

TiVo, Verizon DVR Patent Spat To Stay In East Texas

By **John Metcalfe**

Law360, New York (September 17, 2010) -- A federal judge ruled Friday that Verizon Communications Inc. cannot move a patent infringement suit brought by TiVo Inc. over digital video recording device patents to the defendant's home turf in New Jersey.

Judge David Folsom of the U.S. District Court for the Eastern District of Texas found that while Verizon, whose main campus is in Basking Ridge, N.J., did have some support for asking for a transfer to the U.S. District Court for the District of New Jersey, his court's experience with similar cases and aptitude for quick rulings favored keeping it in Texas.

"After review of the private and public factors, Verizon has failed to show that the District of New Jersey is a clearly more convenient forum to adjudicate this case," the judge said.

Verizon argued in a March motion to transfer that there was no connection between the case and Texas. No parties reside there, no identified witnesses work there, and no known research relating to the patents or alleged infringement occurred there, the company said.

In response, TiVo argued that because Verizon had filed counterclaims of patent infringement in Texas, the case should stay there, where several witnesses and a large cache of the plaintiff's inventory are located.

Judge Folsom said he had to take administrative issues and court congestion into mind when deciding whether to transfer. TiVo had offered statistics that tend to show cases pending in the District of New Jersey took nearly twice as much time to reach trial than in his own district, he said.

"Verizon does not dispute the statistics offered by TiVo, and it appears that this court could dispose of the present case more quickly than if the case was transferred," the judge said.

He also noted that his court had heard arguments in two similar cases, TiVo v. Echostar Corp. and TiVo v. AT&T Inc., which supported keeping the case in Texas by the principle of judicial economy.

"In short, while this court's previous experience in the Echostar case and the currently pending AT&T case do not alone dispose of this motion, the court's past experience is not negligible and the overlap of issues weighs against transfer," Judge Folsom said.

TiVo filed separate patent infringement suits in August 2009 against Verizon and AT&T, accusing the communications giants of infringing three patents related to video recording by selling, marketing, and knowingly aiding and abetting others to use, sell and market products similar to the plaintiff's DVR.

Verizon's FiOS TV, used by 1.9 million customers, and AT&T's U-verse service, with over 1 million customers, violate TiVo's rights to the three patents-in-suit, titled "Multimedia time warping system," "System for time shifting multimedia content streams" and "Automatic playback overshoot correction system," according to the complaints.

The TiVo features allow a user to record one show while watching another, share multimedia files with different subscribers and access an automatic playback overshoot correction system.

The suits seek injunctions against AT&T, Verizon and their subsidiaries to cease further infringement of the patents-in-suit, as well as compensatory damages, interest and attorneys' fees.

The patents-in-suit in the current matter are U.S. Patent Numbers 6,233,389; 7,529,465; and 7,493,015.

McKool Smith PC and Robins Kaplan Miller & Ciresi LLP represent TiVo.

Verizon is represented by Gillam & Smith LLP, Siebman Reynolds Burg Phillips & Smith LLP and Kellogg Huber Hansen Todd Evans & Figel PLLC.

The case is TiVo Inc. v. Verizon Communications Inc., case number 2:09-cv-00257, in the U.S. District Court for the Eastern District of Texas.

--Additional reporting by Nick Malinowski