

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND**

TECHNOLOGY PATENTS LLC)	
)	
Plaintiff)	
)	
vs.)	Civil Action No. DKC-07-3012
)	
DEUTSCHE TELEKOM AG et al.)	
)	
Defendants)	
)	
)	

PLAINTIFF TECHNOLOGY PATENTS LLC'S MEMORANDUM IN OPPOSITION TO EACH OF THE MOTIONS TO DISMISS FOR FAILURE TO STATE A CLAIM UNDER FED. R. CIV. P. 12(b)(6) FILED BY DEFENDANTS AT&T MOBILITY, MOTOROLA, TELSTRA, PALM, SPRINT NEXTEL, CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS, LG ELECTRONICS MOBILECOMM, HELIO, CLICKATELL, MICROSOFT, YAHOO!, VODAFONE LTD., MOBILEONE, STARHUB, SINGTEL AND SINGAPORE TELECOM MOBILE

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Plaintiff Technology Patents LLC (hereinafter referred to as “TPLLC”) hereby opposes the motions to dismiss under Fed. R. Civ. P. 12(b)(6) filed by defendants AT&T Mobility, Motorola, Telstra, Palm, Sprint Nextel, Cellco Partnership, LG Electronics MobileComm, Helio, Clickatell, Microsoft, Yahoo!, Vodafone Ltd., MobileOne, StarHub, Singapore Telecommunications (Singtel) and Singapore Telecom Mobile (STM). In particular, the Rule 12(b)(6) motions at Paper Nos. 251, 252, 254, 256, 257, 258, 260, 261, 262, 278, 282, 308, 348, 349 and 350 are hereby opposed.

I. SUMMARY

Defendants contend that, as a matter of law, TPLLC’s patents cannot be infringed under 35 U.S.C. § 271(a) because the patents call for part of the claimed system to be located outside the United States. The Federal Circuit has recently considered this issue, and rejected defendants’ argument.

The pending Rule 12(b)(6) motions essentially ask this Court to overrule the Federal Circuit’s holding in *NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282, 1313-17 (Fed. Cir. 2005), *cert. denied*, 546 U.S. 1157, 126 S. Ct. 1174 (2006), and the holding of its predecessor court in *Decca Ltd. v. United States*, 544 F.2d 1070 (Ct. Cl. 1976). In both of these cases, it was held that a system claim was infringed under § 271(a) even though part of the system was located outside the United States. In *NTP*, for example, the Federal Circuit explained that when the defendant’s “customers send and receive messages by manipulating the handheld devices in their possession in the United States, the location of the use of the communication system as a whole occurs in the United States” even though part of the claimed system is outside the United States. *NTP*, 418 F.3d at 1317. This same reasoning applies here. The Court need go no further than these two cases to deny defendants’ Rule 12(b)(6) motions.

Moreover, in cases such as this, the question of whether the “using” of a claimed system under § 271(a) is “within the United States” is a factual issue – not a purely legal issue as defendants contend.

There are additional reasons why defendants’ motions should be denied. For instance, some

claims of the Reissued '870 Patent do not require components outside the United States. Additionally, § 271(f) expressly provides for infringement based on activities outside the United States.

II. LAW – RULE 12(b)(6) MOTIONS

On a motion to dismiss under Fed. R. Civ. P. 12(b)(6), the material allegations of a complaint are taken as true, and a complaint is liberally construed in favor of plaintiff. *Jenkins v. McKeithen*, 395 U.S. 411, 421-22, 89 S.Ct. 1843, 1849 (1969). A well-pleaded complaint may proceed even if it appears that a recovery is very remote and unlikely. *Bell Atlantic Corp. v. Twombly*, 127 S. Ct. 1955, 1965 (2007) (citation omitted).

