

Case Study- i4i Microsoft

Another example- and this is a patent example- this is a great one about kind of leveling the playing field and this is close to home for all the Torontonians.

There was a company in the 90s known as i4i that obtained a US patent on an XML editor. And during that time, they also approached Microsoft about this development that they had created and were sitting down with their technical team. And, the technical team thought it was interesting but said, "you know what we're not interested incorporating your editor into our product."

What happened next is actually Microsoft DID incorporate the editor into their versions of 2003 Word and 2007. And thankfully for the Toronto company, they were able to pursue Microsoft with a patent. As opposed to having to pursue them with-- on the basis of perhaps, trade secrets stuff.

Which means that the i4i company needs to show loss themselves. When you have a patent if someone's reading on your patent, all the sudden you can go after them for profits. It's a different action and is a more powerful action oftentimes than going after someone for trade secrets theft.

So they went after Microsoft and they took this case all the way to the US Supreme Court. i4i was lucky because they ended up getting backed by a Venture Capital firm that helped them fund the litigation all the way to the US Supreme Court. And in the end, with everything in the interest, i4i ended up with a judgment against Microsoft for 400 million USD. And Microsoft was also ordered to stop sales of versions of MS Word, and strip out the editor from the product.

So, this is kind of a great story of why it's so important to be thinking about this. Because you know big companies they are obviously important to the ecosystem, but at the same time they're always looking for great new ideas and you have to make sure that you're navigating these waters carefully and make sure that you're protecting yourself.

And i4i did just that and was able to successfully navigate this situation with Microsoft and be made whole in the end.