

03-1615

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**UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT**

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NTP, INC.,

*Plaintiff-Appellee,*

v.

RESEARCH IN MOTION, LTD.,

*Defendant-Appellant.*

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Appeals from the United States District Court for the Eastern District of Virginia  
in No. 01-CV-767 (Chief Judge James R. Spencer)

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**BRIEF OF *AMICUS CURIAE* INTEL CORPORATION  
IN SUPPORT OF THE PETITION FOR REHEARING *EN BANC*  
OF APPELLANT RESEARCH IN MOTION, LTD.**

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August 26, 2005

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**CERTIFICATE OF INTEREST**

Counsel for *amicus curiae* Intel Corporation certifies the following:

1. The full name of every party or *amicus curiae* represented by me is:

Intel Corporation

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:

Intel Corporation

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:

None

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

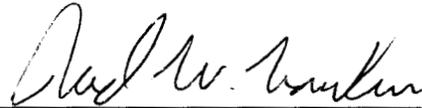
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## Statement of Interest\*

Intel develops and produces chips, boards, systems and software building blocks that are integral to computers and communications products. Intel is the largest chip maker in the world, and its research, development, sales and marketing activities frequently transcend national borders. Thus, while Intel has no direct interest in the outcome of the dispute between NTP and Research in Motion (“RIM”), it has a strong interest in the legal standards governing liability under the United States patent laws for acts that span national boundaries.

### Argument Supporting Rehearing *En Banc*

#### A. The Scope of United States Patent Liability for Activities Crossing National Borders Is an Issue of Great and Growing Importance, Warranting *En Banc* Attention

The primary issue in RIM’s petition addresses the extent to which American patent laws govern international activities. That issue is extremely important to the modern American economy and therefore to the American legal system.

Simply put, globalization of the American economy is a phenomenon that is growing and here to stay. Taking advantage of production efficiencies, reduced tariffs and faster and cheaper shipping, companies are importing more and more products into the United States and exporting more and more products abroad. Globalization is not limited to simple import and export of finished goods,

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\* Intel submits this *amicus* brief pursuant to its concurrent motion for leave.

however. The Internet and other telecommunication networks have made international communications much easier and less expensive than was the case before. As a result, services are increasingly being provided across borders as well.

Moreover, many companies are now developing and producing their products and services using teams located in multiple countries. Especially in high-technology industries, it is now routine for part of a product to be developed in one country and part in another, for part of a product to be manufactured in one country and part in another, and for some assembly and packaging to be done in one country and some in another. In addition, products and systems are often customized according to the standards and cultures of different nations or (as in this case) deployed across national boundaries.

This case happens to involve an international telecommunications network, but it is far from unique in raising issues of the extraterritorial scope of 35 U.S.C. § 271. The Court's constructions of § 271(a), (f) and (g) and related doctrines have great significance to many thousands of businesses in this country and worldwide. For that reason alone, review by the entire Court is warranted.

**B. The Entire Jurisprudence of Transnational Patent Liability  
Cries Out for Greater Coherence and Clarification**

*En banc* review is also warranted because the Court's jurisprudence on transnational patent issues is splintered. *En banc* review would provide much greater clarity and would enable the Court to impose much needed coherence on

this important area of law. This case is an excellent vehicle to do so because the Court's holdings involved not only § 271(a), but § 271(f) and § 271(g) as well.

The panel's revised opinion holds that each step of a method claim must be practiced in the United States for the method to be "used" in the United States in violation of § 271(a). On the other hand, the panel has held that a system claim *can* be infringed under § 271(a) even though one or more significant components of the system are *not* used in the United States. Intel agrees with RIM and the other *amici* supporting it that there is no principled or policy basis for the outcome to depend on the form of the claim. There is no reason to hold that practicing every step *is* essential to infringement of a claimed process, yet hold that use of every component is *not* essential to infringement of a claimed system. Contrary to the panel's suggestion, the steps of method claims typically are used just as "collectively" as the components of system claims. The distinction is especially tenuous on the facts here, where the system claims contain limitations that parallel steps of the method claims. Simply put, RIM either infringes both sets of claims or neither set.

The panel further held that RIM did not infringe the method claims under § 271(f). In so holding, the panel distinguished *Eolas Technologies Inc. v. Microsoft Corp.*, 399 F.3d 1325, 1338-41 (Fed. Cir. 2005), which held that software code written in the United States and sent abroad on "golden master disks" for use

abroad *did* infringe an American patent because it qualified as a “component” of a patented invention under § 271(f). *Eolas* was recently extended in *AT&T Corp. v. Microsoft Corp.*, 414 F.3d 1366 (Fed. Cir. 2005), which held (over a dissent) that master software sent abroad may be deemed “supplied” from the United States for purposes of § 271(f). For their part, *Eolas* and *AT&T* distinguished but remain in palpable tension with *Pellegrini v. Analog Devices, Inc.*, 375 F.3d 1113 (Fed. Cir.), *cert. denied*, 125 S. Ct. 642 (2004), which held that chips designed in the United States but manufactured abroad did *not* infringe under § 271(f) because the chips themselves were never made, used or sold in the United States or physically “supplied” from the United States.

While each of these cases purports to distinguish the next, the ultimate holdings are difficult to square, and they lack a common analytical approach. The Court has yet to take a consistent and holistic view of infringement liability in the transnational context. *En banc* review would allow the Court to do so and to resolve the apparent tensions in its recent cases.