Rule 12(b)(6) also provides that when “matters outside the pleading are presented to and not excluded by the court, the motion shall be treated as one for summary judgment and disposed of as provided in Rule 56, and all parties shall be given reasonable opportunity to present all material made pertinent to such a motion by Rule 56.” Generally, when documents which were not appended to a complaint are submitted, those documents either are not considered or the motion is converted to a summary judgment motion with proper notice to the parties. *Biospherics, Inc. v. Forbes, Inc.*, 989 F.Supp. 748, 749 (D. Md. 1997). However, an exception to this conversion rule is that documents referred to in the Complaint (the patents in this case) and “public disclosure documents” (file histories of the patents, and legislative history documents in this case) do not cause conversion. *Hall v. Virginia*, 385 F.3d 421, 424 n.3, 427 (4th Cir. 2004) (considering public record documents without conversion); *Cortec Indus. v. Sum Holding, L.P.*, 949 F.2d 42, 46-48 (2d Cir. 1991), *cert. denied*, 503 U.S. 960, 112 S. Ct. 1561 (1992); *Biospherics*, 989 F.Supp. at 749 (citing *Cortec* with favor); *In re Medimmune, Inc. Securities Litigation*, 873 F.Supp. 953, 957 n.3 (D. Md. 1995) (citing *Cortec*).

III. INFRINGEMENT UNDER 35 U.S.C. § 271(a)

Section § 271(a) states, in relevant part: “[W]hoever without authority makes, *uses*, offers to

sell, or sells any patented invention, *within the United States* or imports into the United States any patented invention during the term of the patent therefore, infringes the patent.” (emphasis added.) Thus, it is a direct infringement under § 271(a) to use a patented invention within the United States. “It is beyond argument,” that the activities identified in subsection (a) are independent and “that performance of only *one* of the [now five] enumerated activities is patent infringement.” *Roche Prods., Inc. v. Bolar Pharm. Co.*, 733 F.2d 858, 861 (Fed. Cir. 1984).¹ “It is well-established, in particular, that the use of a patented invention, without either manufacture or sale, is actionable.” *Id.*

The Complaint alleges, *inter alia*, infringement of the patents-in-suit under 35 U.S.C. § 271(a) by “using” patented systems in the United States. (E.g., Complaint, ¶¶ 144, 147, 151, 158 and 161.) Example infringing systems are also listed. (E.g., Complaint, ¶¶ 149 and 163.) In particular, TPLLC contends that the “system” (as opposed to “method”) claims of the asserted patents have been infringed under § 271(a) because they have been used within the United States. Surprisingly, defendants argue that the mere requirement in system claims of component(s) located in a second country precludes infringement as a matter of law.

A. Controlling Caselaw of *NTP* and *Decca*.

Defendants incorrectly contend that TPLLC’s patents cannot be infringed under § 271(a) because the patents call for part of the claimed system to be located outside the United States. The Federal Circuit has considered this issue, and expressly rejected defendants’ argument. *See NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282, 1313-17 (Fed. Cir. 2005), *cert. denied*, 546 U.S. 1157, 126 S. Ct. 1174 (2006) (finding infringement of system claims even though part of claimed system located in Canada); *Decca Ltd. v. United States*, 544 F.2d 1070, 1073-75 (Ct. Cl. 1976) (finding infringement by

¹ Legislatively overruled on other grounds via 35 U.S.C. § 271(e)(1).

“worldwide” navigation system even though part of system located in Norway).²

In the *NTP* case (a.k.a., Blackberry case), the Federal Circuit was faced with a situation where the “interface switch” (or relay) component of the asserted patents was located in Canada. *NTP*, 418 F.3d at 1313. The “interface switch” component and its functionality represented a significant portion of claim 1 of the ‘960 Patent.³ *Id.* at 1294. The defendant in *NTP* argued that the claims could not be infringed under § 271(a) because part of the claimed system was located in Canada. *Id.* at 1313.

Defendants re-argue this same point here. In rejecting this argument, the Federal Circuit said:

The question before us is whether the using . . . of a patented invention is an infringement under section 271(a) if a component . . . of the patented invention is located . . . abroad. . . . [T]his case involves a system that is partly within and partly outside the United States and relates to acts that may be occurring within or outside the United States. Although *Deepsouth* does not resolve these issues, our predecessor court’s decision in *Decca Ltd. v. United States*, 210 Ct.Cl. 546, 544 F.2d 1070 (1976), is instructive. In *Decca* . . . the [defendant] was operating three such transmitting stations, one of which was located in Norway and thus was outside the territorial limits of the United States. . . . [A]sserted claim 11 required three transmitting stations. . . . The court concluded that “it is obvious that, although the Norwegian station is located on Norwegian soil, a navigator employing signals from that station is, in fact, ‘using’ that station and such use occurs wherever the signals are received and used in the manner claimed.” . . . *Decca* provides a legal framework for analyzing this case. As our predecessor court concluded, infringement under section 271(a) is not necessarily precluded even though a component of a patented system is located outside the United States.

