The patent statutes are territorial in nature, primarily limited to the United States. Patent holders have the “right to exclude others from making, using, offering for sale, or selling the invention throughout the United States.” Anyone who “without authority makes, uses, offers, to sell, or sells any patented invention, within the United States” directly infringes the patent.\(^2\) The Federal Circuit confronted the territorial scope of the patent grant recently in *NTP, Inc. v. Research in Motion, Ltd.*\(^3\) Utilizing a “control and beneficial use” test, the Federal Circuit held that RIM’s BlackBerry system infringed patent holder NTP’s system claims despite the Canadian location of at least one system component. RIM, however, did not infringe NTP’s method claims through use, sale, or importation under § 271(f) or § 271(g).\(^4\)

This Note proposes a framework for the analysis of domestic uses of patented inventions located at least partially outside the U.S. Part I provides a brief overview of the territoriality of United States patent laws and explains how the courts and Congress have interpreted or expanded the territorial scope of U.S. patents. Against that backdrop, Part II describes the Federal Circuit’s decision in *NTP v. RIM*, emphasizing the analysis of the extraterritorial issues involved. Part III criticizes the Federal Circuit’s extraterritorial analysis in *NTP* as incomplete and articulates a methodology for analyzing the domestic use of a remotely located invention. To lay the foundation for this methodology, Section III.A articulates the Federal Circuit’s conflation in *NTP* of the issues of system location and usage location. Section III.A concludes that RIM’s system should have been considered a wholly Canadian system for the purposes of U.S. patent law. Having concluded that precedent will not dictate the case’s outcome, Section III.B discusses the statutory interpretation of § 271(a) in light of its legislative history, concluding that little emphasis should be placed on the

---

2. *Id.* § 271(a) (emphasis added).
3. 418 F.3d 1282 (Fed. Cir. 2005).
structure of § 271(a) itself. Instead, § 271(a) should be interpreted plainly as encompassing any violation of the rights secured to the patentee. Section III.C goes on to consider the specific domestic activities courts can consider in finding infringement in conjunction with a transnational system. The Note concludes, in agreement with the Federal Circuit, that RIM’s U.S. customers’ use of the BlackBerry system constituted a direct infringement of NTP’s system claims, supporting a finding of induced and contributory infringement by RIM. However, the proposed framework treats the system and method claims identically for the purposes of infringement analysis, concluding that RIM’s customers make an infringing use of both the system and method claims.

I. BACKGROUND

Congress and the courts have addressed the ability of the United States’ territorial patent laws to reach actors and activities outside the U.S. in several contexts, including defining “within the United States,” closing extraterritorial loopholes through Congressional enactment of § 271(f) and § 271(g), and assigning territoriality to an infringing system used outside the country. Examining each of these issues in turn reveals that the courts and Congress often base their decision to extend or restrict the scope of infringing activity on overriding policy concerns, such as respect for the treaty power, the desire to close infringement loopholes, and suspicion of patent monopolies.

A. Defining “within the United States”

Early decisions considered American ships on the high seas to be floating islands of U.S. territory for the purposes of patent law. Courts also applied the patent laws to foreign regions where the U.S. otherwise had jurisdiction. The addition of § 100(c) to the patent code in 1952, containing a definition of “United States,” weakened the continuing validity of previous judicial extensions of territoriality. Section 100(c) specifically

5. See Gardiner v. Howe, 9 F. Cas. 1157, 1158 (C.C.D. Mass. 1865) (No. 5219) (finding that U.S. patent protection “extends to the decks of American vessels on the high seas, as much as it does to all the territory of the country”).

6. See Marconi Wireless Tel. Co. v. United States, 99 Ct. Cl. 1, 67-68 (Ct. Cl. 1942), aff’d in part and vacated in part on other grounds, 320 U.S. 1 (1943) (finding patent infringement based on use of a patent at the American Legion in Peking); see also Decca Ltd. v. United States, 544 F.2d 1070, 1073 (Ct. Cl. 1976) (noting that the United States enjoyed extraterritorial rights at the American Legion at Peking at the time of the Marconi decision).

