

Direct Infringement Has Its Turn in the Limelight

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Akamai's Return to the Federal Circuit

In the latest round of the long-running saga of *Akamai Technologies, Inc. v. Limelight Networks, Inc.*, a Federal Circuit panel on Wednesday reiterated that there is no direct infringement of a method claim unless a single actor performs all of the steps of the method or performs some of the steps and controls the actions of others who perform the rest. Although this ruling was eagerly anticipated, it changes nothing for now – but it sets the stage for another battle on rehearing or in the Supreme Court.

In 2014, the Supreme Court ruled that Limelight was not liable for *indirectly* infringing Akamai's patent because there was no *direct* infringement under then-current Federal Circuit law. However, the Supreme Court suggested that the Federal Circuit's approach to direct infringement might be "too narrowly circumscrib[ed]." It suggested that the Federal Circuit revisit the issue on remand. Wednesday's ruling was the result.

In the ruling, Judges Prost and Linn, over a vigorous dissent by Judge Moore, left the existing standard for direct infringement intact despite the Supreme Court's suggestion. The opinion reaffirmed that direct infringement occurs only if "all of the steps of the claim are performed by or attributed to a single entity – as would be the case, for example, in a principal-agent relationship, in a contractual arrangement, or in a joint enterprise." In the case of a contractual arrangement, the contract must "mandate the performance" of the steps of the claimed method.

Here, Limelight performed all of the steps of Akamai's patented method except for a "tagging" step that was performed by Limelight's customers. Limelight provided instructions to its customers by way of a written manual, and its contract with those customers explained that the customers would have to perform the tagging step to use the service. However, because the customers were not Limelight's agents, and were not mandated by the contracts to perform the tagging step, Limelight did not control their actions and thus was not a direct infringer.

In a forceful dissent, Judge Moore criticized the majority's holding as inconsistent with the Patent Act and as leaving open a "gaping loophole in...infringement law." She argued that direct infringement should be found under a "broader set of circumstances...such as where one party directs or controls the actions of another to infringe a patent, or where two parties act in concert to perform the claimed method steps pursuant to a common goal, plan, or purpose." Judge Moore recognized, however, that the matter "requires en banc action," because her suggested change in the Federal Circuit's direct infringement standard is "admittedly at odds with binding precedent."

Because the *Akamai* panel did not change the existing standards, the implications for patent practitioners we detailed in an Alert almost a year ago in discussing the Supreme Court's decision remain relevant. ([Click here](#) to see "Divided Infringement Steps into the *Limelight*: Implications of *Limelight v. Akamai*.") Patentees should avoid issuance of claims in prosecution, or construction of claims in litigation, that could require the actions of multiple actors to perform all the steps of a patented method. Similarly, accused infringers should be mindful of the continued potency of divided infringement defenses.

However, as the vigorous debate between the majority and dissenting judges of the *Akamai* panel shows, this decision may not be the last word. Stay tuned for possible en banc review by the full Federal Circuit or a return visit to the Supreme Court.

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