be a “servant” of the principal, but may be an independent contractor. *Winback*, 42 F.3d at 1434-35; *Akamai*, 629 F.3d at 1320 (citing Restatements). But whether the “agency” label applies more broadly to a particular relationship is not controlling. Pure vicarious liability attaches *only* where the defendant “directs, orders, or knowingly authorizes another to perform an act”; in such cases, “a principal can be held liable for the harm caused by the directed or knowingly authorized acts of an agent, even if that agent would otherwise be considered an independent contractor in the absence of any such direction or authorization.” *Givens*, 75 S.W.3d at 395;

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<sup>12</sup> To the extent *Akamai* suggests that the agency-law nature of the “direction or control” standard of *BMC Resources* was an innovation of later decisions, *Akamai* is mistaken. In articulating the control or direction standard, the Court relied on a provision of the Restatement of Agency commenting on the right of legal control that creates the specific principal-agent relationship of master and servant. See Restatement (Second) of Agency § 220 & cmt. d (1958).

*see Hunnicutt*, 986 F.2d at 123 (doctor vicariously liable for acts of non-employee personnel only where taken “pursuant to the direction and control of the physician”); *see also Janus Capital*, 131 S. Ct. at 2302 n.6. To the extent that Akamai argues that a defendant may be vicariously liable for the acts of an independent contractor where the relevant conduct is carried out pursuant to the principal’s direction and on the principal’s behalf, *see Akamai Br. 21* (citing *Kellogg v. Payne*, 21 Iowa 575 (1866)), the panel recognized that possibility and found that those circumstances were not present in this case.

Section 212 of the Restatement (Second) of Agency does not support Akamai’s argument that liability for the actions of others may be imposed in the absence of an agency or contractor relationship even without fault. That provision deals with the liability of a principal for the acts of its agent – as borne out by the illustrations, each of which refers to directions given by the principal “P” and carried out by the agent “A” and by the comments, which refer to master/servant and principal/agent. To be sure, the comments indicate that the rule is based on principles of tort law – citing the Restatement (Second) of Torts – and the comments correctly note that tort liability for inducing tortious conduct may attach even in the absence of an agency relationship. But the relevant provisions of the Restatement of Torts apply to the *knowing* inducement of wrongful acts – not pure vicarious liability, irrespective of fault, for a third party’s conduct. *See infra*

pp. 42-44. There is no support for the proposition that a party can be held liable in the absence of guilty knowledge for the non-tortious conduct of a third party in the absence of a legal right to direct or control the third party's conduct.

The distinction between strict liability based on the right of control and liability for knowingly aiding the tortious conduct of another shapes the distinction in copyright law between vicarious liability, on the one hand, and liability for contributory infringement, on the other. *See Gordon v. Nextel Communications*, 345 F.3d 922, 925 & n.1 (6th Cir. 2003). Imposition of vicarious liability requires that the defendant have the right to control the infringing activity – *i.e.*, the “right and ability to supervise the infringing activity” – whether the right of control is based on agency or something else. *E.g.*, *Nelson-Salabes, Inc. v. Morningside Dev., LLC*, 284 F.3d 505, 513 (4th Cir. 2002); *see also Shapiro, Bernstein & Co. v. H.L. Green Co.*, 316 F.2d 304, 307 (2d Cir. 1963) (“Many of the elements which have given rise to the doctrine of respondeat superior may also be evident in factual settings other than that of a technical employer-employee relationship.”) (citation omitted); *id.* at 308 (noting that the defendant “retained the ultimate right of supervision over the conduct of the record concession and its employees”). By contrast, contributory copyright infringement can be imposed based on a range of conduct that aids or abets the infringing conduct, but it must be based on knowledge of the infringement and, consequently, is also always based on others’



acts of direct infringement. *See, e.g., Gershwin Publ'g Corp. v. Columbia Artists Mgmt., Inc.*, 443 F.2d 1159, 1162 (2d Cir. 1971). The imposition of vicarious liability in the copyright context otherwise has little relevance to the issue presented here. Vicarious liability is never the basis for establishing the *existence* of copyright infringement.

