03-1615

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

NTP, INC.,
Plaintiff-Appellee,

v.

RESEARCH IN MOTION, LTD.,
Defendant-Appellant.

Appeal from the United States District Court for the Eastern District of Virginia in Case No. 01-CV-767, Judge James R. Spencer

BRIEF *AMICUS CURIAE* OF THE GOVERNMENT OF CANADA IN SUPPORT OF THE REQUEST FOR REHEARING *EN BANC* MADE IN THE COMBINED PETITION BY RESEARCH IN MOTION, LTD. FOR PANEL REHEARING AND REHEARING *EN BANC*

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The Government of Canada

January 13, 2005

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

NTP, Inc. v. Research In Motion, Ltd.
No. 03-1615

Certificate of Interest

Counsel for *amicus curiae,* the Government of Canada, certifies the following:

1. The full name of every party or *amicus curiae* represented by me is the Government of Canada.

2. The name of the real party in interest represented by me is the Government of Canada.

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of this *amicus curiae* represented by me are: None.

4. The names of all law firms and the partners or associates who are expected to appear for this *amicus curiae* in this Court are:

Firm: Miller & Chevalier Chartered, Partner: Homer E. Moyer.

Dated: Washington, D.C.
January 13, 2005

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STATEMENT OF INTEREST

The Government of Canada appears as *amicus curiae* to urge that this Court grant rehearing *en banc* of the panel decision in this case, as requested in the Combined Petition by Research in Motion, Ltd. for Panel Rehearing and Rehearing *En Banc*, filed on January 11, 2005. The Government of Canada has a strong interest in the protection of intellectual property rights and in fostering the innovation that forms the basis of, and is promoted by, such rights. Canada recognizes that compliance with applicable intellectual property laws is best encouraged and enabled where the law is clear and predictable respecting liabilities that may arise under intellectual property laws. Clarity and predictability are of heightened importance when the law of one jurisdiction may affect conduct undertaken in another jurisdiction. The unique and important trade relationship between Canada and the United States also forms a basis for Canada's interest in this case, for, as discussed below, businesses that engage in activities across the Canada-United States border may be affected by the decision as it stands. Canada and the United States share the largest bilateral trading relationship in the world, with trade in goods and services of over $1.2 billion crossing the border every day. Two-way investment flows between Canada and the United States amounted

to $9.7 billion in 2003, for total bilateral investment holdings of over $300 billion.

ARGUMENT

Canada does not presume to advise the Court regarding the correct interpretation and application of United States patent law in this case. Canada does, however, believe that the decision of the panel represents on its face a novel and potentially far-reaching precedent regarding the application of United States patent law to cases in which a component of the activities allegedly constituting patent infringement is conducted, at least in part, in Canada. Canada also believes that this decision, as it relates to the interpretation and scope of 35 U.S.C. § 271(a), is susceptible of interpretations that may have unfortunate, and unintended consequences, affecting Canada's interests, as well as the interests of Canadian companies carrying on multi-jurisdictional operations.

Canada understands that the panel's application of the rule of *Decca, Ltd.* v. *United States*, 544 F.2d 1070, 1074 (Ct. Cl. 1976), to a case arising under 35 U.S.C. § 271(a), where conduct required to satisfy a limitation of the allegedly infringed patent claims takes place outside the United States, presents a matter of first impression in this Court. The panel's conclusion that "the location of RIM's customers and their purchase of the BlackBerry

devices establishing control and beneficial use of the BlackBerry system within the United States satisfactorily establish territoriality under Section 271(a)," *NTP, Inc.* v. *Research in Motion, Ltd.*, No. 03-1615, slip op. at 56 (Fed. Cir. Dec. 14, 2004), gives rise to substantial uncertainty regarding the circumstances in which activities conducted outside the United States may form the basis of a violation of Section 271(a). This uncertainty, in turn, carries with it the risk that Section 271(a) may be applied differently depending upon where the allegedly infringing conduct occurs, that is, it is unclear whether Section 271(a) may be applied differently depending upon whether the allegedly infringing conduct occurs entirely within the United States, or partly within the United States and partly outside the United States. The panel's adoption of this "control and beneficial use" rule also raises the risk that Section 271(a) may be accorded inappropriate extraterritorial application, contrary to basic principles of comity affecting Canada and the United States.

Given the number and proliferation of businesses that conduct integrated operations across the Canada-United States border, the panel's decision affects a substantial number of businesses with Canadian operations, including those carried on using networks and

telecommunications. Canada is especially concerned that the uncertainty resulting from the panel's decision, with its potential for being applied in an inappropriately extraterritorial or discriminatory fashion, may have the further troubling effect of chilling innovation by Canadian companies operating in key industry sectors in Canada, particularly the high technology sector. Such a chilling effect could result, for example, from an understandable concern by Canadian high-technology and other companies that the panel decision might be interpreted and applied in such a way that a company's continuing to operate in Canada could give rise to a liability under Section 271(a), which the company might not face were it to relocate operations to the United States.

Canada is also concerned that the potential implications of the panel's interpretation described above would negatively impact the integrity of the operation of Canadian intellectual property laws.

The Government of Canada believes that the novelty of the question presented and decided by the panel with respect to the applicability of Section 271(a) in this case, and the potential consequences of that decision as applied to activities conducted in Canada, warrant the searching scrutiny and considered consensus uniquely available through *en banc* review by this

Court. *En banc* review would allow the Court to be assured that its interpretation of Section 271(a) will not lead to inappropriate, differential application of the statute or to inappropriate, extraterritorial application of United States patent laws.

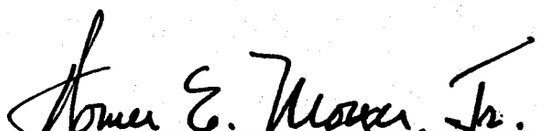
En banc review will also enable the Court to receive the benefit of views from Canadian businesses and other affected persons on the merits of the appeal, consistent with Rule 29 of this Court, allowing briefs *amicus curiae*.

CONCLUSION

Canada thus urges the Court to grant the petition for rehearing *en banc*, as an *en banc* decision will ensure that the rule adopted in this case is sound, clear and predictable in its application to multi-jurisdictional activities taking place, in part, in Canada.

Dated: Washington, D.C.
January 13, 2005

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that I have, this 13th day of January, 2005, caused two copies of the foregoing Brief *Amicus Curiae* of the Government of Canada in support of the request for rehearing *en banc* made in the Combined Petition by Research in Motion, Ltd. for Panel Rehearing and Rehearing *En Banc* to be served upon James H. Wallace, Jr., WILEY, REIN & FIELDING LLP, 1776 K Street, NW, Washington, DC 20006, (202) 719-7000 by hand and upon Henry C. Bunsow, HOWREY SIMON ARNOLD & WHITE, LLP, 525 Market Street, San Francisco, CA 94105, (415) 848-4900 by first class mail, postage prepaid:

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