NTP, 418 F.3d at 1315-16. The Federal Circuit went on to discuss the Supreme Court’s broad interpretation of “use” and explained that the ordinary meaning of “use” is to “put into action or

² The U.S. Court of Claims is a predecessor court to the Federal Circuit. *South Corp. v. United States*, 690 F.2d 1368, 1370 (Fed. Cir. 1982); *NTP*, 418 F.3d at 1315.

service.” *Id.* at 1316-17. According to the Federal Circuit:

The use of a claimed system under section 271(a) is the place at which the system as a whole is put into service, i.e., the place where control of the system is exercised and beneficial use of the system obtained. . . . Based on this interpretation of section 271(a), it was proper for the jury to have found that use of NTP’s asserted system claims occurred within the United States. RIM’s customers located within the United States controlled the transmission of the originated information and also benefited from such an exchange of information. Thus, the location of the Relay in Canada did not, as a matter of law, preclude infringement of the asserted system claims in this case. . . . When RIM’s United States customers send and receive messages by manipulating the handheld devices in their possession in the United States, the location of the use of the communication system as a whole occurs in the United States.

NTP, 418 F.3d at 1317 (emphasis added).

Likewise, in this case, defendants’ “customers located within the United States [have] controlled the transmission of the originated information [e.g., via text messaging] and also benefited from such an exchange of information.” *NTP*, 418 F.3d at 1317. Accordingly, the “use of the communication system as a whole occurs in the United States” under § 271(a). *Id.* Defendants’ argument that the claimed system can be used to send and receive international text messages in many countries, but not be used “within” any of them, is fundamentally flawed.

In *Decca*, which is binding precedent on the Federal Circuit, the court faced a similar situation. The government’s accused “worldwide” Omega navigation system was “designed to provide transmissions . . . from eight stations spaced to provide worldwide coverage.” *Decca*, 544 F.2d at 1091. By the time of trial, the system included two transmitting stations located in the United States, one located in Norway, others being built in France, Japan and Argentina, and still others planned for Liberia

³ The infringement finding as to claim 15 of the ‘960 Patent (which depended from claim 1) was vacated on other grounds.

and Australia. *Id.* at 1077, 1090. “The system would be worth little if it did not operate worldwide . . .” *Id.* at 1074. The court in *Decca*, in finding infringement, held that “although the Norwegian station is located on Norwegian soil, a navigator employing signals from that station is, in fact, ‘using’ that station and such use occurs wherever the signals are received and used in the manner claimed.” *Id.* at 1083. Motorola attempts to distinguish *Decca* by arguing that the court there was only concerned with the government’s liability under 28 U.S.C. § 1498. However, Motorola’s attempt is defective at its core, “because direct infringement under section 271(a) is a necessary predicate for government liability under section 1498.” *NTP*, 418 F.3d at 1316 (citing *Motorola, Inc. v. United States*, 729 F.2d 765, 768 n.3 (Fed. Cir. 1984)).

As held in *NTP* and *Decca*, part of the claimed system being located outside the United States does not, as a matter of law, preclude infringement under § 271(a). The U.S. carriers (e.g., AT&T Mobility, Sprint Nextel, Cellco d/b/a Verizon Wireless, and Helio) operate large parts of the claimed system within the United States, thereby using the claimed system within the United States and directly infringing the patents under § 271(a). Likewise, customers of U.S.-based website operator Clickatell use large parts of the claimed system within the United States to send and receive international text messages. Moreover, customers or subscribers of all moving defendants use defendants’ handheld devices and/or websites in the United States to send and/or receive messages (e.g., international text messages) via the patented system, thereby controlling and benefiting from the claimed system in the United States. *NTP*, 418 F.3d at 1317. These are all infringing uses of the claimed system within the United States under § 271(a).