7. See Decca, 544 F.2d at 1073.
defines "United States" to include only "the United States of America, its territories and possessions." 8

The judicial extensions of territoriality are subject to exceptions. Despite the existence of the floating island doctrine, in *Brown v. Duchesne* the Supreme Court refused to extend liability for patent infringement to foreign ships docked at U.S. ports. 9 In *Brown*, the Court refused to impose liability on a French ship employing a patented gaff 10 for navigation 11 during the time she was present in U.S. waters or docked offshore. 12 Not only was the ship's use of the patented gaff minimal during the time it was docked, but the Court reasoned that an extension of the U.S. patent laws to foreign ships at port would confer on patent holders not just a property right, but political power. 13 The Court refused to place patent holders in a position to frustrate treaty-making powers of Congress, for example, to admit foreign ships into domestic ports. 14 Considering the patent laws in their Constitutional context, the Supreme Court concluded that the rights of an American patentee were not violated by the temporary presence of a foreign ship in a U.S. port. 15

Congress subsequently codified the holding of *Brown* as the temporary presence defense in § 272. Section 272 provides a defense to patent infringement for a vessel, aircraft, or vehicle utilizing a patented invention "exclusively for the needs of the vessel" and entering the United States "temporarily or accidentally" provided that the vessel's home country affords a similar protection to U.S. vessels. 16

**B. Congress Closes Territorial Loopholes: § 271(f) and § 271(g)**

Section 271(f)(1) extends infringement liability to actors who supply components of a patented invention from the U.S. and induce their combination into the patented invention outside the United States. 17 Section 271(f)(2) further extends liability to U.S. suppliers of components especially adapted for use in a patented invention and unsuitable for nonin-
fringing uses.\textsuperscript{18} Congress enacted § 271(f) in response to the Supreme Court’s decision in \textit{Deepsouth Packing v. Laitram Corp.}\textsuperscript{19} In \textit{Deepsouth}, the Supreme Court refused to extend liability to the U.S. manufacturer of shrimp devening machine components.\textsuperscript{20} The components were shipped out of the country with instructions for their prompt assembly into the patented shrimp devenier.\textsuperscript{21} The Court reasoned that Article I of the U.S. Constitution extended to Congress the power to promote the progress of science. Therefore, the Court “require[d] a clear and certain signal from Congress before approving the position of a litigant who . . . argues that the beachhead of privilege is wider, and the area of public use narrower, than courts had previously thought.”\textsuperscript{22} Congress sent that signal with the later enactment of § 271(f).

Congress enacted § 271(g) as part of the Process Patents Amendment Act of 1988.\textsuperscript{23} The Process Patents Amendment Act generally provided greater protection for process patent holders.\textsuperscript{24} Section 271(g) extends liability to the domestic sale of products manufactured outside the U.S. using a patented process.\textsuperscript{25} The subsection was intended as one of last resort—explicitly noting that it does not provide a remedy unless there is no adequate remedy for the direct use or sale of the product.\textsuperscript{26}

Section 271(f)-(g) thus imposes liability on infringers whose activities take place wholly outside of the United States but nonetheless have some nexus with this country—component manufacture within the U.S. or subsequent sale within the U.S.

C. Assigning U.S. Territoriality to a System Used Outside the United States

The Court of Claims extended infringement liability to include extra-territorial use of a patented system operated globally but controlled do-

\begin{itemize}
  \item \textsuperscript{18} \textit{Id.}
  \item \textsuperscript{19} \textit{See NTP, 418 F.3d at 1317-18 ("[S]ection 271(f) was Congress’s response to \textit{Deepsouth} . . ."); see also S. REP. No. 98-663, at 3 (1984) ("Permitting the subterfuge which is allowed under the \textit{Deepsouth} interpretation of the patent law weakens confidence in patents among businesses and investors.").
  \item \textsuperscript{20} 406 U.S. 518, 529 (1972).
  \item \textsuperscript{21} \textit{Id.} at 524.
  \item \textsuperscript{22} \textit{Id.} at 530-31.
  \item \textsuperscript{24} \textit{See H.R. REP. NO. 99-807, at 11 (1986) (concluding that "[n]otions of fairness and logic dictate expanded protection for United States process patents").
  \item \textsuperscript{25} 35 U.S.C. § 271(g) (2000).
  \item \textsuperscript{26} \textit{Id.}
In Decca Ltd. v. United States the court considered infringement of a global communication system having elements located on foreign soil. Plaintiff Decca claimed that its patent covered the global Omega navigation system and sought recovery for the government's infringing use of the system. The Omega system used several broadcast towers, one of which was located in Norway, to emit radio waves later received and combined at receivers on ships and airplanes. By analyzing the received radio waves, the vessels could accurately pinpoint their location. The trial court in Decca found the government liable for infringement, concluding that use of the system, including the Norwegian station, occurred at the location of the ships and vessels receiving and utilizing the signals.

The Court of Claims agreed with the trial court on liability, but refused to rest that decision on the fiction that U.S. vessels receiving Omega signals at sea were portions of U.S. territory. Instead, the Court of Claims held that the Omega system as a whole was not without territoriality simply because its components resided in more than one country. According to the court, territoriality, for the purposes of U.S. patent law, lay where the "master" station was located—the United States. Because the remaining broadcast stations had to be synchronized with the U.S. station for proper operation, the "master station" was deemed to be located in the United States. Accordingly, the Court of Claims concluded that the foreign broadcast stations and receivers were simply slaves to the U.S. master station and had no connection with the location of the Omega system as a whole for the purposes of patent law.