**C. It Is Up to Congress to Extend the Extraterritorial Reach of United States Patent Law—and When Congress Has Done So, It Has Done So Narrowly and with Carefully Crafted Limitations**

In revisiting and restating its jurisprudence, the Court should apply a consistent overarching principle: the patent laws of the United States are generally limited to activities taking place entirely within the United States and may be

extended extraterritorially only where Congress has clearly expressed its intention to do so. RIM's petition well explains why *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972), and other Supreme Court decisions require such strict construction, and Intel will not rehash that point here. Intel will point out, however, that when Congress *has* extended the scope of American patent law to cover activities occurring abroad, it has done so expressly and narrowly, with carefully crafted statutory limitations.

Over the years, Congress addressed several perceived loopholes in the patent laws by amending Section 271 to add subsections (f)(1), f(2) and (g). In each case the expansion of liability for infringement was statutory, it was targeted to particular concerns, and it contained provisions designed to contain the scope of added liability. Thus, subsection (f)(1) is limited to supplying components from the United States in order to "actively induce the combination of such components outside the United States in a manner that would infringe the patent if such combination occurred within the United States." Subsection (f)(2) is limited to supplying components known to be "especially made or especially adapted for use in the invention," and it also requires an "inten[t] that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States." Subsection (g) limits liability for importing products manufactured by patented processes to cases where there is no

other adequate remedy under Title 35. Even then, no remedy is allowed if the product is “materially changed by subsequent processes” or “becomes a trivial and nonessential component of another product.”

In contrast, the panel’s “control and beneficial use” test and its expansion of § 271(a) in this case have no basis in the text of § 271(a) and no clear limiting principle. Intel submits that Congress is better equipped to fix any perceived problems or loopholes in § 271. *See Teva Pharms. USA, Inc. v. Pfizer, Inc.*, 395 F.3d 1324, 1338 (Fed. Cir. 2005) (“it is not for us to address any perceived inequities in the statutory scheme”). Congress is in a far better position to weigh the difficult policy issues posed by transnational activities and to harmonize the American and foreign patent systems with due regard for delicate issues of international comity and treaty obligations.

**D. There Is No Need to Expand § 271(a) to Cover Systems Spanning Multiple Countries Because Patentees Can Draft Claims to Cover Portions of Overall Systems**

The panel’s decision may have been animated by a concern that nominally transnational systems would otherwise slip through the cracks of the international patent system. This is not, however, a case in which an American company evaded American patent laws by placing one insignificant component across the border and outside the reach of American law. This case involves a Canadian company

whose relay servers are located in its home country and are essential to controlling the routing of e-mails to the proper recipients worldwide.

In any event, patentees can readily avoid having transnational infringement fall between the cracks by drafting additional claims directed to systems of fewer components. In fact, patent drafters are taught to include claims covering components as well as systems and subcombinations as well as combinations, due to the risk that no single person or entity may use the entire system or combination. For example, in a system involving both transmitting and receiving, patentees would ordinarily include claims directed to each because the transmitting and receiving are often done by different people.

Likewise here, NTP's predecessors could have sought coverage in the United States for transmission and switching functions that occur in the United States. Instead, they chose to claim systems with many components and ran the risk that such systems would not be practiced entirely within this country. *Cf. Chef Am., Inc. v. Lamb-Weston, Inc.*, 358 F.3d 1371, 1374 (Fed. Cir. 2004) (“we construe the claim as written, not as the patentees wish they had written it”). Imposing such a drafting burden on patentees is not unfair. Indeed, under the panel's decision, patentees already will face similar issues in drafting method claims. In any event, 35 U.S.C. § 112 “puts the burden of precise claim drafting squarely on the applicant.” *In re Morris*, 127 F.3d 1048, 1056 (Fed. Cir. 1997).

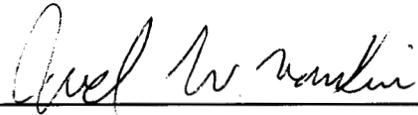
## Conclusion

Rather than modifying portions of its original opinion, the panel should have reconsidered its entire approach and held that a United States patent claim cannot be infringed unless (1) the entire claim is practiced in this country or (2) one of Congress's limited extraterritorial extensions of patent liability applies. Intel therefore asks the Court to vacate the modified opinion and set this case for rehearing *en banc*.

August 26, 2005

Respectfully submitted,

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By 

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## Certificate of Compliance

This brief complies with the ten-page length limitation of Federal Circuit Rules 35(g) and 40(g). It also complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6). The brief has been prepared in a proportionally spaced typeface using Microsoft Word 2002 SP-3 and Times New Roman 14-point type.

  
Dan L. Bagatell

## Proof of Filing and Service

As counsel of record for Intel Corporation, I certify that on August 26, 2005:

The originals and three copies of Intel's Motion for Leave, its Certificate of Interest and the Entries of Appearance of its counsel and an original and fourteen copies of Intel's *Amicus* Brief were sent by Federal Express for filing to:

Clerk of the Court  
United States Court of Appeals for the Federal Circuit  
Room 401  
717 Madison Place, NW  
Washington, D.C. 20439

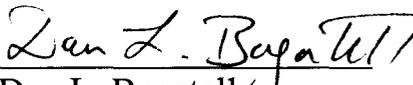
Two copies of Intel's Motion for Leave and *Amicus* Brief and one copy of the Certificate of Interest and Entries of Appearance were sent by Federal Express to counsel of record for the parties at these addresses:

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