The courts in *NTP* and *Decca* correctly construed the statute in a manner that does not allow one to avoid infringement simply by locating a component of a claimed system outside the United States. Defendants’ construction would create a gaping hole in patent law that would allow every company with

a highspeed international data link to avoid infringement of U.S. patents. Defendants' construction has been expressly rejected by the courts in both *NTP* and *Decca*. Defendants provide the Court with no reason to revisit the issue decided in *NTP* and *Decca*.

Defendants contend that this case somehow differs from *NTP* and *Decca* because some claims in this case call for components in different countries. This is a distinction without a difference. If the location of part of a claimed system outside the United States cannot preclude infringement as a matter of law (as explained in *NTP* and *Decca*), it cannot logically be said that a patent claim which calls for components in first and second countries cannot be infringed. Congress has defined what types of inventions are patentable, and there is no limitation with respect to activity in multiple countries. 35 U.S.C. § 101. Defendants' argument must fail.

B. Congressional Intent and Consideration of *Decca*.

Congressional intent as to this issue is also instructive. If Congress had intended § 271(a) to be limited as defendants suggest, it would have said so. Quite to the contrary, Congress has effectively endorsed the *Decca* decision. As defendants point out, Congress has been quick to address "loopholes" in the U.S. patent laws. For example, following the Supreme Court's *Deepsouth* decision, Congress enacted § 271(f) to close the loophole created by *Deepsouth*. *NTP*, 418 F.3d at 1322; *Eolas Tech. Inc. v. Microsoft Corp.*, 399 F.3d 1325, 1340 (Fed. Cir. 2005).

To the extent there was ever any doubt as to whether the holding in *Decca* (heavily relied on by the Federal Circuit in *NTP*) reflected Congressional intent as to § 271(a), the fact that Congress has never acted to "correct" it after over thirty years is particularly telling, especially given that Congress has actively discussed and analyzed the case. S. Rep. No. 101-266 (1990). [Appendix A hereto; at 3 of 7.] "In light of [a] well-established judicial interpretation [of a statutory provision], Congress' decision to leave [§ 271(a)] intact suggests that Congress ratified" the interpretation. *Herman & MacLean v.*

Huddleston, 459 U.S. 375, 385-86, 103 S. Ct. 683, 689 (1983). Thus, Congress has effectively endorsed the *Decca* decision. If Congress had intended to legislatively overrule *Decca*, it would not have actively considered the case and left the statute alone.

C. *NTP and Decca are Consistent with U.K. Law on the Same Issue.*

Defendants' suggestion that to allow this case to proceed would somehow improperly cast a shadow over international relations and treaties is incorrect conjecture. For example, the United Kingdom Court of Appeal reached a conclusion virtually identical to that reached by the Federal Circuit in *NTP*. In *Menashe Business Mercantile, Ltd. v. William Hill Org., Ltd.*, [2002] EWCA Civ 1702, [2003] All E.R. 279 (C.A. 2002) [Appendix B hereto], the court in the U.K. considered the location of "use" under a U.K. Patent, using a definition almost the same as that used by the Federal Circuit ("to put the invention into effect"). The U.K. court found that the "use" of the invention was in the U.K. even though the host computer of the claimed system was in Antigua. In particular, the customer "will use the claimed gaming system in the United Kingdom, even if the host computer is situated in, say, Antigua." *Id.* at ¶ 33. The holdings of *NTP* and *Decca* not only accurately reflect the U.S. patent laws, but are also consistent with the only foreign court known to have addressed the same issue. Thus, contrary to defendants' allegation, enforcement of TPLLC's patent rights does not interfere with treaty-making or political power.

D. *Not all Claims Require Components in Multiple Countries.*

With respect to infringement under § 271(a), system claims having components in multiple countries are infringed under the "uses" provision of the statute. However, all claims not requiring components in multiple countries can be infringed under each of the "makes", "uses", "offers to sell" and "sells" provisions of § 271(a).

