

## Twitter Shells Out \$36 Million for IBM Patents

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Over the last few years, technology companies in Colorado and elsewhere have been facing a constant threat of patent litigation, particularly from so-called "patent trolls" that obtain patents for the purpose of starting legal battles. Fortunately, a few large technology firms have vowed to refrain from this type of activity.

Although both Twitter and Google have pledged to support patent reform, they are not always able to escape patent challenges from other technology companies. To avoid a costly lawsuit against IBM, Twitter paid the company \$36 million in exchange for 956 patents. Twitter was apparently reluctant to make this transaction, which occurred in January after IBM threatened to sue the popular social media network.

Now that Twitter has obtained more than 900 patents from IBM, it will have the rights to more than 1,000 patents. Still, IBM owns more patents than any other company in the United States, and it is possible that it will continue to go after other companies that are using its inventions illegally.

Twitter and other supporters of patent reform argue that the constant threat of lawsuits stifles innovation when it comes to software development. However, it is impossible to predict whether Twitter, a relatively new company that just went public, will change its stance on patent reform. Sometimes older technology companies, such as Microsoft and IBM, turn to patent litigation as a way to edge out their competition.

Legal battles over patents can become quite costly, especially for smaller firms. For this reason, it is important to work with an attorney who specializes in intellectual property during the entire business process.

**Source:** [Wired, "Twitter Pays \\$36 Million to Avoid IBM Patent Suit,"](#) Klint Finley, March 7, 2014

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