The Court of Federal Claims, however, refused to extend liability for global use of a system whose "master station" was not within the United States. In Hughes Aircraft Co. v. United States, the court concluded that the patent laws did not extend to the Ariel 5 spacecraft because the "master station" was not located in the U.S. Instead, the United States' in-

27. 554 F.2d 1070 (Ct. Cl. 1976).
28. Id. at 1074. The Court in Decca analyzed liability by the U.S. under 28 U.S.C. § 1498, but the territoriality issue arose from the territoriality of the patent laws as defined in 35 U.S.C. § 154 and § 271. See id at 1072.
29. Id. at 1074.
30. Id.
31. Id. at 1083.
32. Id. at 1072-73.
33. Id. at 1074.
34. Id.
35. Id.
36. Id.
37. 29 Fed. Cl. 197, 242 (Fed. Cl. 1993).
volvement in Ariel 5's operation was limited to providing a communications link for the craft.\textsuperscript{38} The spacecraft itself was launched from Africa and its movements controlled by Britain.\textsuperscript{39} Had the U.S. actually originated and issued controlling commands, the Court of Claims indicated it would have found an infringing use.\textsuperscript{40}

Accordingly, courts have been willing to apply the patent laws to multinational systems provided that the system as a whole is operated or controlled from the United States. However, the courts are loathe to extend the reach of the patent laws on their own to wholly extraterritorial acts. In \textit{Deepsouth}, no one made or used the patented invention until it arrived overseas.\textsuperscript{41} In this context, the Supreme Court required that Congress explicitly expand the statute.

Policy concerns often shape the way territorial patent scope is expanded or contracted. The Supreme Court developed the temporary presence doctrine in response to the need to retain international treaty-making powers in Congress. Further, the Supreme Court's decision in \textit{Deepsouth} was based in part on a consideration of the United States' "historical antipathy to monopoly."\textsuperscript{42}

\section*{II. \textit{NTP, INC. V. RESEARCH IN MOTION, LTD.}}

The Federal Circuit confronted the territorial limits of the patent laws in deciding the dispute between NTP, Inc. and Canadian corporation Research in Motion ("RIM") over wireless e-mail technology. At least one element of RIM's accused BlackBerry system is located in Canada.\textsuperscript{43} Relying on \textit{Decca}, however, the Federal Circuit found that use of the system occurred in the U.S.\textsuperscript{44} The Federal Circuit then distinguished between system and method claims, holding that while the location of a system as a whole could be defined for the purposes of the patent laws, there was no corresponding "whole operable assembly" of a process claim.\textsuperscript{45} Accordingly, the Federal Circuit found that use of RIM's system could not infringe NTP's method claims.\textsuperscript{46}

\begin{thebibliography}{99}
\bibitem{38} Id.
\bibitem{39} Id.
\bibitem{40} Id.
\bibitem{41} See Deepsouth Packing Co. v. Laitram Corp., 406 U.S. 524, 518 (1972).
\bibitem{42} Id. at 530.
\bibitem{43} NTP, Inc. v. Research in Motion, Ltd., 418 F.3d 1282, 1313 (Fed. Cir. 2005).
\bibitem{44} Id. at 1317 (stating that "it was proper for the jury to have found that use of NTP's asserted system claims occurred within the United States").
\bibitem{45} Id. at 1317-18.
\bibitem{46} Id. at 1318.
\end{thebibliography}
A. Background and Procedural History

In November 2001, NTP (whose initials stand for New Technologies Products) filed suit against Research in Motion (RIM). RIM recorded a net income of USD $213 million during the fiscal year ending February 2005. NTP has been called a “company in a file drawer,” formed as a holding company by the late engineer Thomas J. Campana, Jr. and patent attorney Don Stout out of Stout’s home. Campana’s patents are the company’s principal assets.

NTP’s five patents at issue describe systems and methods for integrating traditional hardwired e-mail systems with radio frequency (RF) networks, including receiving an e-mail message on a mobile RF receiver. RIM’s popular BlackBerry system includes a handheld RF receiver unit and e-mail redirector software. The BlackBerry system allows users’ e-mail messages to be redirected from their desktop e-mail clients to their handheld BlackBerry units. NTP alleged infringement of five patents, including U.S. Patent No. 5,436,960 (“the ’960 patent”). The remaining four patents are continuations of the ’960 patent.

NTP obtained summary judgment of infringement as to four claims in the district court. The case proceeded to trial in the U.S. District Court for the Eastern District of Virginia on fourteen remaining claims. The trial judge instructed the jury that the Canadian location of one of the claimed elements—an interface switch—did not preclude infringement.

