



THINK FORWARD

Travel Sentry, Inc. v. Tropp: Federal Circuit Revisits Direct-infringement Liability for Third-party Conduct

By Dan Liu, Allyn Elliott (Rhodes)

January 03, 2018

Recently, in [Travel Sentry, Inc. v. Tropp](#), No. 16-2386, 2017 U.S. App. LEXIS 25548 (Fed. Cir. Dec. 19, 2017), the Federal Circuit revisited and reviewed the legal framework for direct infringement established in [Akamai Technologies, Inc. v. Limelight Networks, Inc. \(Akamai V\)](#), 797 F. 3d 1020 (Fed. Cir. 2015) (en banc). In *Travel Sentry*, appellant David A. Tropp alleged that Travel Sentry infringed U.S. Patent Nos. 7,021,537 ([the '537 patent](#)) and 7,036,728 ([the '728 patent](#)), which relate to methods of improving airline luggage inspection by using dual-access locks, through the actions of the Transportation Security Administration ("TSA"). Specifically, TSA had used master keys provided by Travel Sentry to access and inspect luggage secured by Travel Sentry's dual access locks. The Court held that a reasonable jury could conclude that TSA's actions are attributable to Travel Sentry such that Travel Sentry is liable for direct infringement under 35 U.S.C. § 271(a). Based on this finding, the Court remanded the case to the Eastern District of New York for further proceedings.

In deciding *Travel Sentry*, the Court reviewed its findings in *Akamai V*. In *Akamai V*, the Federal Circuit held that "[w]here more than one actor is involved in practicing the steps [of a method claim], a court must determine whether the acts of one are attributable to the other such that a single entity is responsible for the infringement." The *Akamai V* court provided a two-prong test for deciding whether the actions of a third party are "attributable" to an alleged infringer. Under the two-prong test, a third party's conduct will be attributable to an alleged infringer, if the alleged infringer 1) conditions the third party's participation in an activity or receipt of a benefit upon performance of a step or steps of a patented method, and 2) establishes the manner or timing of that performance.

In reviewing *Akamai V*, the Court noted the importance of correctly identifying the relevant activity or benefit that is being conditioned upon performance of the claim steps. According to the Court, the context of the claims and the conduct in each case will inform whether attribution is proper under the *Akamai V* two-prong test.

Here, Travel Sentry and TSA had entered into a Memorandum of Understanding ("MOU"), which defined the relationship between the two parties. The terms of the MOU led the Court to determine that the *relevant activity* at issue was "screening luggage that TSA knows can be opened with the passkeys provided by Travel Sentry." The Court reasoned that if an alleged infringer and a third party enter into an agreement to engage in only limited aspects of an activity, the relevant activity will be defined in a way that is consistent with the specific objectives of the agreement, rather than with the entire activity undertaken by the third party.

With regard to identifying the benefit to a third party, the Court pointed out that both tangible and intangible benefits should be considered. In analyzing the benefit to TSA, the district court had

reasoned that TSA screened luggage because of a screening mandate from Congress rather than because of any purported intangible benefit from Travel Sentry. The Federal Circuit considered the lower court's understanding of the benefit to TSA to be impermissibly narrow, explaining that a reasonable jury could conclude that the "benefit" to TSA was the ability to open identifiable luggage using a master key, which would obviate the need to break open the lock. According to the Court, ". . . it is irrelevant that TSA screens luggage pursuant [to] a mandate from Congress—what matters is *how* the agency accomplishes its luggage screening objective, and whether a benefit flows to TSA from the particular screening method it has chosen."

Moreover, the Court made clear that conditioning participation in an activity or receipt of a benefit is not limited to legal obligations or technological prerequisites. The facts indicated that Travel Sentry supplied TSA with passkeys and training that enabled TSA to screen luggage bearing Travel Sentry certified locks. The Court observed: "What is critical is that TSA *must* perform the . . . claim steps if it wishes to participate in the activity of screening luggage bearing Travel Sentry certified locks by opening such locks with the passkeys Travel Sentry provided." Thus, the Court held that a reasonable jury could conclude that Travel Sentry conditioned TSA's participation in the *relevant activity* or receipt of the *relevant benefits* on TSA's performance of the claim steps.

As to the second prong, the Court considered whether Travel Sentry established the manner or timing of performance of the claimed steps. While there was no evidence that Travel Sentry supervised TSA's conduct or had employees or other resources dedicated to resolve issues TSA encountered, the Court reasoned that if TSA did not follow the precise steps of identifying luggage bearing a Travel Sentry certified lock, and, where necessary, using the passkey provided by Travel Sentry to open the lock, then Travel Sentry's service would not be available. Thus, the Court concluded that a reasonable jury could find that Travel Sentry had established the manner or timing of TSA's performance of the claim steps.

As the Court's analysis in *Travel Sentry* makes clear, determining whether the actions of a third party are "attributable" to an alleged infringer using the two-prong test of *Akamai V* requires a thorough and fact specific investigation of the conduct of the relevant parties. In situations where the evidence suggests that a third party hoping to obtain access to certain benefits can only do so if it performs steps identified by an alleged infringer and does so under terms prescribed by the alleged infringer, the actions of the third party may be attributable to the alleged infringer for purposes of direct infringement.

Contact Us

If you have any questions or wish to discuss how this decision may impact your business, please contact of our [Brinks attorneys](#).