

**Keywords:** claim construction; infringing methods; 35 U.S.C. § 271

**General:** Finding of infringement under 35 U.S.C. § 271(a) requires that each step of claimed process be performed in United States. In the present case, process claims for operation of wireless e-mail transmission system are not, as matter of law, infringed by accused system, since each of asserted claims recites step that utilizes “interface” or “interface switch,” and this step is satisfied in accused system only by “relay” that is located in Canada.

*NTP, Inc. v. Research In Motion, Ltd.*  
75 U.S.P.Q.2d 1763 (Fed. Cir. 2005)  
Decided August 2, 2005

## **I. Facts**

In 2001, NTP (described on Wikipedia as a “patent holding company”) filed an infringement suit against Canadian wireless email provider Research In Motion (“RIM”). The complaint alleged infringement of five NTP patents by RIM’s BlackBerry system. The case turned into a titanic struggle that only recently came to an end.

The five patents in suit relate to the integration of typical electronic mail systems with wireless RF communication networks. The common specification of the patents in suit describes a system in which a message originating in an electronic mail system may be transmitted not only by wireline but also using an RF receiver. The RF receiver allows the user to receive email without having to turn on his computer, which the case refers to as a “fixed destination processor.”

The BlackBerry system uses “push” email technology to route messages to a handheld device without a user-initiated connection. This is in contrast to traditional “pull” email systems, in which a user-initiated connection is required to retrieve email. The BlackBerry system employs a variety of “email redirector” software components to push incoming email to a user’s wireless pager. When the redirector software program recognizes the receipt of a new email, it copies, encrypts and routes the message to a BlackBerry “Relay” component, which is located in Canada. The Relay component automatically forwards the message to an RF receiver (pager) associated with the account.

The district court granted NTP’s motion for summary judgment of infringement with respect to several claims of the patents in suit. The issue of infringement of other claims, however, was decided by a jury. As the result of a trial in 2003, the district court entered a final judgment awarding damages in the amount of \$53,704,322.69. The district court also enjoined further infringement by RIM, but stayed the injunction pending appeal.

RIM appealed the denial of two motions it had made for summary judgment. In the first, RIM argued that the asserted claims, properly construed, do not read on the accused BlackBerry system. In the second, RIM contended that the physical location of the Relay component of the BlackBerry system put RIM’s allegedly infringing conduct outside the reach of 35 U.S.C. § 271.

In its summary judgment motion regarding non-infringement, RIM contested the district court’s claim construction of several terms: “electronic mail system”, “gateway switch”, “originating processor”, and “originated information.” RIM also argued that the district court erred in failing

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to construe the terms “dual pathways”, “separate and distinct” and “additional processor outside an electronic mail system.”

## II. Issues

- A. Did the district court correctly construe the claim term “originating processor”?
- B. Did the district court correctly conclude that NTP’s method claims were infringed not withstanding the performance of some acts recited in those claims in Canada?

## III. Discussion

- A. No. The district court construed “originating processor” as “[a]ny one of the constituent processors in an electronic mail system that prepares data for transmission through the system.” Instead, the Federal Circuit splits the difference between alternative constructions offered by NTP and RIM to conclude that the term “originating processor” is properly construed as “a processor in an electronic mail system that initiates the transmission of a message into the system.” In reaching this conclusion, the Federal Circuit analyzes the claims of the patents and further examines their specifications to determine that the “originating processor” is the origin of the claimed “originated information.” After almost six pages of excruciatingly arcane and tedious analysis, the Court states that “[o]riginating processor’ is not an umbrella term referring to all of the processors that add data into the system, but rather would be understood to one skilled in the art to be the first processor, or the initial source of the ‘originated information’ or email message text.” Unfortunately, the opinion is devoid of any context indicating why RIM put forth a claim construction that the “originating processor” could not be any of the “constituent processors” in the email system.

Next, the Federal Circuit agonizes for almost three and a half pages before upholding the district court’s refusal to construe the term “dual pathways”, even though this term is not found in any claim of any of the patents in suit. The Court goes on to uphold the district court’s construction of the remaining disputed claim terms.

- B. No. The court below held that “the fact that the BlackBerry relay is located in Canada is not a bar to infringement in this matter.” RIM contended on appeal that no direct infringement of the method claims could be considered “within the United States” for purposes of Section 271(a). RIM’s position was based on the fact that claimed acts performed by the relay did not occur within the United States.

Noting that the standard of review for statutory construction is *de novo*, the Federal Circuit stated that it would “give the words of a statute their ordinary, contemporary, common meaning, absent an indication Congress intended them to bear some different import.” In its analysis, the Federal Circuit explored the Supreme Court’s decision in *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518 (1972). The Supreme Court concluded in that case that the assembly of component parts outside the United States did not constitute direct infringement under Section 271(a). The Federal Circuit noted that the instant case differs from *Deepsouth* in that only some of the claimed acts were performed in Canada.

The Court also cited *Decca, Ltd. v. United States*, 544 F. 2d 1070 (Ct. Cl. 1976). *Decca* involved the use and manufacture of a system under 28 U.S.C. § 1498. The claimed invention was a radio navigation system requiring stations at various locations. One such station was located outside of the United States in Norway. Noting that at least one element of the claim was clearly not located in the United States, the *Decca* court said, “Analyzed from the standpoint of a use instead of a making by the United States, a somewhat clearer picture

emerges.” The Court of Claims went on to state that, even though the Norwegian station is located on Norwegian soil, that “using” the station occurs wherever the signals are received and used in the manner claimed.” The *Decca* court thus concluded that the use of the claimed apparatus invention occurred within the United States.

Building on the framework of the *Decca* case, the Federal Circuit stated that “[n]ot only will the analysis differ for different types of infringing acts, it will also differ as the result of differences between different types of claims.” While conceding that use of the invention recited in the *system* claims occurred within the United States, RIM contended that the *method* claims were not “used” in the United States because the Canadian Relay is “necessary for the other components of the system to function properly.” The Federal Circuit noted the distinction between use of a system and use of a process and held that “a process cannot be used ‘within’ the United States as required by Section 271(a) unless each of the steps is performed within this country.” Applying this rule to the instant case, the court concluded that there was no infringement as a matter of law of NTP’s method claims in which at least one act was performed by the BlackBerry Relay in Canada.

Next, the court took up the issue of whether a method claim could be infringed under the “sells” or “offers to sell” prongs of Section 271(a). A scholarly analysis of the legislative history revealed that the intent of Congress seemed to be that method claims could be infringed only be use, not by sale or offer for sale. The Federal Circuit refused to make that leap, however, instead limiting its holding to the specific case before it. The court stated, “[w]e conclude only that RIM’s performance of at least some of the recited steps of the asserted method claims as a service for its customers cannot be considered to be selling or offering to sell the invention covered by the asserted method claims.”

The court subsequently extended this reasoning to the “import” prong of Section 271(a) and all subsections of Section 271(f). The Court noted that Section 271(f) specifically related to claimed apparatuses. Likewise, the Court concluded that the transmission of information does not entail the manufacturing of a physical product, which is a predicate for a finding of infringement under Section 271(g).

#### **IV. Conclusion**

In March 2006, the BlackBerry litigation was settled for more than \$600 million dollars. Faced with the prospect of another trip to the Federal Circuit as the best likely result and a looming threat of injunction as the worst, RIM must have felt that such a large amount was justified.