48. NTP, 418 F.3d at 1290-91.
50. See Eisler, supra note 47, at 41-48 (noting the mismatch between RIM and NTP by stating, “One was the billion-dollar sweetheart of Wall Street. The other was a file drawer. NTP produced nothing and had no employees, no building, and few resources.”).
52. Eisler, supra note 47, at 41-48.
54. See NTP, 418 F.3d at 1289.
55. Id.
56. Id.
57. Id.
58. Id.
59. Id. at 1291.
60. Id.
61. Id. at 1314.
The jury subsequently found direct, induced, and contributory infringement by RIM on all fourteen claims. NTP was awarded damages exceeding $53 million and granted a permanent injunction, stayed pending appeal to the Federal Circuit. The subsequent Federal Circuit appeal focused on lingering claim construction issues and revisited whether the physical foreign location of certain BlackBerry components put RIM's infringing conduct outside the territorial scope of 35 U.S.C. § 271.

B. The Federal Circuit Decision

By holding RIM liable for contributory infringement and inducing infringement, the jury necessarily found that RIM's domestic customers were direct infringers of the claimed systems and methods. RIM appealed whether its customers' use could be considered "within the United States" for purposes of § 271(a). The Federal Circuit identified two complicating factors in analyzing the location of the infringing activity: (1) NTP's patented invention consists of systems having multiple components or methods having multiple steps and (2) the nature of those systems and methods allows their beneficial function to be physically separated from their physical location. The Federal Circuit found the statutory language of § 271(a) unclear as to how the territoriality requirement limited direct infringement where the location of at least part of the patented invention was not the same as the location of the infringing act. The court distinguished RIM's facts from Deepsouth by noting that in Deepsouth the infringing acts and patented invention considered were wholly located outside the U.S. Instead, the Federal Circuit adopted Decca as a framework for analyzing the case, and also proceeded to analyze the method claims differently from the system claims, citing Minton v. National Association of Securities Dealers, Inc. for the proposition that the nature of the invention itself may change the analysis.

62. Id. at 1291.
63. Id. at 1292.
64. Id. at 1314-15.
65. Id. at 1314.
66. Id.
67. Id. at 1313.
68. Id. at 1315.
69. Id.
70. Id. at 1315-16 (citing Decca Ltd. v. United States, 544 F.2d 1070 (Ct. Cl. 1976)).
71. Id. at 1316 (citing Minton v. Nat'l Ass'n of Sec. Dealers, Inc., 336 F.3d 1373, 1378 (Fed. Cir. 2003)).
The Federal Circuit first turned to the question of whether there was an infringing "use" of the patented system, defining use as "to put into action or service." Viewed in light of *Decca*, the Federal Circuit held that the use of a claimed system occurs at "the place where control of the system is exercised and beneficial use of the system obtained." Noting that RIM's customers were located in the U.S. and that they controlled the transmission of information and benefited from the information exchanged through the RIM system, the Federal Circuit upheld the district court and reiterated that the location of the system's relay switch in Canada did not preclude infringement of NTP's asserted system claims. Turning to the method claims, however, the Federal Circuit overturned the district court's finding of infringement and held that "a process cannot be used 'within' the United States unless each of the steps is performed in this country." Unlike the system claims, the Federal Circuit stated that for a method claim there is "no corresponding whole operable assembly of a process claim" to locate.

Since the Federal Circuit held that the method claims were not infringed through use, the Court next considered whether those method claims were infringed through a sale or offer to sell. The Federal Circuit defined sale to include a transfer of property and stated that the application of this definition to the performance of method steps was difficult. The Federal Circuit further noted that relevant legislative history surrounding the Process Patents Amendments Act of 1987 indicated that processes were only to be directly protected from the act of using the process, not selling or offering to sell the process. Ultimately however, the Federal Circuit explicitly declined to hold that method claims may not be infringed under the "sell" and "offers to sell" prongs of § 271(a), stating that "we conclude only that RIM's performance of at least some of the recited steps . . . as a service for its customers cannot be considered to be selling or offering to sell the invention . . . ." The Federal Circuit then analyzed whether RIM infringed NTP's method claims under § 271(f) and §271(g). The court held that RIM was

72. *Id.* at 1316-17.
73. *Id.* at 1317.
74. *Id.*
75. *Id.* at 1317-18.
76. *Id.*
77. *Id.* at 1318.
78. *Id.* at 1319.
79. *Id.* at 1319-21.
80. *Id.* at 1321.
not supplying steps of a patented process by supplying products, including BlackBerry handheld devices, to its customers in the United States, and therefore could not infringe under § 271(f). 81 The Court also refused to find liability under § 271(g), holding § 271(g) inapplicable to the method claims at issue because "transmission of information" did not entail manufacturing a physical product. 82