**B. Akamai Cannot Establish That Limelight Is Vicariously Liable for Its Customers' Actions**

Akamai failed to establish that Limelight exercised the legally required “control or direction” over its customers such that their acts could be attributed to Limelight. Limelight’s customers decided for themselves whether to use Limelight’s CDN to deliver content embedded in their web pages. If a customer chose to have Limelight deliver the content, the customer had to change the hostname in the URL for that content (or modify a CNAME record) for requests for the content to be directed to the Limelight CDN. (A569-71:57-62; A586:119.) There was no evidence that any customer did this on behalf of, or as an agent of, Limelight. Rather, customers changed hostnames in their URLs or modified CNAME records as a result of their own choices to use the Limelight CDN. (A587.) Because customers control who delivers their content on an object-by-object basis, they could and did direct requests for content alternatively to Limelight and to competing CDNs, such as Akamai. (A570-71:60-65; A442:39-40.) Customers do not perform that step subject to Limelight’s control or

direction; rather, they do so for their own purposes. Nor do those customers owe Limelight any contractual obligation to carry out any step in the process.

Similarly, Limelight did not control or direct how customers served their web pages. Limelight's customers serve web pages to Internet users without any involvement by Limelight.

This is precisely the sort of “arms-length agreement[.]” – in which each party carries out particular steps of a method for its own purposes and subject to its own direction – that “avoid[s] infringement.” *BMC Res.*, 498 F.3d at 1381; *see* Keith Jaasma, *Finding the Patent Infringement “Mastermind”: the “Control of Direction” Standard for “Joint” Infringement*, 26 Santa Clara Computer & High Tech. L.J. 411, 412 (2010) (“Rarely will a defendant be found to assert sufficient ‘control or direction’ over its customers such that steps performed by customers will support an infringement claim against the defendant.”).

Akamai argues (at 50) that, because Limelight provides “instructions and technical assistance” to its customers in carrying out those steps, the “control or direction” test is satisfied. Akamai cites no case for the proposition that such actions subject a defendant to liability for the acts of third parties, and the argument both misreads *BMC Resources* and conflicts with basic principles of vicarious liability. *BMC Resources* makes clear that the “control or direction” test derives from agency law and involves only those circumstances where a defendant

“ha[s] someone else carry out one or more of the claimed steps *on its behalf*.” 498 F.3d at 1379 (emphasis added); *see also id.* (discussing *Cross Medical* and distinguishing the offering of directions, *i.e.*, instructions, from the directing of actions sufficient to support vicarious liability); *cf. Meyer*, 537 U.S. at 286 (agency requires that agent act on principal’s behalf). Because Limelight’s customers do not act subject to Limelight’s control or on its behalf in modifying their URLs or in serving their web pages, those acts cannot be attributed to Limelight.

**C. Akamai’s Expansion of the Control or Direction Standard Based on a Quasi-Inducement Theory Is Inconsistent with the Statute and Underlying Tort-Law Principles**

“Where there is no agency relationship or similar coordination[,] . . . courts have not been willing to apply the law of inducement to aggregate the disparate acts of unrelated parties.” Mark A. Lemley et al., *Divided Infringement Claims*, 6 Sedona Conf. J. 117, 119 (2005) (explaining that existing standards “contemplat[e] almost an alter ego and certainly not a mere customer relationship”). Akamai nevertheless argues that the “control or direction” test should be broadened to include additional circumstances where a defendant knowingly causes a third party to carry out one or more steps of a method patent. Akamai Br. 28-30; *see also* Cascades Ventures, Inc., et al. Br. 28 (proposing new extra-statutory cause of action for “partial inducement”). That theory – even assuming that it is open to Akamai, which it is not, *see infra* pp. 44-47 – conflicts

with the basic distinction between direct infringement and indirect infringement and underlying principles of tort liability.