Claims 4-18 and 26-35 of the Reissued '870 Patent, and claim 6 in the '542 Patent, are "system"

claims that, for purposes of this motion, require components to be located in both a first country (e.g., U.S.) and a different second country (e.g., France). With respect to the “another country” recited in these claims, the prosecution history expressly states that the “another country” in these claims (e.g., see claims 4, 9, 13, 16, 30 and 34 of the Reissued ‘870 Patent) may or may not be the same as the first country (i.e., U.S.). (Paper No. 252-12, at 48 of 51.) Thus, while the “first country” and the “another country” may both be the United States in claims 4-18 and 26-35 of the Reissued ‘870 Patent, the “second country” is different than the first country (i.e., if the “first country” and the “another country” are the U.S., then the second country is outside the U.S.). The claim chart attached hereto at Appendix C illustrates that the majority of components in example representative claims can be within the United States (underlining indicating components that may be within the United States). As explained above in connection with the *NTP* and *Decca* cases, all system claims can be infringed under the *use* provision of § 271(a), even though part of the system may be located outside the United States.

Whether the United States is a “place at which the system as a whole is put into service, i.e., the place where control of the system is exercised and beneficial use of the system obtained,” is a question of fact. *NTP*, 418 F.3d at 1317; *Decca*, 544 F.2d at 1072-75. Given the factual similarities between this case and *NTP* and *Decca*, TPLLC is entitled to present evidence in support of its claims. Thus, TPLLC has stated claims upon which relief can be granted, and defendants’ motions to dismiss are fundamentally flawed.⁴

Contrary to defendants’ characterization that “all” claims expressly require components outside the U.S., there are numerous claims that do not. For example, claims 19-25 and 36-39 of the Reissued

⁴ Motorola argues that its Rule 12(b)(6) motion should be granted “so that the Court and the parties do not unnecessarily go through the tremendous time and expense of complex case management, discovery, etc. that otherwise will be involved . . .” While TPLLC recognizes the burdens placed upon all involved in connection with this case, “the potential for ‘sprawling, costly and hugely time-consuming’ discovery . . . is no reason to throw the baby out with the bathwater.” *Bell Atlantic*, 127 S. Ct. at 1988 n.13 (Stevens, J., dissenting).

'870 Patent do not require components in multiple countries. These claims call for components in an "originating country" from which messages are sent, and a "receiving country" where messages are received. These may be the same country, as different messages may be sent from, and received in, the same country. There is no indication that the originating and receiving countries cannot be the same.

Moreover, the prosecution history indicates that "originating country" and "receiving country" may be the same country. For instance, in connection with claim 19, it was stated that "each of the originating country and the page receiving country may be selected, for example, from the countries listed in the '983 Patent⁵ at col. 6, lines 35-43" [i.e., United States, Japan, France, Spain, United Kingdom, Brazil, Australia and Mexico]. (Paper No. 252-12, at 27 of 51.) Because each may be selected from this group, each may be the United States.

Because claims 19-25 and 36-39 of the Reissued '870 Patent do not require components in multiple countries, these claims can be directly infringed under the "makes", "offers to sell" and "sells" provisions of § 271(a), in addition to the "uses" provision of the statute.

E. Peripheral Caselaw Cited by Defendants.

AT&T Mobility, on page 5 of its brief, acknowledges that "two leading cases" concerning use of a patented invention within the United States under § 271(a) are *NTP* and *Decca*. No other case cited by defendants addresses this issue. Nevertheless, for purposes of completeness, TPLLC addresses certain other caselaw relied upon by defendants.