The U.S. Patent and Trademark Office continues its re-examination of NTP’s asserted patents. 83 Meanwhile, the Supreme Court denied RIM’s petition for certiorari. 84 RIM and NTP settled on March 3, 2006, eliminating the need for further court proceedings. 85 RIM paid NTP $612.5 million in settlement of all claims and a perpetual license going forward. 86 The settlement agreement also prohibits any related claims against RIM’s customers or partners in connection with RIM’s BlackBerry business. 87

III. ANALYSIS

In holding that the use of RIM’s communication system as a whole occurred in the United States, the Federal Circuit conflated the separate issues of: (1) defining the physical location of the system as a whole for the purposes of U.S. patent law; and (2) identifying and defining the location of an infringing use of that system. The Federal Circuit concluded that use of the system occurred in the United States because RIM’s U.S. customers controlled the transmission of information and benefited from its ex-

81. Id. at 1322.
82. Id. at 1323.
86. Id.
A thorough framework for analyzing infringing uses of global systems includes construing § 271(a), defining the location of a multi-component system, defining the use of a multi-component system, and finally identifying any domestic acts of infringement. The outcome of this analysis agrees with the Federal Circuit’s ultimate holding—RIM’s domestic customers directly infringe NTP’s system claims. However, the method below departs from the Federal Circuit’s conclusions by concluding that RIM’s system should be considered a Canadian system and that RIM’s customers made infringing uses of both NTP’s system and method claims.

A. Applying Decca to the Facts of NTP Results in a Canadian System and Is Inconclusive as to Infringement

The Federal Circuit applied Decca to find infringement by RIM’s domestic customers. However, while Decca found infringement based on an end user physically located outside the United States using a system having a control point within the United States, NTP presents precisely the opposite case—domestic users of a foreign system. At most, Decca stands for the proposition that a system having components in multiple countries may nonetheless possess U.S. territoriality. By rejecting the floating island doctrine and fixing the territoriality of the Omega system as a whole, the Court of Claims in Decca based infringement on an end user physically located outside the United States using a system located within the United States. Properly applying Decca to the facts of NTP results in the conclusion that RIM’s system as a whole is located in Canada, and Decca is silent on the domestic use of a foreign (Canadian) system.

The Federal Circuit in NTP failed to analyze where the BlackBerry system’s control point was located—an analysis that Decca demands. The Federal Circuit concluded only that individual customers “controlled the
transmission" of information. This conclusion, however, misinterprets what the Decca court meant by "control" of the patented invention. Webster defines "control" as "to exercise restraining or directing influence over; to have power over." The court in Decca held that the Omega system's control point was in the United States because the foreign system components must be synchronized to the U.S. station for proper operation. The foreign communication station and individual receivers were viewed as slave units. In NTP, however, the Federal Circuit based its conclusion not on a master-slave relationship between system components but on the control exerted over a single system component (a BlackBerry handheld device) by an end user.

Properly applying Decca's framework to the facts in NTP dictates that RIM's system be considered a wholly Canadian system for the purposes of U.S. patent law. NTP's patents are directed toward systems that integrate existing e-mail systems with RF wireless communications networks. Claim 1 of the asserted '960 patent reveals that the patented system contains three components—a gateway switch in an electronic mail system, an RF information network, and an interface switch. The interface switch mediates communication between the e-mail system and the RF network. In RIM's system, e-mail redirector software is installed on a traditional mail server and routes e-mail messages to RIM's Canadian relay component. The relay component translates messages and routes them to a wireless network. Accordingly, insofar as NTP's patented invention as a whole is one that provides for e-mail connectivity between a traditional e-mail network and a wireless network, the relay that directs and influences the connection between the e-mail and wireless networks is the control point. Individual handheld devices and wireline e-mail systems act as slaves to the master relay switch that receives and routes their messages.

92. NTP, 418 F.3d at 1317.
94. Decca, 544 F.2d at 1074.
95. Id.
96. NTP, 418 F.3d at 1317 ("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.").
97. Id. at 1289.
98. Id. at 1294; U.S. Patent No. 5,436,960, col. 49 ll. 2-38 (filed May 20, 1991).
100. NTP, 418 F.3d at 1289-90.
101. Id.
In RIM’s system, this relay is located in Canada. Thus, while individual users control the content, they have no control over the operation of the system as a whole. Accordingly, a proper application of Decca leads to a conclusion that for the purposes of U.S. patent law, RIM’s system is located in Canada—the location of the interface relay, the system’s control point. Unlike in Decca, a court cannot find direct infringement by virtue of the physical location of RIM’s system. Accordingly, Decca cannot be the end of the analysis. Having located RIM’s system as a whole in Canada for the purposes of U.S. patent law, the question now becomes under what circumstances, if at all, can a “use” of the Canadian system be found to occur “within the United States” under § 271(a).

