



Jury orders Microsoft to pay \$200M in damages to i4i

Toronto, May 26, 2009 – i4i, headquartered in Toronto, ON, Canada, received a \$200 million patent infringement verdict from a federal jury who found that Microsoft Corp., the world’s largest software maker, infringed on an i4i patent. The verdict was issued on May 20, 2009, in the U.S. District Court for the Eastern District of Texas, Tyler Division.

Michel Vulpe, founder of i4i and inventor of the patent, says: “We are very pleased with the verdict. The jury heard extensive testimony and evidence and concluded that Microsoft had indeed infringed our patent.” Mr. Vulpe adds, “We feel vindicated with this result.”

Loudon Owen, Chairman of McLean Watson Capital Inc. and i4i, says: “McLean Watson has worked closely with i4i as a major investor for 13 years.” Mr. Owen adds, “This is an important verdict for i4i, for the inventors and, more generally, for the rights of all patent owners.”

The verdict followed an eight-day trial before the Honorable Leonard Davis. The \$200 million award reflects the jury's determination of a reasonable royalty for Microsoft's infringement. The Court can increase the award based on the willfulness finding, and i4i can seek a court order blocking further use of its invention by Microsoft. To date this year, the verdict represents the fourth largest jury verdict in the US and the second-largest patent jury award, according to Bloomberg.

The jury agreed with i4i that certain versions of Microsoft's Word 2003 and Word 2007 products use “extensible mark-up language”, or XML, in a way that infringes i4i’s U.S. Patent No. 5,787,449.

Michael Cannata, director of i4i LP and advisor to the Northwater Intellectual Property Fund, says: “This award demonstrates how companies like i4i can enhance their ability to protect and, when necessary enforce, their patents by having a partner that provides patent expertise, litigation management skills and the capital to succeed in patent enforcement and litigation”.

i4i LP is a licensing entity affiliated with i4i Inc. i4i LP owns patent #5,787,449, issued by the United States Patent Office in 1998. Investors in i4i LP include McLean Watson Capital and the Northwater Intellectual Property Fund.

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