1. The 1952 Act – like pre-1952 judicial decisions – draws a basic distinction between direct infringement – the making, using, selling, etc. of a patented invention irrespective of knowledge or intent – and indirect infringement. *See Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1464, 1468-69 (Fed. Cir. 1990) (Rich, J.). Section 271(b), which prohibits “active inducement” of infringement, and § 271(c), which prohibits “contributory infringement” are both derived from the “single concept of ‘contributory infringement’” under pre-1952 law. Unlike direct infringement, indirect infringement requires a showing that, “although not technically” an infringer, “the defendant displayed sufficient culpability to be held liable as an infringer.” *Id.* at 1469; *see Global-Tech*, 131 S. Ct. at 2065 (describing specific intent standard for active inducement); *Aro Mfg.*, 377 U.S. at 488 (holding that § 271(c) requires not only knowledge that the component was especially made or adapted for a particular use but also knowledge of the patent which proscribed that use); *see also id.* at 527 (Black, J., dissenting) (“It is hard to believe that Congress intended to hold persons liable [under § 271(c)] for acts which they had no reason to suspect were unlawful, and . . . the legislative history shows Congress did not.”).

Akamai's argument that liability for direct infringement "should attach" where a party "*knowingly*" carries out certain steps of a method and "then cause[s] its customers to *unknowingly* carry out the remaining step" conflicts with this basic statutory scheme. Akamai Br. 28 (emphases added). Akamai apparently means that the defendant must have knowledge that the conduct embodies a step of a patented method – because otherwise it would make no sense to contend that a customer could "unknowingly" carry out the step. But if that is what Akamai means, its standard would expand direct infringement to encompass conduct that would *not* constitute direct infringement in the absence of culpable knowledge – a hybrid standard that is inconsistent with the strict-liability nature of direct infringement and that Congress could not have anticipated when it enacted § 271(a). *See BMC Res.*, 498 F.3d at 1381 ("Direct infringement is a strict-liability offense, but it is limited to those who practice each and every element of the claimed invention."); *see also* 1951 Hearings at 158 ("[T]he minute there is any difference between what [the defendant] is selling or making or using and the claim language, then it becomes something other than direct infringement.") (statement of Giles S. Rich); 3 Robinson, *Law of Patents* § 901, at 58-59.

Alternatively, if Akamai means that a defendant could be liable for direct infringement based on nothing more than knowledge that the customer is to carry out the step – not knowledge of the patent's claims – its proposed standard would

allow imposition of liability based on third-party conduct in the absence of proof of knowledge and intent. This would conflict with the intent and knowledge requirements of § 271(b) and (c) in any case where a defendant practices some step of the patent claim and a customer (for example) practices all the steps. *See BMC Res.*, 498 F.3d at 1381. Under that approach, “a patentee would rarely, if ever, need to bring a claim for indirect infringement.” *Id.*; *see also Janus Capital*, 131 S. Ct. at 2302 (noting that, if a defendant could “make” a statement without “control over the content of [the] statement,” then the Court’s limitation on aider and abettor liability would be undermined). “Construing 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.” *Lemley*, 6 Sedona Conf. J. at 119-20.

In either event, Akamai proposes a dramatic change in the rights granted under the patent statutes, an expansion of liability for direct infringement to reach conduct that has never before been prohibited. As the Supreme Court has held, the courts should 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.” *Deepsouth*, 406 U.S. at 531; *cf. Winback*, 42 F.3d at 1429 (“[C]ourts should be wary about looking outside of the statute itself to expand the scope of liability, lest

they accurately be accused of legislating from the bench.”). Congress’s codification of the judicial distinction between direct and indirect infringement forecloses Akamai’s effort to blur that distinction. *See Central Bank of Denver*, 511 U.S. at 173 (1994) (“[w]ith respect [to] . . . the scope of conduct prohibited by [a statute], the text of the statute controls”).

