

NTP INC. v. RESEARCH IN MOTION LTD.: INFRINGEMENT UNDER 35 U.S.C. §271

In a recent decision that addresses patent infringement within the context of international boundaries as covered under 35 U.S.C. §271, the Court of Appeals for the Federal Circuit (“CAFC”) reversed the district court’s finding of direct infringement under section 271(a) of an asserted method claim because at least one of the asserted patented method steps occurred in Canada. The court, however, affirmed the district court’s ruling of infringement of certain system claims notwithstanding the fact that a key component of the claimed system was located outside the United States. *NTP Inc. v. Research in Motion Ltd.*, Case No. 03-1615 (Fed. Cir. Aug. 2, 2005).

NTP Inc. (NTP) owns several patents relating to integrating electronic mail with radio frequency wireless communication networks. NTP sued Research in Motion (RIM), the Canadian seller of BlackBerry®, in the United States under these patents alleging that elements of the BlackBerry® system infringe various method and system claims.

Turning to the method claims, the CAFC noted that method claims practiced outside the United States are not infringed under section 271(a) because “the concept of ‘use’ of a patented method or process is fundamentally different from the use of a patented system or device.” A method or process cannot be “used” within the meaning of section 271(a) except when the use of the method or process occurs within the territorial boundaries of the United States. The CAFC reaffirmed the principle that all steps of a claimed method or process must be performed in the United States to invoke infringement under section 271(a).

In regard to the system claims, the CAFC also noted the territorial nature of United States patent laws, but stated that: “the location of [a component of a system] in Canada [does] not, as a matter of law, preclude infringement of the asserted system claims in this case.” The CAFC explained that the “situs of the infringement ‘is wherever an offending act [of infringement] is committed.’” Therefore, the use of a system in the United States is enough to trigger infringement of system claims under United States patent law even if a component of the system is located outside the United States.

Similarly, the CAFC ruled that the sale of equipment to perform a process is not a sale of the process within section 271(a). Therefore, a supplier does not necessarily infringe method claims by supplying products that may perform parts of a patented method or process to its customers in the United States.

Finally, the CAFC ruled that section 271(g) does not apply to activities that do not “entail the manufacturing of physical products.” The CAFC distinguished between the “tangible product” requirement for §101 and “physical products” under §271(g).

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