

Federal Circuit Patent Bulletin: *Intellectual Ventures I LLC v. Motorola Mobility LLC*

September 25, 2017

"[T]o prove an infringing 'use' of a system under § 271(a), a patentee must demonstrate 'use'—that is, 'control' and 'benefit'—of the claimed system by an accused direct infringer. . . . [T]o use a system, a person must control (even if indirectly) and benefit from each claimed component."

On September 13, 2017, in *Intellectual Ventures I LLC v. Motorola Mobility LLC*, the U.S. Court of Appeals for the Federal Circuit (Newman, Dyk,* Taranto) affirmed-in-part and reversed-in-part the district court's judgment entering the jury verdict that IV infringed U.S. Patent No. 7,810,144 and No. 7,120,462, which related to the electronic transfer of computer files directly between two or more computing devices, and that the asserted claims were not invalid for inadequate written description under 35 U.S.C. § 112 or obviousness under 35 U.S.C. § 103. The Federal Circuit stated:

Motorola contends that the specification of the '144 patent excludes "long-term" or "permanent" storage of the data being transmitted on an intervening computing device. Despite this exclusion, Motorola argues that the scope of claim 41 covers embodiments that nevertheless use such long-term or permanent storage, in violation of the written description requirement. . . . [W]e agree with the district court that under the proper claim construction, "claim 41 does not cover file transfers that involve long-term or permanent storage." . . . Since the asserted claim does not cover long-term or permanent storage, the failure of the specification to describe such an embodiment presents no written description problem. The district court did not err in denying Motorola's motion for judgment as a matter of law for lack of written description as to claim 41 of the '144 patent. . . .

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Before the jury, Motorola argued that claim 41 would have been obvious over a combination of Overend and Micali. Motorola's obviousness case depended in part on its argument that the "irrespective of user action" limitation was taught by Overend's disclosure of a "secure file transfer interface program" having a "Receive Mode" capable of receiving files "without any intervention by [the user]." . . . Based on our review of the trial record, we conclude that there was substantial evidence for the jury to find that Overend's "Receive Mode" did not satisfy the "irrespective of user action" limitation of claim 41. . . .

Having concluded that substantial evidence supports the jury's verdict of no invalidity with respect to claim 41 of the '144 patent, we turn to the question of whether there was substantial evidence of direct infringement under 35 U.S.C. § 271(a). The parties have treated claim 41 as a system claim with limitations directed to a "communications device," a "second device," and an "authenticating device configured to . . . generate a delivery report." At trial, IV argued that Motorola's customers directly infringed claim 41 by using the accused system to send text-plus-photo messages using a Multimedia Messaging Service ("MMS"), and that Motorola itself directly infringed claim 41 by testing the accused phones' MMS functionality. . . . Under these theories, when accused Motorola phones were used to send and receive text-plus-photo MMS messages, the devices met the limitations of the "communications device" and the "second device" of the asserted claim. Motorola does not dispute that the accused phones meet the limitations of the "communications device" and the "second device." Instead, Motorola contends that IV failed to offer evidence of a directly infringing "use" of the claimed system because none of the accused direct infringers "used" the "authenticating device configured to . . . generate a delivery report." . . .

[T]o prove an infringing "use" of a system under § 271(a), a patentee must demonstrate "use"—that is, "control" and "benefit"—of the claimed system by an accused direct infringer. . . . [T]o use a system, a person must control (even if indirectly) and benefit from each claimed component. . . . [T]he critical question here is whether there was substantial evidence that Motorola's customers obtained a "benefit" from the generation of delivery reports. Neither of IV's direct infringement theories purported to explain how Motorola's customers satisfied this claim limitation by using the accused phones. Indeed, there is no evidence that the customers ever "generate[d] a delivery report." Instead, IV relied on testimony and evidence that the delivery reports were generated by Multimedia Messaging Service Centers ("MMSC") maintained or operated by the customers' wireless service carriers when the customers used the accused phones. . . .

In sum, IV failed to present substantial evidence that the parties accused of direct infringement in this case benefitted from the limitation of "generat[ing] a delivery report" of the claimed system. As such, IV failed to prove a directly infringing "use" under § 271(a). And, because a finding of direct infringement is predicate to any finding of indirect infringement, none of the jury's verdicts with respect to infringement of claim 41 of the '144 of the patent is supported by substantial evidence.