2. Even if it did not thwart the statutory structure, Akamai’s “quasi-inducement” theory is inconsistent with basic principles of tort law, which never permit imposition of liability for aiding or inducing tortious conduct by another absent knowledge that the conduct in question *is* tortious.<sup>13</sup> The provision of the Restatement (Second) of Torts that Akamai relies on (at 22) – section 877(a) – applies only in cases of “tortious conduct of another” and where the defendant “orders or induces the conduct, *if he knows or should know of circumstances that would make the conduct tortious* if it were his own.” Restatement (Second) of

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<sup>13</sup> Akamai’s citation to *Southeastern Greyhound Lines v. Callahan*, 13 So. 2d 660 (Ala. 1943), and *Watson v. Kentucky & Indiana Bridge & R.R. Co.*, 126 S.W. 146, *modified*, 129 S.W. 341 (Ky. 1910), is puzzling. In both cases, the defendant was held liable for negligent conduct; the only issue in those cases was whether there was a sufficient intervening cause to allow defendants to argue that they had not proximately caused the harm in question. *See* BPLA Br. 8-9. In each such case, the defendant’s *own* conduct violated its duty to exercise due care. Section 271(a) imposes no duty on Limelight to avoid performing *some* steps of a method patent. It prohibits the unauthorized use of a patented invention. *See General Foods Corp.*, 972 F.2d at 1274.

Torts § 877(a) (emphasis added).<sup>14</sup> The basis for imposition of such indirect liability is “know[ledge of] the wrongful nature of the primary actor’s conduct.” *Pittman*, 149 F.3d at 123; *see also Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 854 (1982) (finding inducement to commit trademark infringement only if defendant aids “one whom it *knows or has reason to know is engaging in trademark infringement*”) (emphasis added).

Consistent with these “principles in the law of torts,” the recognition of liability for indirect infringement has always been based on culpable knowledge. *Thomson-Houston Elec.*, 80 F. at 721. As Judge Taft explained, recognition of liability for contributory infringement – the precursor of liability for both inducement and contributory infringement under the 1952 Patent Act – is based not only on the “furnishing [of] the parts” for a patented combination but also “solicit[ing] and promot[ing]” the use of the patented invention. *Id.* As an early treatise explained, actions “otherwise innocent” might be regarded as infringing based on “specific intent” to bring about infringement. 3 Robinson, *Law of Patents* § 901, at 59. Akamai did not seek to base liability on any claim of *mens rea* but

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<sup>14</sup> AIPLA’s reliance on several sections of the Restatement is also misplaced. *See* AIPLA Br. 20. Section 875 provides a rule to apportion damages when two individuals each commit a tort; it does not create an independent tort. Likewise, comment c in section 834 provides a *defense* to parties engaged in a joint enterprise, when the parties engage in a tort but do not participate substantially. It does not define when a tort is committed.



instead sought and received an instruction that made Limelight's state of mind irrelevant. Accordingly, its arguments based on analogies to knowing and wrongful inducement of tortious conduct provide no basis for disturbing the judgment of the district court.

## **II. AKAMAI'S "CONCERTED ACTION" THEORIES ARE WAIVED AND CANNOT BE THE BASIS FOR LIABILITY FOR DIRECT INFRINGEMENT HERE**

### **A. The Only Theory of Liability Open to Akamai Is the Control or Direction Standard of *BMC Resources***

Akamai is barred from relying on any liability theory other than its claim that Limelight controlled or directed the conduct of its customers, as that standard was articulated in *BMC Resources*, because that is the sole jury instruction it sought before the district court. "[W]ith respect to nonpatent issues we generally apply the law of the circuit in which the district court sits." *Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356, 1359 (Fed. Cir. 1999) (en banc in relevant part). Under this rule, this Court "appl[ies] the law of the regional circuit to the procedural question of waiver." *Riverwood Int'l Corp. v. R.A. Jones & Co.*, 324 F.3d 1346, 1352 (Fed. Cir. 2003).

The First Circuit's rule on waiver is "quite strict." *Astro-Med, Inc. v. Nihon Kohden Am., Inc.*, 591 F.3d 1, 20 (1st Cir. 2009) (internal quotation marks omitted). "In the absence of extraordinary circumstances, . . . we have regularly declined to consider points which were not seasonably advanced below." *Clauson*

*v. Smith*, 823 F.2d 660, 666 (1st Cir. 1987) (refusing to consider new tort theory advanced by plaintiff for first time on appeal); *Teamsters Union, Local No. 59 v. Superline Transp. Co.*, 953 F.2d 17, 21 (1st Cir. 1992) (“If any principle is settled in this circuit, it is that, absent the most extraordinary circumstances, legal theories not raised squarely in the lower court cannot be broached for the first time on appeal.”).

