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TiVo Wins Appeal Over Comcast in First Set-Top Box ITC Case (3)

By Susan Decker Mar 3, 2020

TiVo Corp. won an appeals court ruling that could help it in its long-running fight over patent royalties with Comcast Corp.

An import ban on certain Comcast television set-top boxes issued by the U.S. International Trade Commission was affirmed by the U.S. Court of Appeals for the Federal Circuit. The decision involves the first of three disputes between the companies at the trade agency in Washington.

While the patents in this case expired last year, the ruling could help TiVo in its other two cases at the agency, where it's seeking orders to limit imports of Comcast set-top boxes based on other TiVo patents. A decision in the second case at the agency is scheduled to be released March 26 and a judge is expected to release her findings in the third case in June.

TiVo's Rovi unit and Comcast have been fighting since a royalty license expired in March 2016. Each has tried to gain a legal win that would give it leverage in negotiating a new license, with TiVo getting some victories at the trade agency and Comcast successfully challenging TiVo patents at the U.S. Patent Trial and Appeal Board.

"We understand the value of our patented technology and why Comcast has relied on it heavily since launching its X1 platform," **Arvin Patel**, TiVo's chief intellectual property officer, said in a statement. "We are hopeful today's announcement will encourage Comcast to put their customers first and license our IP just as the other top 9 U.S. Pay-TV providers do."

Comcast sought to get the dispute out of the ITC because of the agency's power to block imports of products, a type of order that's much harder to get in district court. The agency also is known for its speed -- typical investigations take 15 to 18 months, rather than several years in district court.

Comcast said the ruling isn't that big of a deal.

"The Federal Circuit Court's ruling applies to expired patents that have already been invalidated by the patent office and therefore are irrelevant to what Comcast offers customers today," the company said in a statement. "Rovi is misleading the public by suggesting that there is an import ban on any Comcast X1 set-top boxes -- that's just not true."

Patel said in an interview that the ITC cases give it leverage in negotiations as the company seeks to resolve the licensing fight. Comcast has removed features from its Xfinity service to avoid TiVo's patents to avoid import bans on its X1 set-top boxes.

The patents in the case involve remote access to program guide functions in certain boxes made by Commscope Holding Co.'s Arris International and Technicolor SA for Comcast. The appeal centered on whether the trade agency had the authority to issue an import ban because the patented action takes place after the boxes enter the U.S. market.

The commission was correct to hold that the trade law "applies to articles that infringe after importation," the three-judge panel of the Federal Circuit ruled. Comcast designed the set-top boxes to be used in a way that

would infringe the TiVo patents, the court said.

Arris and Technicolor argued that the ban wouldn't extend to them, but the court said it applied because the import ban was limited to boxes brought in on behalf of Comcast.

The case is Comcast Corp. v. ITC, 18-1450, U.S. Court of Appeals for the Federal Circuit (Washington).

(Updates with Comcast comment in seventh and eighth paragraphs.)

To contact the reporter on this story:

Susan Decker in Washington at sdecker1@bloomberg.net

To contact the editor responsible for this story:

Jon Morgan at jmorgan97@bloomberg.net

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