Defendants rely heavily on *Deepsouth Packing Co. v. Laitram Corp.*, 92 S. Ct. 1700 (1972). However, with respect to the "uses" provision of § 271(a), the Federal Circuit explained that "*Deepsouth* did not address this issue." *NTP*, 418 F.3d at 1315. *Deepsouth* addressed a situation where "both the act

⁵ The Reissued '870 Patent is a reissue of the '983 Patent. The cited portion of the '983 Patent itself may be found at Paper No. 252-10, page 9 of 70. The specifications of the '983 Patent and the Reissued '870 Patent are the same.

of making and the resulting patented invention were *wholly* outside the United States.” *Id.* (emphasis added). In contrast, “this case involves a system that is partly within and partly outside the United States and relates to acts that may be occurring within or outside the United States.” *Id.* Moreover, the court in *Decca* also distinguished *Deepsouth*. *Decca*, 544 F.2d at 1074. In a similar manner, the Federal Circuit indicated that *Dowagiac Mfg. Co. v. Minn. Moline Plow Co.*, 235 U.S. 641, 650, 35 S. Ct. 221 (1915), related to “acts *wholly* done in a foreign country.” *NTP*, 418 F.3d at 1313.

Defendants also cite to *Brown v. Duchesne*, 60 U.S. (19 How.) 183 (1856) for the proposition that U.S. patent laws do not operate beyond the limits of the United States. However, as explained by the court in *Decca*, “[i]n that case a United States Patent was held not infringed by a device carried as part of the equipment of a French flag vessel to a United States port, because, it was held, an *implied exception* to the United States Patent Laws existed for that particular situation.” *Decca*, 544 F.2d at 1073 (emphasis added). The Federal Circuit in *NTP* also considered *Brown*, and cited it for the proposition that “the U.S. patent laws ‘do not, and were not intended to, operate beyond the limits of the United States.’” *NTP*, 418 F.3d at 1313. Congress enacted 35 U.S.C. § 272 in order to codify the “exception” discussed in *Brown*. Section 272 is not relevant to § 271(a). In contrast, the issue here is “use” of a patented invention “within the United States” under § 271(a).

AT&T Mobility, citing to *Waymark Corp. v. Porta Systems Corp.*, 245 F.3d 1364, 1366 (Fed. Cir. 2001), argues on pages 8-9 of its brief that “to hold that TPL could prove that the claimed invention in this case can be ‘used within the United States’ would directly contravene Federal Circuit precedent.” This contention is misleading, and AT&T’s reliance on *Waymark* is misplaced. In *Waymark*, the Federal Circuit explained that the patented battery monitor never existed. *Id.* at 1365 (“Porta Systems never built a working Battscan system”). Only certain non-assembled components were tested in the United States. The court found that because the system was never assembled or operational, it could not

be “used.” Unlike *Waymark*, the factual scenario here is analogous to *NTP* where the system as a whole is in operation, and thus can be and is being used.

In *Microsoft Corp. v. AT & T Corp.*, 127 S. Ct. 1746, 1751 (2007), the Court held that a copy of computer software qualifies as a “component” of an invention under § 271(f), but that copies made wholly in foreign countries were not supplied from the United States. Again, *Microsoft* did not address “use” of a patented invention “within the United States” under § 271(a). Here, unlike *Microsoft*, the “use” is in the United States. Defendants cite numerous other cases, unrelated to patent law, which are not relevant to the issues at hand.⁶

IV. INFRINGEMENT UNDER 35 U.S.C. § 271(b)-(c)

The Complaint also alleges infringement under § 271(b) (inducement of direct infringement under subsection (a)) and § 271(c) (contributing to infringement under subsection (a)). (E.g., Complaint, ¶¶ 144, 146, 151, 158 and 160.) Direct infringement by someone (not necessarily a named party) under subsection (a) is a necessary predicate for a finding of infringement under subsection (b) or (c). *NTP*, 418 F.3d at 1314. “By holding [defendants] liable for contributory infringement [under subsection (c)] and inducing infringement [under subsection (b)], the jury necessarily found that [defendants’] customers are direct infringers of the claimed systems and methods.” *Id.*

As explained above, the U.S. carriers, and the subscribers or customers of all movants, are infringers of the claimed system under subsection (a) due to their use of the system within the United States. Moreover, all movants have induced such infringement, and contributed to such infringement, under subsection (b) and/or (c) through their encouragement of international text messaging and their agreements with other defendants to enable messaging such as international text messaging.

⁶ For instance, the cases of *Smith v. United States*, 507 U.S. 197 (1993), and *United States v. Spelar*, 338 U.S. 217 (1949), relate to the Federal Tort Claims Act (FTCA).