When a party fails “to object promptly and properly to [a jury] instruction[, the party] generally forfeits an appellant’s right to object on appeal.” *Ji v. Bose Corp.*, 626 F.3d 116, 125 (1st Cir. 2010); *DeCaro v. Hasbro, Inc.*, 580 F.3d 55, 60 (1st Cir. 2009) (“The strictures of Rule 51 are not to be taken lightly. Accordingly, there is a high price to be paid for noncompliance.”) (citation omitted); *Microsoft*, 131 S. Ct. at 2251 (Microsoft “failed to request an instruction along these lines from the District Court. Now, in its reply brief in this Court, Microsoft insists that an instruction of this kind was warranted. That argument, however, comes far too late[.]”) (citation omitted). Similarly, when a theory is not presented in a motion for JMOL, that theory is foreclosed on appeal. *See Ji*, 626 F.3d at 128.

Akamai never raised its new alternate theories of joint-enterprise or “concerted action” liability in its requested jury instructions or in its opposition to Limelight’s JMOL motion. To the contrary, Akamai urged the district court to adopt the “control or direction” test of *BMC Resources*. *See* Dkt. No. 267, at 11

(Feb. 19, 2008); A737:46-47. When the district court stated that the test was whether Limelight exerted “direction *and* control” over its customers, Akamai objected and the district court changed the charge to the “direction or control” language from *BMC Resources*. (A823-24:41-42.) Thus, Akamai not only failed to object to the law under *BMC Resources*, but affirmatively asked for the instruction on the law that it now seeks to expand. It may not do so. *See Hoechst Celanese Corp. v. BP Chems. Ltd.*, 78 F.3d 1575, 1581 (Fed. Cir. 1996) (“BP by its acquiescence in and indeed by its proposal of the verdict form waived objection to the verdict form.”). Moreover, it is impermissible to reach an argument, even when it is squarely responsive to the question presented, that the party did not preserve before the district court. In *City of Springfield v. Kibbe*, 480 U.S. 257 (1987) (per curiam), the Supreme Court held that, in granting certiorari, “we anticipated that we would be able to reach the ‘fairly included’ related question whether more than [gross] *negligence* in training is required in order to establish . . . liability” under 42 U.S.C. § 1983 for a municipality in inadequately training its employees. *Id.* at 258 (citation omitted). After briefing and oral argument, the Court held that “we cannot reach the negligence question” because “it appears that in the District Court petitioner did not object to the jury instruction stating that gross negligence would suffice and indeed proposed its own instruction to the same effect.” *Id.* (citation omitted). Specifically, the Court held that there “would

be considerable prudential objection to reversing a judgment because of instructions that petitioner accepted, and indeed itself requested.” *Id.* at 259. The same prudential objection prevents this Court from reversing the district court’s judgment based on arguments that Akamai never presented to the district court.

**B. There Is No Basis for Attributing Content Providers’ Conduct to Limelight Based on Any “Concert of Action” Theory**

None of Akamai’s theories of “concert of action” would provide any basis for imposing liability for direct infringement in this case in any event.

1. “Joint enterprise” liability does not apply to the actions of Limelight and its customers because their relationship does not entail any “joint undertaking” by “associates under such circumstances that all have an equal voice in directing the conduct of the enterprise.” Prosser & Keeton § 72, at 517. If such a right of mutual control is present, the “law then considers that each is the agent or servant of the others, and that the act of any one within the scope of the enterprise is to be charged vicariously against the rest.” *Id.*; *see also Maruho*, 13 F.3d at 11. Because it relies on the existence of mutual agency, joint enterprise liability does not depend on any *mens rea*. If participants in a joint venture each carried out some steps in a method and, together, carried out the entire method, each participant likely would be found to have directly infringed.

