

Keywords: joint infringement; direct infringement; direction/control; vicarious liability; inducing infringement; agency relationships

General: The Federal Circuit upholds its recent decision in *Akamai Technologies, Inc. v. Limelight Network, Inc.*, finding that joint infringement can only occur when there is an agency relationship between the parties performing steps of a method claim or when one party is contractually obligated to the other to perform the steps.

McKesson Technologies Inc. v. Epic Systems Corporation

No. 2010-1291 (Fed. Cir. 2011)

Decided April 12, 2011

I. Facts

McKesson Technologies Inc. is the owner of U.S. Patent No. 6,757,898 (the '898 patent) directed to an electronic method of communication between healthcare providers and their patients involving personalized web pages. In particular, the '898 patent discloses exemplary embodiments that include a system in which a patient may, following a doctor visit, access visit-specific online content that "offers the patient significantly more information." Additionally, the patient may schedule follow up appointments and prescription refill requests using the web page. Claim 1 of the '898 patent is representative and recites:

1. A method of automatically and electronically communicating between at least one health-care provider and a plurality of users serviced by the health-care provider, said method comprising the steps of:

initiating a communication by one of the plurality of users to the provider for information, wherein the provider has established a preexisting medical record for each user;

enabling communication by transporting the communication through a provider/patient interface over an electronic communication network to a Web site which is unique to the provider, whereupon the communication is automatically reformatted and processed or stored on a central server, said Web site supported by or in communication with the central server through a provider-patient interface service center;

electronically comparing content of the communication with mapped content, which has been previously provided by the provider to the central server, to formulate a response as a static or dynamic object, or a combined static and dynamic object; and

returning the response to the communication automatically to the user's computer, whereupon the response is read by the user or stored on the user's computers;

said provider/patient interface providing a fully automated mechanism for generating a personalized page or area within the provider's Web site for each user serviced by the provider; and

said patient-provider interface service center for dynamically assembling and delivering custom content to said user.

Epic Systems is the developer of a software product called "MyChart" and licenses this software to healthcare providers. MyChart allows healthcare providers to provide patients a personalized web page associated with their medical records, and also permits patients to communicate with their healthcare provider and access treatment information, scheduling information, and other related materials through the web page.

In 2006, McKesson sued Epic in the U.S. District Court for the Northern District of Georgia, alleging that Epic induced infringement of various claims of the '898 patent by licensing the MyChart software to healthcare providers. In response to the lawsuit, Epic moved for summary judgment of non-infringement of the asserted claims on the basis that Epic's customers (healthcare providers) did not perform the first step of the asserted method claims (of which claim 1 above is representative), which generally recites *initiating a communication by a user to a provider*. Initially, the district court, relying on *BMC Resources, Inc. v. Paymentech, L.P.*, denied the motion, finding that a genuine issue of material fact existed as to whether healthcare providers using MyChart directed and controlled patients to perform the first step of the asserted method claims. Following claim construction and discovery, Epic renewed the summary judgment motion. Specifically, Epic, citing *Muniauction, Inc. v. Thomson Corp.*, argued that because its customers (e.g., healthcare providers) neither directly performed the step of "initiating a communication" nor exercised control or direction over who (e.g., the patient) performs this step, McKesson failed to demonstrate that a single party directly infringes the claims of the '898 patent and, therefore, could not succeed in pursuing a claim of indirect infringement. The district court granted the renewed summary judgment motion. McKesson subsequently appealed.

II. Issue

Was the relationship between Epic's customers (providers of MyChart) and their users one in which the performance of "initiating a communication" may be attributed to the MyChart providers?

III. Discussion

No. In affirming the district court, the Federal Circuit revisited its findings from *BMC Resources* and *Muniauction* and reiterated its holding in *Akamai Technologies, Inc. v. Limelight Networks, Inc.* In *Akamai*, the appellate panel, in a new statement of law, held that "there can only be joint infringement when there is an agency relationship between the parties who perform the method steps or when one party is contractually obligated to the other to perform the steps." The claims at issue in *Akamai* related to a content delivery service that permitted a content provider to outsource storage and delivery of discrete portions of its website content. During litigation, it was undisputed that the accused infringer, Limelight, performed all the steps of the method claims at issue except for steps related to the "tagging" and "serving" of embedded objects, which are instead performed by Limelight's customers. However, the *Akamai* panel found that the customers of Limelight did not perform the tagging and serving steps as agents for Limelight, nor were they contractually obligated to do so, and, therefore, found that Limelight was not liable under a joint infringement theory.

With regard to the facts of the present case, the appellate panel found that in performing the recited step of "initiating a communication," the MyChart users were neither acting as agents for the MyChart providers nor were they contractually obligated to perform any of the recited steps on behalf of the MyChart providers. Rather, the MyChart users (patients) chose, at their own discretion, whether to initiate the communication. The MyChart providers merely controlled the user's access to the MyChart software, such as by determining which medical records and what information the user may view based on their identity. The appellate panel likened the facts of this case to both *Muniauction* and *Akamai*, noting: (1) that the accused infringer in *Muniauction* merely controlled access to its system and instructed customers on its use, and (2) that in *Akamai*, Limelight's customers chose whether to perform the tagging or serving steps. Further, the panel noted that, like the customers in *Akamai*, the MyChart users acted principally for their own benefit and under their own control. In both of these cases, the accused infringers were found not to be liable for infringement.

In the appeal, McKesson argued that the doctor-patient relationship was unique and sufficient to provide attribution of the patient's actions to the doctor based on the idea that patients typically listen to the "doctor's orders." The panel found this argument unpersuasive and stated that a doctor-patient relationship does not by itself give rise to an agency relationship nor does it impose a contractual obligation on the patient such that voluntary actions by the patient represent vicarious actions of the doctor. McKesson also argued that the Federal Circuit's precedent conflicts with legal principals involving concerted action, particularly in joint tortfeasor liability and vicarious copyright liability. The panel also found these arguments unpersuasive and stated that departing from precedent was beyond its authority as a three-judge panel.

IV. Conclusion

Relying primarily on the holding from *Akamai*, the finding of the district court is affirmed. The users of MyChart were not agents of the MyChart providers nor contractually obligated to perform the steps at issue on behalf of the MyChart providers. Therefore, neither party directly infringes the '898 patent, and Epic cannot be liable for indirect infringement.