Additionally, inducement of infringement under subsection (b) has no territorial limitation, and foreign acts suffice. *See e.g., Wing Shing Prod. v. Simatelex Mfg.*, 479 F.Supp.2d 388, 409-10 (S.D.N.Y. 2007) (citations omitted); *Trust. of Columbia Univ. v. Roche Diagnostics GmbH*, 150 F.Supp.2d 191, 205 (D. Mass. 2001) (“extraterritorial activity that induces direct infringement within the United States may incur liability.”).

Defendants’ *sole* argument with respect to infringement under subsections (b) and (c) is that there can be no such infringement because there is no direct infringement under subsection (a). Because TPLLC has shown above that there can be infringement under § 271(a), defendants’ argument with respect to subsections (b) and (c) necessarily falls.

V. INFRINGEMENT UNDER 35 U.S.C. § 271(f)

Defendants would have the Court construe § 271(f) to exclude infringement of all patent claims that call for activity in more than one country. This § 271(f) argument appears to be one of first impression, as TPLLC knows of no case which addresses this particular issue (and defendants cite none). However, it is clear that defendants construction is contrary to the language of the statute itself (which calls for activity in multiple countries), as well as Congress’ intent.

The Complaint alleges infringement under § 271(f). (E.g., Complaint, ¶¶ 144, 145, 158 and 159.) For example, § 271(f)(2) reads as follows:

(2) Whoever without authority supplies or causes to be supplied *in or from the United States* any component of a patented invention that is especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial noninfringing use, where such component is uncombined in whole or in part, knowing that such component is so made or adapted and intending 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, shall be liable

as an infringer.

35 U.S.C. § 271(f)(2). (emphasis added.) Section 271(f)(1) is similar in many respects, but requires components in the plural. It is well-established that § 271(f) applies to both system claims and method claims. *See e.g., Union Carbide Chem. & Plastics v. Shell Oil*, 425 F.3d 1366, 1379-80 (Fed. Cir. 2005); *Eolas*, 399 F.3d at 1338-40. Thus, all claims of both patents can be infringed under either subsection of § 271(f).

Defendants apparently acknowledge that claims only requiring activity in one country (e.g., claims 19-25 and 36-39 of the Reissued '870 Patent) may be infringed under § 271(f). However, without citation to any authority, defendants appear to argue that a claim requiring activity in two countries cannot be infringed under § 271(f) as a matter of law. Defendants' strained construction of § 271(f) is directly contrary to the language of the statute itself, which expressly calls for activity "in or from the United States" and "outside of the United States . . ." In other words, defendants argue that a statute which expressly calls for activities in two countries cannot be infringed by a claim calling for activities in two countries. This is illogical, and cannot be the case.

Moreover, defendants' construction of § 271(f) would be contrary to Congress' intent. As explained by the Federal Circuit in *NTP*, the Court in *Deepsouth Packing Co. v. Laitram Corp.*, 92 S. Ct. 1700, 1704-05 n.5 (1972), addressed the issue of whether one "makes" a shrimp deveiner within the United States under § 271(a) when: (i) the unassembled components of the deveiner are formed in the United States, (ii) exported in different boxes to Brazil, and then (iii) combined for the first time in Brazil to form the deveiner. The Court held that this did not constitute "making" the invention within the United States under § 271(a), because the final assembly was not performed until the parts were abroad. In response to the *Deepsouth* decision, Congress enacted § 271(f) to close this "loophole" in § 271(a). *Eolas*, 399 F.3d at 1340; *NTP*, 418 F.3d at 1322; *Microsoft Corp. v. AT & T Corp.*, 127 S. Ct.

1746, 1751 (2007). One Congressional commentator stated that:

[Section 271(f)] will prevent copiers from avoiding U.S. patents by supplying components of a patented product in this country so that the assembly of the components may be completed abroad. This proposal responds to the . . . decision in *Deepsouth* . . . concerning the need for a legislative solution to close a loophole in patent law.