“Joint enterprise” does not provide any basis for liability here or in any ordinary service provider / customer relationship. Limelight does not have any

right to control or direct the customer's performance of the "tagging" or "serving" steps of the patented methods. Akamai does not argue that customers have any right to control or direct Limelight's alleged performance of any other step. There is accordingly no evidence to support any assertion that Limelight and its customers were engaged in a joint enterprise that would provide the basis for vicarious liability.

*On Demand Machine Corp. v. Ingram Industries, Inc.*, 442 F.3d 1331 (Fed. Cir. 2006), does not support any looser definition of joint enterprise in the context of alleged direct infringement. In that case, the Court held that, on a correct claim construction, no reasonable jury could find infringement. In dicta, the Court indicated that it "discern[ed] no flaw" in a jury instruction that permitted a finding of infringement when "infringement results from the participation and combined action(s) of more than one person or entity." *Id.* at 1344-45. Given the manner in which the Court resolved that case, it had no occasion to elaborate on the circumstances when "participation and combined action(s)" may give rise to liability, and the instruction is not inconsistent with a requirement that such "participation and combined action(s)" require evidence sufficient to establish the existence of a joint enterprise under traditional principles.

2. There is likewise no legal or factual basis for holding Limelight liable for direct infringement under a theory of "concert of action." The statute and more

than a century of judicial precedent define the grounds for imposing indirect liability on an actor for infringing conduct by another. It would be incompatible with the statutory scheme to create a new “conspiracy to infringe” tort. *See International Rectifier*, 361 F.3d at 1361 (“[C]onspiracy to infringe a patent [is] a theory which has no basis in law.”). As with Akamai’s proposal to create a new “quasi-inducement” theory of liability, any such innovation must come from Congress. *See supra* pp. 41-42.

As discussed above, the patent cases cited by Akamai (at 26-27) do not support the proposition that a defendant may be held liable for direct infringement based on a “concert of action” theory absent direction or control. *See supra* pp. 28-29. When the district court in *Faroudja*, noted that “*Monsanto, Shields, Free Standing Stuffer* and *Metal Film*” involved entities that “worked in concert with other entities to complete the process,” 1999 WL 111788, at \*6, it was referring to cases that involved either contracting out (*Monsanto, Free Standing Stuffer, Metal Film*) or agency (*Shields*) – in other words, cases that fall squarely within this Court’s “direction or control” standard.

The argument is also inconsistent with general common law principles. Akamai (at 23) cites section 876(a) of the Restatement (Second) of Torts, but that provision, and the cases illustrating the principle it summarizes, makes clear that concerted-action (or co-conspirator) 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. Neither prerequisite is present here; moreover, the *mens rea* requirement for co-conspirator liability is incompatible with the strict-liability nature of direct infringement.

*First*, co-conspirator liability is a basis for extending liability for “the tortious conduct of another.” Restatement (Second) of Torts § 876; *see Pittman*, 149 F.3d at 122 (“The elements of concerted-action liability [included] . . . the commission by one of the defendants, in pursuance of the agreement, of an act that constitutes a tort.”). At a minimum, therefore, one of the parties to the agreement – if not all of the parties – must commit a tortious act for “concerted action” liability to attach. *See In re Enron Corp. Sec., Derivative & “ERISA” Litig.*, 761 F. Supp. 2d 504, 558 (S.D. Tex. 2011) (“[C]oncerted action claims require an allegation that each defendant committed a tortious act in furtherance of the overall wrongful conduct.”); *Rastelli v. Goodyear Tire & Rubber Co.*, 591 N.E.2d 222, 224 (N.Y. 1992) (“It is essential that each defendant charged with acting in concert have acted tortiously and that one of the defendants committed an act in pursuance of the agreement which constitutes a tort.”); Prosser & Keeton § 46, at 323. That theory cannot be the basis for attributing the performance of individual steps constituting less than the entire method claim to a third party who supposedly acted

in concert, because the performance of individual method steps is not tortious conduct, *i.e.*, it does not infringe the patent. *See supra* pp. 22-27.

