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Divided Infringement: Expanding Opportunities For Patent Enforcement

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Many inventions come about through the combined efforts of two (or more) inventors, but what happens when it takes two to infringe a patent?

Certain method-type inventions, for example, when actually practiced involve different individuals performing different steps of the method. The patent courts call this “divided infringement,” and have long had trouble deciding whether or not this amounts to actual infringement. Patent owners have their own problems with divided infringement, particularly when one of the individuals is the consumer.

Divided Infringement and the Consumer

Suing consumers is not a way to maintain one's public image, and whatever remedy the patent owner might be able to obtain from a consumer would hardly be worth the effort. The patent owner will, therefore, pursue the other party to the infringement, usually a corporation supplying a service or product to the consumer. To do this, however, the patent owner has to show that the consumer's actions are attributable to the supplier so that the supplier is effectively performing all of the patented steps itself and is thereby infringing.

The consumer's acts can be attributed to the supplier if the supplier directs and controls the manner and timing of the consumer's performance and has the right to withhold the supplier's own part of the method from the consumer if the consumer does not or cannot perform in a satisfactory manner. What does the patent owner need to show to establish this type of direction and control? The Court of Appeals for the Federal Circuit has recently looked into this in two successive cases. A comparison of the two shows that the court is increasingly favorable to the patent owner. This means that there are now more scenarios where one party's actions can be attributed to another, and this has opened up more possibilities for patent enforcement in cases of divided infringement.

The First Case

One case concerned Akamai Technologies' Patent No. 6,108,703. Akamai is an Internet service provider that provides website hosting on a global scale by using multiple, geographically disperse mirror servers. The patent presents a cost-efficient way of replicating website content among the various mirror servers and tailoring the content to particular geographical regions. According to the patent, the ISP stores only certain designated components of the website at the mirror servers while the content provider (i.e., the consumer, which in this case is the website proprietor) stores the remaining components on its own server. This dividing up of the web contents between the ISP's mirror servers and the content provider allows the ISP to aggregate web content from multiple content providers according to usage patterns, which makes for a particularly efficient way to deliver website content to users worldwide. The content provider's part of the method is to designate to the ISP, i.e., to "tag," those components that are to be stored at the mirror servers, while maintaining its own server for the untagged components.

Limelight Networks, Inc., is an ISP offering its mirror servers to content providers using the division of storage responsibilities described in the patent, and Akamai sued Limelight for patent infringement. To make its case against Limelight, Akamai needed to establish that the tagging function, although performed by the content provider, was attributable to Limelight. To do this, Akamai showed that before allowing a content provider use of its mirror servers, Limelight required the content provider to sign a standard agreement that included instructions for the tagging step and that advised the content provider that Limelight would discontinue its service if the content provider failed to follow the instructions or if the content provider's own server ceased to function. The court agreed with Akamai that this imposed a legal obligation on the content provider and thereby amounted to direction and control of the content provider's actions by Limelight, to an extent sufficient to attribute these actions to Limelight.

The Second Case

The second case was decided more recently, in January of 2017. This time there was no legal obligation of the consumer to the supplier, and yet the court still found that the supplier exerted

enough direction and control over the consumer that the consumer's actions were attributable to the supplier. The chemotherapy drug pemetrexed disodium, which Eli Lilly markets under the brand name ALIMTA, was first patented in 1994 under Patent No. 5,344,932.

Unfortunately, the drug, while effective against certain types of lung cancer and mesothelioma, is known to have toxic effects on patients who receive it. In its ongoing research, Eli Lilly discovered that the toxic effects could be reduced by pretreating the patient with two common vitamins, folic acid and vitamin B12, before administering the drug. To cover this combined vitamin-and-drug treatment, Eli Lilly obtained Patent No. 7,772,209 in 2010. While this later patent was still in force, the 1994 patent on the drug itself expired, and Teva Parenteral Medicines applied for regulatory approval to market a generic version of the drug. Eli Lilly objected to Teva's application, arguing that the way the Teva was proposing to market the generic would constitute inducement of those purchasing the generic to infringe Eli Lilly's later patent.

The folic acid is self-administered by the patient, while the vitamin B12 and the chemotherapy drug are both administered by the physician. The patient is not required to sign a contract, but the product labeling of the drug provides detailed instructions to the patient for administering the folic acid, including dosage and timing.

An expert further testified at trial that it was standard practice for physicians to withhold treatment to patients who failed to follow the physician's instructions. Based on these facts, the court ruled in Eli Lilly's favor, holding that the physician would indeed be controlling and directing the patient's self-administration of the folic acid to such an extent that the patient's acts would be attributable to the physician. Thus, a legal obligation on the part of the consumer is no longer needed for the acts of the consumer to be attributed to the supplier; explicit instructions combined with a standard practice of checking to see that they are followed were sufficient.

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