MY STORY:
HOW MIKE DOYLE BURNED MICROSOFT FOR OVER $520 MILLION
Irish-American entrepreneur Mike Doyle and his alma mater won $521 million from Microsoft in a court case last month, the second biggest patent infringement award in history. On appeal by Microsoft, the figure could well go up. Doyle gave his first post-victory interview to Adrian Weckler.

CONQUEROR AT THE GATES

For a guy who has just taken Microsoft to the cleaners for over $500 million, Mike Doyle does not seem at all distracted. What he really wants to talk about, even more than his plan to change the world through the next generation Internet, is a little place on the waterfront in New Ross, Co. Wexford. He was browsing there earlier this year, for a new research facility for his Chicago-based company, Eolas Technologies. He liked what he saw, but was unsure about financing a site there. Happily, they then, that, four weeks ago, he won up to $200 million in a $521 million lawsuit verdict against Microsoft.

"I think I can afford the place in New Ross now," he said. "In fact, I have my eye on this one building on the waterfront." In 1999, Doyle and the University of California San Francisco (UC) sued Microsoft for infringing a patent on web browser technology. The technology is very basic to web browsers because it controls plug-ins such as 'Applets', a commonly used browser application.

On August 11, a jury in an Illinois court ruled in their favour. Between them, they won exactly $200 million, the second largest patent infringement award in history. The University of California picked up 25 per cent of the award.

Lawyers got between 33 and 40 per cent. That left about $200 million for Eolas, in which Doyle is the majority shareholder. Predictably, Microsoft is appealing the verdict, but Eolas and UC aren't taking it lying down, seeking more compensation for sales of Internet Explorer in the last two years. Doyle isn't really worried about the appeal.

"The process should take about 12 to 18 months," he said drily. "And then Microsoft will be writing us a big cheque." The case is hardly a crippling blow to Microsoft, which has an estimated $40 billion in cash reserves. But it is very embarrassing to the company's core brand position, which has been positioned around the concept of 'innovation' and 'creativity'. This advertising claim has always infuriated the hardcore programming com-

~ 12
THE CASE IS HARDLY A Crippling BLOW TO MICROSOFT, WHICH HAS AN ESTIMATED $40 BILLION IN CASH RESERVES. BUT IT IS VERY EMBARRASSING.
PATENT INFRINGEMENT SUITS ARE COMMONPLACE, ESPECIALLY IN TECHNOLOGY. THEY OFTEN FAIL AND RARELY GO TO TRIAL

While the patent application was pending, Microsoft and others adopted the technology for use in its products, the spokesman said. "The result was that, by the time the patent issued, Eolas had been crowded out of the marketplace."

Doyle attended the court case every day over the five-week trial in July and August. Did he feel intimidated by the size and power of his opponent? "This is the reality that the might of the United States failed to break down. Was it a tense atmosphere? "The atmosphere varied," he said slowly. "There were a lot of witnesses and some of them were less than exciting. It was a very complex case."

One of the turning points in the case came when a key Microsoft claim was thrown out by the Wisconsin court. The corporation said the patent was invalid because a man called Pat Wei had invented the technology before the University of California. Following presentation of that evidence by Microsoft at trial, the judge determined that, as a matter of law, no jury could find for Microsoft on that issue.

"I always believed that the truth would win," Doyle said. "On the other hand, with a jury you never know. But I expected that this would be a big battle and that we were talking about a big case."

"It's a big win, too, and not just in relation to Microsoft. With the court ruling in its back pocket, Eolas can now start approaching other big companies that it believes have similarly wrongly incorporated its technology." For Doyle, though, it's about respect and proper attribution as much as a few more dollars. He regards the verdict as a massive step forward for genuine innovators and inventors.

"In the past, people depended on copyright law to protect their work in this business," he said. "The problem was that if a competitor wanted to copy it, they just pointed to the product and said 'look at one of those.' As long as they didn't copy the source code they could get away with it."

"With patent law, that isn't the case. I really hope the industry will recognize now clearly that the people who are creative should be rewarded."

Patent infringement suits are commonplace, especially in technology. They often fail and rarely go to trial. Microsoft still faces more than 30 pending cases, while 12 others have been thrown out in the past three years. Bill Gates's lawyers know this. Their strategy is to crush lawsuits early. They must have wondered why Doyle's tiny company would not relent in the four years of the case.

But if they wanted clues, maybe they should have looked at Doyle's family background. If they had, they would have noticed that the Chicago Doyle's have a habit of doggedly taking on staggering big opponents — and winning.

One of Mike's brothers, George, is a retired FBI agent who masterminded the biggest drug bust in US history when his team broke an international heroin operation. Then there is John, his eldest brother, who, as chief of staff of the US House of Representatiens Committee on Public Works, wrote the hard-fought Clean Water Act, against the might of big corporate polluters. To see it through, he then became principal deputy assistant secretary of the US Army, where he oversaw the implementation of the act by the US Army Corps of Engineers.

If Doyle's abilities achievements weren't enough to signal a pattern of tenacity, those of his father, who died recently, should have.
In fact, the scope and ambition of Eolas’s current projects is massive. It currently has a patent pending on what Doyle calls ‘the human genome project’. This is part of the US government-funded Next Generation Internet Initiative. It seeks to use images with data in a way that shows that data in much greater detail. The examples are mostly medical ones, in particular organs and human tissue. ‘It’s kind of based on the following theory – if you can see the unmitigated bandwidth, you could do something different?’ said Doyle.

The company is also about to roll out a commercial knowledge management software suite that allows customers to store the kind of crucial business information that is usually kept out of conventional enterprise software systems. It is particularly aimed at large law firms.

It is also working on a project called Dark Iron, which seeks, among other things, to turn apples (which Doyle’s original research helped spawn) on their ear.

And it has filed further patents for a system for authenticating records without reliance on a trusted third party and a Saga (Spatial Analysis of Geometric Activity) system.

According to Doyle’s website, the latter system ‘enables the automated large-scale discovery of the precise three-dimensional morphological distribution of the simultaneous gene expression activity of tens of thousands of genes in any biological tissue’.

And there is plenty more where that came from. In fact, if there is one thing that even Microsoft disputes it is that there are brains to be born in Eolas.

The extra money might ease resource pressure, but still, how can Doyle and his colleagues decide on which projects to pursue?

‘It goes through an evolutionary process, the survival of the fittest where the most exciting ideas surface towards the top,’ said Doyle. ‘Part of the expansion of the company will involve spinning off new companies, like for the knowledge management suite project.

‘We’ve already spun off one for bar-code recognition work. And obviously the genome work will become its own identity.’

But spinning off companies can turn good men into business slaves, Doyle has seen. He allows maximum flexibility for Eolas’s employees.

‘One thing you find in start-ups is that the really creative people get frustrated and feel they have to start their own companies, writing business plans, stuff they don’t want to do,’ he said. ‘They’re not creating any more. In Eolas, we incentivise people to stay at what they’re good at, which is being really creative.’