Cases involving imposition of joint and several liability concern conduct by multiple actors that creates an unreasonable risk of harm and do not support imposition of liability for direct infringement simply because multiple actors have allegedly carried out all of the steps of a method. That rule applies to liability for negligence and is based on the principle that “the standard of reasonable conduct applicable to each defendant is governed by the circumstances, including the activities of the other defendants.” Prosser & Keeton § 52, at 354. Thus the conduct of each actor *is* unreasonable – *i.e.*, tortious – in itself.

*Second*, the basis for the imposition of concerted-action liability is that the defendant acts with the *intent* of furthering a tortious scheme: “neither conspiracy nor aiding-and-abetting liability is sustainable where there is no allegation that defendant knew of or intended to aid in the commission of a tort.” *Pittman*, 149 F.3d at 123 (citing *National Westminster Bank USA v. Weksel*, 511 N.Y.S.2d 626, 629 (App. Div. 1st Dep’t 1987)); *Firestone Steel Prods. Co. v. Barajas*, 927 S.W.2d 608, 617 (Tex. 1996); *see also* Restatement (Second) of Torts § 876 cmt. c (“In order for the rule stated in [section 876(a)] to be applicable, it is essential that the conduct of the actor be in itself tortious.”); *id.*, caveat (taking “no position on



whether” section 876 applies to strict-liability torts).<sup>15</sup> Any theory of liability based on wrongful intent is incompatible with the strict-liability nature of direct infringement and, moreover, at odds with the evidence and jury instructions in the district court. *See supra* pp. 39-41.

### **III. NO LEGITIMATE POLICY CONCERN WARRANTS IMPOSING LIABILITY FOR DIRECT INFRINGEMENT WHERE NO PARTY PERFORMS EVERY STEP OF A METHOD PATENT**

1. “It is a bedrock principle of patent law that the claims of a patent define the invention to which the patentee is entitled the right to exclude.” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc) (internal quotation marks omitted). 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).

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<sup>15</sup> *Aeroglide Corp. v. Zeh*, 301 F.2d 420 (2d Cir. 1962), does not impose concerted-action liability in the absence of fault: rather, directors were held liable based on the (conceded) principle that “personal participation . . . [is] sufficient to place liability on a corporate director” and the fact that the directors “did personally participate in the acts constituting conversion.” *Id.* at 422. By contrast, directors who did not attend the relevant meeting of the board were not held liable. In *Taylor v. Conti*, 177 A.2d 670 (Conn. 1962), a landowner was held liable for acts that he contracted with another to perform, because the work – as duly performed – created an injury for which the landowner could be held liable. *See id.* at 672. It is not correct to say that the harm would not have occurred without both defendants’ actions, except in the trivial sense that the contractor had to carry out the work that he agreed to perform as directed by the landowner.

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 Sage Prods., Inc. v. Devon Indus., Inc.*, 126 F.3d 1420, 1425 (Fed. Cir. 1997) (“[A]s between the patentee who had a clear opportunity to negotiate broader claims but did not do so, and the public at large, it is the patentee who must bear the cost of its failure to seek protection for [a] foreseeable alteration of its claimed structure.”); *see also Cimiotti Unhairing Co. v. American Fur Ref. Co.*, 198 U.S. 399, 410 (1905). If a patentee claims a method comprising several steps and the defendant does not perform one or more of those steps – either itself or through its agent or a contractor acting pursuant to its direction – there has been no infringement of the claimed method. *BMC Res.*, 498 F.3d at 1381 (“[T]his court will not unilaterally restructure the claim or the standards for joint infringement to remedy these ill-conceived claims.”). Under the standards proposed by Akamai and its amici, the “all elements” rule would be transmuted into a “some elements” rule, with the result that innovation and progress in broad areas of technology would be severely handicapped.

