

Legal wranglings in the ETL market

The biggest patent lawsuit ever to hit the ETL market is probably one you never heard of: JuxtaComm versus virtually every company in the market – a total of 16 defendants at the time. Teilhold Technologies, a subsidiary of JuxtaComm, filed the patent infringement claim late last year in the Texas Eastern District Court, a favorite of patent trolls because the courts there favor patent trolls.

The lawsuit is based on a 1998 patent (US 6195662) for ETL: *A system and method is described for importing data from a source computer system, manipulating and transforming of that data, and export the data to a target computer system under control of a script processor using stored metadata definitions.*

This seems blindingly obvious and generic, and given the late year of filing, it is. Several ETL tools existed years before this patent was granted, so all the defendants are working together to fight this lawsuit. Actually, all the companies but one: Oracle.

Teilhard was planning to sue Oracle and several other companies, but Oracle filed a pre-emptive lawsuit. Teilhard was seeking \$1-2 billion, but the case was settled for cross-licensing and a reported \$2 million. This is a brilliant move by Oracle, as they would likely have wasted much more than \$2 million on a lawsuit, and their competitors now have to wallow in a silly lawsuit and waste much more than \$2 million. Regardless of who wins the lawsuit, Oracle comes out ahead.

An interesting twist happened earlier this year when Microsoft subpoenaed all of Oracle's records on this case, an unusual tactic which apparently was allowed even though the records were supposedly sealed. The latest event to occur is IBM and Informatica providing prior art to the court. Nothing significant is expected to happen on this case until next year when discovery and trial are scheduled.

The industry lawsuit that made headlines last year was between Informatica and Business Objects regarding patent infringement in Business Object's Data Integrator ETL tool. The lawsuit is an old one between Informatica and Acta that was carried forward when Business Objects bought Acta.

I read the two patents in question, US 6014670 and 6339775, but it's hard to work out the exact breadth of the patents since companies try to word them to cover everything they can, much like stretching the last of the butter on too much toast. It turned out to be a fairly obvious infringement case, but wasn't helped by the completely clueless expert witness Business Objects hired to help them.

Informatica won this lawsuit and pursued an injunction to stop Business Objects from selling the product, to which Business Objects responded by shipping a version of the product without the infringing feature. The damages were set at \$25 million but due to a technicality were reduced \$12 million, or about \$20,000 per infringing license. Business Objects appealed the ruling, but since then SAP bought Business Objects. This complicates the case because Informatica and SAP share some of the same legal representation. The people I spoke to expect this case to be settled next year rather than continuing in court.

What is most annoying about these types of patent lawsuits is that software companies don't work together to reform the broken intellectual property systems in the US and Europe. Instead they file increasingly obvious and overly broad patents, and in some cases reward employees based on the number of patents they produce.

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Zie het interview op pagina 22.

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