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Supreme Court Rulings Help Defendants in Patent Infringement Suits

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The U.S. Supreme Court issued decisions in two major patent infringement cases today, overturning Federal Circuit Court of Appeals rulings on the standards for proving patent vagueness and induced infringement. Summaries of each ruling and their impacts are discussed below.

Easier to Challenge Patents for Vagueness

In *Nautilus, Inc. v Biosig Instruments, Inc.*, the U.S. Supreme Court made it substantially easier for an alleged infringer to invalidate a patent as being too vague or indefinite. The Court unanimously rejected the Federal Circuit's previous standard, under which patents could only be found indefinite if "insolubly ambiguous." Instead, the Court held that the challenger need only establish that the patent does not inform those persons skilled in the art about the scope of the invention with "reasonable certainty."

Biosig's patent covered a device for monitoring a person's heart rate during exercise. The claims included language that certain components were mounted "in spaced relationship with each other." Biosig sued Nautilus for selling exercise machines including an allegedly infringing monitor. Nautilus argued that the phrase "in spaced relationship with each other" was too indefinite, but the Federal Circuit disagreed, holding that the language was amenable to construction and not "insolubly ambiguous."

In reversing the Federal Circuit, the Supreme Court recognized the inherent limitations of language, but reasoned that patent claims must be sufficiently precise to provide the public with sufficient notice of the claimed invention. The indefiniteness threshold requires that a patent's claims, viewed in light of the specification and prosecution history, "inform those skilled in the art about the scope of the invention with reasonable certainty." Since the Federal Circuit applied a standard that was too high, the Court sent the case back to the Federal Circuit for consideration under the new standard.

Bar Raised for Proving Induced Infringement of Method Claims

In *Limelight Networks, Inc. v Akamai Technologies, Inc.*, the Supreme Court made it harder for a patent owner to prove induced infringement of method claims. The Court held that a defendant cannot be liable for inducing infringement of a patent unless there is a party that has directly infringed under a section of the patent statute. For method claims, this requires that all steps in a claim are attributed to a single party.

Akamai is the exclusive licensee of an MIT patent for maintaining data servers for storage and delivery of website content. Akamai sued Limelight for infringement, and Limelight, in fact, did carry out several steps of the method claim in question. However, Limelight did not perform the step of "tagging" (i.e., the step of designating certain content components for storage on network data servers). Instead, it was others (such as Limelight's customers) who performed the step of tagging.

The District Court had found that Limelight did not solely perform all of the method steps, and thus could not infringe the method claims. The Federal Circuit disagreed, holding that a defendant may be liable for inducing

infringement by performing some steps of a method claim and then encouraging others to practice the remainder of the steps.

In reversing the Federal Circuit, the Supreme Court made clear that induced infringement is grounded in an act of direct infringement. For method claims, direct infringement requires that all steps disclosed by a claim are attributable to any one entity. The Court stated that the courts should not create liability for inducement of noninfringing conduct where Congress had elected not to include that concept in the Patent Act.

If you have any questions or want to discuss how these rulings could impact your business, contact your Baker Donelson attorney or one of the attorneys in the Firm's Intellectual Property group.