

CASE STUDY: DAVID VS GOLIATH (I4I VS MICROSOFT)

PATENTS CAN LEVEL THE PLAYING FIELD!

A small Toronto-based company, i4i, obtained a US patent in the late 1990's

Claimed an improved method for editing computer documents, wherein a document's content was stored separately from metacodes associated with the document's structure

- i.e., covered a specific method of using XML for document editing

i4i approached Microsoft to discuss the method, but Microsoft turned them down

Microsoft began using a very similar XML method in Word 2003 and Word 2007



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i4i sued Microsoft for wilful infringement of the patent, and the judge agreed

Microsoft appealed all the way to the US Supreme Court, but was unsuccessful

Microsoft was ordered to pay i4i nearly \$400 million USD (accounting for interest and other penalties, as well as an initial \$290 million US in damages)

Microsoft was also ordered to stop all sales of software that relied on the claimed XML method