Akamai and amici argue that if current law is maintained, it will “encourage the development of business models designed to misappropriate the patented methods of others.” AIPLA Br. 4; *see also* PhaRMA Br. 13; BPLA Br. 25. Such

an argument is circular – it assumes that the conduct practices the invention, though no defendant is responsible for carrying out every step of the method – and it is at odds with the fundamental patent-law bargain. The disclosure that is required in exchange for the patent right to exclude promotes competing efforts to design around the patent. *See* Mueller, *Patent Law* 26-27 (“As soon as the application is published, members of the public . . . may . . . attempt to ‘invent around’ the patent; that is, they develop alternative devices or methods that accomplish the same purpose as the patented invention but that are sufficiently different to avoid infringement.”). The answer to Akamai’s complaint should be the same as the answer to the complaint of any patentee who “may have been unfortunate in the language he has chosen to express his actual invention”: “we are not at liberty . . . to construe . . . claims to include more than their language fairly imports.” *McClain*, 141 U.S. at 423.

2. Consistent application of these principles does not mean – either in general or in this case – that inventors are unable to secure meaningful protection for their inventions. Because “[m]ost inventions that involve cooperation of multiple entities can be covered using claims drafted in unitary form simply by focusing on one entity,” “appropriate refinements to claiming strategies are often straightforward.” Lemley, 6 Sedona Conf. J. at 124. Claims drafted in this form provide clear notice of the scope of the protected invention and do not implicate

fact-specific questions related to the extent of one party's control over a third party where neither infringes on its own.

In this case, Akamai drafted its claim to cover the performance of all steps of its claim by a single party – presumably, the provider of a content delivery network. A content delivery network that performed all of those steps would infringe the method. But Limelight's does not. By Akamai's own account, Limelight's CDN performs only a subset of the steps of the claimed methods. Akamai insists that it could have drafted its patent to cover a method that did not require affirmative performance of the tagging step by any party; in the '703 patent, however, it did not. Akamai should not be heard to claim a broader claim scope that it did not ask the PTO to examine and allow. That is, while Akamai's claim 34, as drafted, is infringed only if the defendant "tag[s] at least some of the embedded objects," (A276, 20:38-39), Akamai could instead have applied for a patent claiming "*supplying a tag for* tagging at least some of the embedded objects." Of course, that application might not have been granted. In any event, it is not what Akamai claimed.<sup>16</sup>

Even if careful claim drafting were not the solution to any supposed patent-protection concern, there would be no force to Akamai's argument (at 34) that new

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<sup>16</sup> Akamai filed the latest continuation application of the '703 patent in 2010. In that application, Akamai may attempt to negotiate broader claims, but it must do so through the application process, not through judicial expansion.

Internet-based technologies can best be protected by claims covering multiple independent parties. The Supreme Court has recognized that “Congress has the constitutional authority and the institutional ability to accommodate fully the varied permutations of competing interests that are inevitably implicated by such new technology.” *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 431 (1984). If there were any sound basis for expanding direct infringement law to facilitate claims involving activity by multiple parties, Congress alone has the power to make that change.


### CONCLUSION

The Court should affirm the judgment of the district court. To the extent that the Court does not affirm the district court’s judgment on Akamai’s claims of infringement of the ’703 patent, the Court should remand the case back to the panel to address Limelight’s alternative grounds for affirmance and its cross-appeal that were mooted by the panel’s decision. Limelight also respectfully requests that the Court reinstate the portions of the panel opinion that are not implicated by the Court’s decision to rehear the JMOL issue, *i.e.*, Part II of the panel opinion.

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August 3, 2011

## CERTIFICATE OF SERVICE

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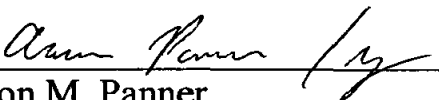
  
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## CERTIFICATE OF COMPLIANCE

In accordance with Federal Rule of Appellate Procedure 32(a)(7)(C), the undersigned certifies that this brief complies with the applicable type-volume limitations. Exclusive of the portions exempted by Federal Rule of Appellate Procedure 32(a)(7)(B)(iii) and Circuit Rule 32(b), this brief contains 13,943 words. This certificate was prepared in reliance on the word count of the word-processing system (Word 2007) used to prepare this brief.

The undersigned further certifies that this brief complies with the typeface and type style requirements of Federal Rule of Appellate Procedure 32(a)(5) and (a)(6) because it has been prepared in a proportionally spaced typeface using Word 2007 in 14-point Times New Roman font.

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