B. Properly Construing § 271(a) Reveals That Actions, Not Inventions, Are Limited by the Territoriality Requirement

It is not immediately obvious whether a U.S. patent holder’s right encompasses domestic uses of a foreign system. The danger in refusing to find infringement for the domestic use of a remote system is that offshore patent havens will quickly emerge, supplying cheaper access to software and networking inventions. This result would render virtually useless any U.S. patent for an invention whose components can be located outside but still used inside the United States.

The statutory language is unclear as to whether the limitation “within the United States” in § 271(a) limits the location of the infringing act, the physical location of the patented invention, or both. The Federal Circuit found that the grammatical structure of § 271(a) indicated “within the United States” was a separate requirement from the infringing acts clause. The requirements that infringement occur “within the United States” under § 271(a).

102. See Combined Petition for Panel Rehearing and Rehearing En Banc at 11, NTP, Inc. v. Research in Motion, Ltd., No. 03-1615, 2005 U.S. App. LEXIS 23112 (Fed. Cir. Oct. 7, 2005) (“[A]n e-mail sent by anyone, anywhere through the regular e-mail system will not be received by a BlackBerry device unless the Network Control Center in Canada that monitors all e-mail through the system acts to forward the e-mail to that device.”) (emphasis in original). An NTP expert testified that the control functions of the interface switch include a “security check” to control who receives e-mail and the use of location information to control which RF station transmits the e-mail. Id.; see also Petition for Certiorari at 28, NTP, Inc. v. Research in Motion, Ltd., No. 05-763, 2006 U.S. LEXIS 1053 (Jan. 23, 2006) (“A BlackBerry subscriber ... exercises virtually no ‘control’ of the system when merely receiving email on a handheld wireless device .... [T]he subscriber may ‘control’ his or her handheld device ... but certainly does not ... control “the communication system as a whole.””).


104. NTP, 418 F.3d at 1315.
States” and “during the term of the patent” are contained in a separate clause set apart by commas from the definition of infringement as making, using, or selling a patented invention. Accordingly, the Federal Circuit found the statutory language unclear as to how the territoriality requirement “within the United States” limits direct infringement where a portion of the invention is in a different location than the infringing act.

Properly construed, the territoriality requirement of § 271(a) limits the location of the making, using, offering, or selling of the patented invention, not the location of the patented invention itself. The legislative history of § 271(a) counsels against placing too much weight on the particular grammatical structure of the section. Congress considered the Patent Act of 1952, which enacted § 271(a), simply to codify the existing patent laws. Section 271(a) was considered a duplicative declaration of what constituted infringement, with the Senate Report accompanying the 1952 Patent Act stating that § 271 “is not actually necessary because the granting clause creates certain exclusive rights and infringement would be any violation of those rights.” Accordingly, any analysis of the territorial scope of § 271(a) should begin with an analysis of the “granting clause”—the rights granted by § 154. The grammatical structure of § 154 does not set off the territorial requirement in a separate grammatical clause as it is set off in § 271(a). Rather, § 154 provides patent holders with “the right

105. 35 U.S.C. § 271(a) reads: “Except as otherwise provided in this title, whoever 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 therefor, infringes the patent.” 35 U.S.C. § 271(a) (2000). Prior to the addition of the offer for sale and importation provision, 35 U.S.C. § 271(a) read: “Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent.” 35 U.S.C. § 271(a) (1964).

106. NTP, 418 F.3d at 1315.

107. See S. REP. NO. 82-1979 (1952), reprinted in 1952 U.S.C.C.A.N. 2394, 2402. When § 271 was submitted to the Senate, Senator Saltonstall commented, “I am not a patent lawyer, but I know patents are a very technical subject. Does the bill change the law in any way or only codify the present patent laws.” Senator McCarran responded, “It codifies the present patent laws.” 98 CONG. REC. 9323 (1952).


109. Section 154 provides, “Every patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, of the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States.” 35 U.S.C. § 154(a)(1) (2000). The territorial limitation on the patent grant first appeared in the Patent Act of 1870 which provided a patentee “the exclusive right to make, use and vend the said invention or discovery throughout the United States.” Patent Act of 1870, ch. 230, § 22, reprinted in 9 DONALD S. CHISUM, CHISUM ON PATENTS app. 14, § 22 (2005).
to exclude others from making, using, offering for sale, or selling the invention throughout the United States.” A patent holder, therefore, has the right to exclude others from using the invention throughout the United States. An unauthorized domestic use of the invention, wherever the invention may be located, violates the patentee’s rights and thus constitutes direct infringement under § 271(a).

