

Versata vs. SAP: \$345 Million Jury Verdict



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"During trial it became clear that we knew SAP's software better than SAP's own engineers. It is difficult to over-estimate the damage that did to SAP's credibility. We couldn't have done it without iRunway."

During 2008-2011, McKool Smith represented Versata in a patent lawsuit against SAP, involving patents related to its pricing technology.

iRunway Knew SAP's Software Better than SAP

Two iRunway analysts attended the two-week trial as members of the trial team. Their understanding and insight of the complex SAP technology was instrumental in this landmark win.

During trial, and in an attempt to avoid infringement, the former head of SAP's worldwide R&D testified that SAP's software worked in a way counter to that understood by the trial team. Over the lunch break, iRunway worked with the trial team to collect evidence disproving his testimony. On cross-examination, the witness was forced to admit that his characterization of SAP's own software was not correct.

Later in trial, another key SAP engineer claimed that a particular database record could never be altered. Once again - this time during a 15-minute court recess - iRunway helped the trial team find proof to the contrary. And once again, the witness was impeached and forced to admit that his earlier testimony was wrong.

In short, the deep understanding and quick thinking of the iRunway team provided a winning edge.

Thorough Preparation

The winning edge was built on months of detailed, painstaking research:

- iRunway analyzed over 5 million lines of source code to find the key portions establishing infringement. In some cases, as few as 3 lines of code proved decisive.
- iRunway reverse engineered the evolution of 17 versions of 4 complex products over a 15 year period, pinpointing every instance of infringement over the lifespan of each product.
- SAP initially identified over 250 alleged prior art references. iRunway studied and disproved the allegations, and SAP ultimately abandoned all prior art claims at trial.
- iRunway analyzed SAP's financial statement, licensing agreements, favored pricing for 'sweet-spot' customers and historical average discounts to help the damages expert estimate lost profits & reasonable royalties.

Better Outcome

The jury found that SAP infringed two of Versata's patents, and awarded a \$345 million verdict to Versata – \$260 million in lost profits and \$85 million in reasonable royalties.

Better still, McKool Smith was able to drive the case to this successful outcome for less than a third of what they would have historically spent on such a case.