130 Cong. Rec. H10525 (1984); *Eolas*, 399 F.3d at 1340. Thus, Congress' intent was that one cannot avoid infringement if the combination occurs outside the United States. The § 271(a) loophole was closed. Again, because Congress' intent was for § 271(f) to cover activities occurring in multiple countries, it would be improper to construe § 271(f) in a manner that would preclude infringement of any patent claim calling for activities in multiple countries.

Moreover, defendants' improper construction of § 271(f) would preclude infringement of a patent claim that describes the factual scenario addressed in *Deepsouth*. For example, consider the following hypothetical patent claim describing the factual scenario in *Deepsouth* (note: this is not the actual claim at issue in *Deepsouth*, but is provided to describe the factual situation in that case):

Hypothetical Claim: A method of making a shrimp deveiner, the method comprising: (a) forming first, second and third parts of the shrimp deveiner in the United States; (b) shipping the parts to Brazil in different boxes; and (c) combining the parts in Brazil to form the shrimp deveiner.

Defendants' construction of § 271(f) would result in noninfringement of this claim, because defendants contend that any claim requiring activity in multiple countries cannot be infringed under § 271(f).

Defendants' construction cannot be correct given that (i) the language of the statute itself calls for activity in two countries, (ii) Congress intended the statute to cover activities in multiple countries, and (iii) defendants' construction would exclude a claim directed toward the facts in *Deepsouth*.

Contrary to defendants' argument, there is no exclusion of claims involving multiple countries in § 271(f). The phrase "that would infringe the patent if such combination occurred within the United

States” simply means that one must treat the “combination” as being “within the United States” as if one were performing a § 271(a) infringement analysis on the combination. As stated by Congress:

[Section 271(f)] simply amends the patent law so that when components are supplied for assembly abroad to circumvent a patent, the situation will be treated the same as when the invention is “made” or “sold” in the United States. (Patent infringement [under § 271(a)] currently is defined as making, using or selling an invention in the United States.)

S. Rep. No. 98-663, at 2-3 (1984) [Appendix D hereto.]

Unlike defendants’ interpretation, the proper construction (not excluding a claim calling for activity in multiple countries) is consistent with the language of the statute itself calling for activities in two countries, consistent with Congress’ intent, and would result in infringement of the above hypothetical claim reciting the factual scenario in *Deepsouth* which § 271(f) was designed to address.

VI. TPLLC OBJECTS TO ANY MATERIALS OUTSIDE THE PLEADING WHICH COULD CAUSE CONVERSION INTO A SUMMARY JUDGMENT MOTION

TPLLC objects to the consideration of any matters outside any pleading in this case which could cause the pending Rule 12(b)(6) motions to be converted into summary judgment motions, and requests that any such material be excluded by the Court.

In view of the caselaw cited above in Section II, including *Hall* and *Cortec* (and the citations thereto from this Court), TPLLC believes that the patents (attached to Complaint), claim charts of the patents, file histories (public records) and legislative history documents (also public records), which have been submitted by the various parties in connection with the pending Rule 12(b)(6) motions, are *not* materials which could cause this motion to be converted into a summary judgment motion.

However, should the Court wish to consider any presented material that it believes will cause conversion of any Rule 12(b)(6) motion into a summary judgment motion, TPLLC hereby requests that it be

provided with notice of the same so as to permit TPLLC to submit appropriate declarations and a Rule 56(f) motion for discovery.⁷

VII. CONCLUSION

In view of the above, it is respectfully requested that the Motions to Dismiss under Rule 12(b)(6), filed by defendants AT&T Mobility, Motorola, Telstra, Palm, Sprint Nextel, Cellco Partnership, LG Electronics MobileComm, Helio, Clickatell, Microsoft, Yahoo!, Vodafone Ltd., MobileOne, StarHub, Singtel and STM, be denied.

Respectfully submitted,

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⁷ “[I]f a party has not been afforded an opportunity for reasonable discovery,” a court should not treat a motion to dismiss as a motion for summary judgment. *Jordan v. Washington Mutual Bank*, 211 F.Supp.2d 670, 674 (D. Md. 2002) (citing *Gay v. Wall*, 761 F.2d 175, 177-78 (4th Cir. 1985)).