In many cases, it is irrelevant whether direct infringement depends on the location of the invention or on the location of the infringing act. A typical widget is physically present in the location where it is made or used, requiring no distinction between the physical location of the invention and the location of its use. With the rise of global communication networks, however, it is possible to separate the physical location of an invention from the physical location of its use. Indeed, the Federal Circuit recognized this conundrum in NTP. If a system’s physical location is separate from the location of its use, proper application of § 271(a) dictates that infringement occurs if the patentee is deprived of the right to exclude others from using the invention throughout the United States. Accordingly, an unauthorized domestic use of a patented invention, regardless of where the invention is physically located, constitutes infringement.

C. Specific Actions Necessary to Use the Invention Must Be Identified and Must Take Place in the United States

How can courts determine what activities constitute an infringing domestic use of a remotely located patented invention? RIM’s customers in the United States use RIM’s system within the United States, even though the physical system as a whole is controlled from Canada. To conclude that RIM’s U.S. customers are direct infringers through use, however, a court must first define what actions constitute a use of the system and then analyze whether those actions took place in the United States. In the case of RIM’s customers, the activities necessary for use all occurred within the United States, thereby infringing NTP’s patents.


111. NTP, 418 F.3d at 1313 (noting that “the nature of [the invention’s components] permits their function and use to be separated from their physical location”).
A use alone is sufficient to find direct infringement.\(^{112}\) Congress left the term “use” open for judicial interpretation.\(^{113}\) Courts have seldom interpreted the term “use,”\(^{114}\) despite its longstanding presence in the patent statutes.\(^{115}\) The Supreme Court noted the simplicity of the term “use” in 1913, finding it to be a “comprehensive term” that “embraces within its meaning the right to put into service any given invention.”\(^{116}\) The Supreme Court defined the right to use as the right to use the mechanism described in the patent to produce the results described.\(^{117}\)

The technology itself determines the specific acts constituting use. For example, farmers planting a patented seed make an infringing use of the seed.\(^{118}\) Engineers infringe a patent directed toward a transmitter/receiver system by tuning their receivers to the complementary transmitters.\(^{119}\)

Consequently, RIM and RIM’s customers may be liable for infringement based on different specific acts. RIM, the service provider, may infringe NTP’s patent by operating (“using” or “placing into service”) the BlackBerry system. However, as described above, RIM exerts operational control over the BlackBerry system in Canada. To the extent that RIM’s use directly infringes NTP’s patented system through operation of its BlackBerry network, RIM’s use takes place in Canada beyond the scope of the U.S. patent laws. In contrast, RIM’s U.S. customers make use of the system by installing RIM’s software on their mail server for the purpose of communicating with RIM’s relay switch, sending messages at their

\(^{112}\) See Aro Mfg. Co. v. Convertible Top Replacement Co., 377 U.S. 476, 484 (1964) (“[I]t has often and clearly been held that unauthorized use, without more, constitutes infringement.”).

\(^{113}\) See Paper Converting Machine Co. v. Magna-Graphics Corp., 745 F.2d 11, 16 (Fed. Cir. 1984) (“Congress has never deemed it necessary to define any of this triad of excludable activities, however, leaving instead the meaning of ‘make,’ ‘use,’ and ‘sell’ for judicial interpretation.”).

\(^{114}\) See S DONALD S. CHISUM, CHISUM ON PATENTS § 16.02(2)(4)(b) (2005) (“The question of what constitutes ‘use’ of the invention has rarely arisen”); see also Burk, supra note 103, at 40 (noting that the term use “is so very broad that there is little activity involving the patented item that would escape the term’s scope”).


\(^{116}\) Id. at 10 (stating that Congress did not use “technical or occult phrases” to define the rights of a patentee, “but in simple terms gave an inventor the exclusive right to make, use and vend his invention”).

\(^{117}\) See Motion Picture Patents Co. v. Universal Film Mfg. Co., 243 U.S. 502, 512 (1917).

\(^{118}\) Monsanto Co. v. Swann, 308 F. Supp. 2d 937, 941 (E.D. Mo. 2003) (“Planting and harvesting seed is a ‘use’ under section 271(a) . . .”).

\(^{119}\) Armstrong v. Motorola, 374 F.2d 764, 773 (7th Cir. 1967).
BlackBerry handhelds for transmission to RIM's relay switch, and receiving messages routed through RIM's relay switch at their BlackBerry handhelds. These activities take place wholly on U.S. soil and together constitute a direct infringing use of NTP's patented system. Individual users within the United States who lack NTP's permission are using, to borrow the Supreme Court's language, "the mechanism described in the patent . . . to produce the results described." Thus, only RIM's U.S. BlackBerry subscribers infringe NTP's patented technology.

