

## Supreme Questions

As the Supreme Court term is coming to a close, I thought it might be worthwhile to write a post on the patent related decisions from this term.

### **Limelight vs Akamai Technologies:**

In order for technology or a method to infringe on a patent two things are required. First, all of the elements contained in the claim of the patent must be contained in the technology or method in question. Second, all the elements of the claim must be attributed to a single actor or several actors under the control of a single actor. In addition, a defendant cannot “induce” infringement. An example of induced infringement would be when a company builds and packages all the elements of a patented technology and sells the technology to a customer who assembles the patented technology.

In the Limelight case, Limelight performed all the steps of the patent but had the customer perform the last step of the patented technology. In the facts of the case, Limelight documented how to accomplish the last step and provided technical support to customers as needed but never actually performed the last step.

The plaintiffs agreed that the patent was not directly infringed because by its nature the Vendor-Customer relationship did not imply the control of a single actor. Akamai argued, and the lower appeals court agreed, that even though Limelight had not infringed on the patent, they were liable for damages because they induced infringement.

The Supreme Court ruled that a patent has to be directly infringed before one can make a claim for induced infringement. In short, the reasoning was that if a patent isn't infringed directly, it cannot be infringed through inducement.

### **Nautilus vs. Biosig Instruments:**

This case is about the definiteness requirement for patents. According to the law, a specification must be clear enough to be understood by a person “skilled in the art.” A claim, when read within the context of the specification and patent history, must be precise enough to provide clear notice to the public of what is claimed and the boundaries of the claim. As a result of this, the public would also know what is still available for innovation and experimentation. Another way to state this is that patent claims should be clear enough to allow people to design around them.

Over the last 10 years, appeals court decisions had been moving towards two definiteness standards called “amenable to construction” and “insolubly ambiguous.” While opinions differ, I believe that a reasonable English translation of how these standards were to be applied would be: if a claim has only one plausible interpretation and it is not appropriate to further narrow the claim, then the claim could be considered definite.

The Supreme Court ruled that these standards were not sufficient to meet the legal standard of providing clear public notice of the claim and its boundaries.

### **Octane Fitness vs. Icon Health and Fitness:**

This was a case about fee shifting or ordering the loser to pay the winner's legal fees. There is a provision in the 1952 Patent Law (which is still the basis for today's law) that allows for fee shifting in “exceptional” cases. Over time, this has been interpreted to mean cases of legal misconduct, or if the case was obviously baseless or brought in “bad faith.”

With this ruling, the Supreme Court significantly increases a judge's flexibility in these matters and reduces the burden of proof from a standard of “proof of entitlement” to the judge's discretion. The court's reasoning was as follows: fee shifting based on of misconduct, baselessness, and bad faith was well established in law other than patent law; therefore, the court reasoned that Congress must have had a less restrictive standard in mind when they included this provision in the patent law.

While these issues are not bombshells, I believe that the Limelight and Nautilus decisions will generate a lot of practical and cautionary issues for patents going forward. I will discuss these in later posts.

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