Following the above analysis, a court need not separately analyze a patent's system and method claims. Because the Federal Circuit instead relied on an application of Decca that fixed the location of RIM's system as a whole within the United States, the court in NTP did separately analyze the system and method claims. The court concluded that a method 'as a whole' could not possess territoriality and declined to find infringement of NTP's method claims. As discussed above, however, the application of Decca to the facts in NTP is inconclusive as to the infringement of either system or method claims. The proper question for method claims is whether a domestic use of the method has occurred. In considering the use of a method, the Federal Circuit cited Roberts Dairy for the proposition that "a patent for a method or process is not infringed unless all steps or stages of the claimed process are utilized.” This well-established proposition can be traced to two early Supreme Court decisions—Goodyear Dental Vulcanite Co. v. Davis and Royer v. Coupe. Both cases concern a close comparison between the claimed method steps and the methods performed by the defendants, ultimately concluding that at least one claimed step was never performed at all in the course of the defendants' conduct. In sharp contrast, a jury found that RIM did perform all of NTP's claimed method steps. Because there is no question

120. NTP, Inc. v. Research in Motion, Ltd., 418 F.3d 1282, 1290 (Fed. Cir. 2005).
121. See Motion Picture Patents Co., 243 U.S. at 512.
122. See NTP, 418 F.3d at 1317.
123. See id. at 1317-18.
124. See id.
125. Id. at 1318 (citing Roberts Dairy Co. v. United States, 208 Ct. Cl. 830 (1976)).
126. 102 U.S. 222 (1880).
127. 146 U.S. 524 (1892).
128. See Royer, 146 U.S. at 527-31 (finding plaintiff's claims limited to a process for treating rawhide including a sweating step, for which the defendants instead substituted a liming step); Goodyear, 102 U.S. at 230 (finding that defendant's use of celluloid in a dental plate did not infringe plaintiff's patent directed to the use of hard rubber in a dental plate).
129. NTP, 418 F.3d at 1291 (documenting a jury verdict of infringement as to at least method claims 32 and 34 of the '960 patent).
that all method steps were performed somewhere by someone, a court need only find that the method was used within the United States to find direct infringement.

The Federal Circuit’s narrow conception of the use of a patented process as limited to the performance of each step within the United States ignores early jurisprudence on the use of patented processes. Although process claims were “somewhat controversial in the Nineteenth Century,” the Supreme Court analyzed infringement of a process patent through use as early as the 1880s. In *Beedle v. Bennett*, the Court held that a farmer’s use of a well infringed a patent directed to the method for forming the well, even though the farmer himself did not make the well. The Court based its decision on a similar case in which a district court held that the act of drawing water out of a well put the “new principle” of the inventive well-forming method to “practical use.” The method of forming a well was directed toward the ends of “obtaining a copious, continuous, and unfailing supply of good water.” A farmer drawing water out of a well formed according to the patented process therefore made an infringing use of the patented process. An infringing use of a patented method has therefore not always been restricted to the performance of each of the recited steps, let alone the performance of each of the recited steps within this country. The Supreme Court once understood infringing uses of patented processes to include actions that put the method to practical use. Just as farmers drawing water from wells put the well-forming methods to practical use, so too do BlackBerry users transmitting messages put NTP’s communication methods to practical use. By sending messages through a system that performs the inventive method, BlackBerry users make use, not just of the patented system, but also of the patented process.

Distinguishing between system and method claims for the purposes of infringement only encourages pedantic claim drafting to elicit one kind of protection over the other. Skillful practitioners can draft method claims that read like system claims, or vice versa. Early Supreme Court decisions

---

130. *Id.* at 1317-18.
131. *Id.* at 1319.
133. *Id.*
134. *Id.* (citing Andrews v. Cross, 8 F. 269, 277 (N.D.N.Y. 1881)).
136. *Id.*
137. *See* Beedle, 122 U.S. at 78 (referring to Andrews, 8 F. at 269).
and a need for consistent claim enforcement across claim types call for a more substantive review of the infringing uses of a patented process.

IV. CONCLUSION

Construction of § 271(a) as well as judicial interpretations of territoriality and use dictate that domestic uses of global systems are infringing acts. The Federal Circuit properly found infringement by RIM’s U.S. BlackBerry customers in NTP v. RIM. However, the Federal Circuit erred in conflating the issues of physical system location and usage location. Properly construed, the territoriality limitation of § 271(a) limits infringing acts to those occurring in the United States. Proper application of the Court of Claims’ decision in Decca to RIM’s system results in a finding that the system is Canadian. To support a finding of contributory infringement or induced infringement, direct infringement by RIM’s users must be predicated on their domestic activities, which are sufficiently connected with the United States to constitute a domestic use of RIM’s system. Finally, the Federal Circuit’s distinction between system and method claims for the purposes of infringement is not true to historical interpretations of the use of patented processes.