

TiVo settles lawsuit against Verizon for \$250.4M

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(AP)—Verizon will pay Tivo at least \$250.4 million to settle a patent lawsuit related to its DVR technology, and the two have a licensing deal.

The news sent shares of the digital video recording pioneer up more than 7 percent in morning trading.

The two companies agreed to dismiss all pending litigation. They had been scheduled to go to trial in October.

The deal with Verizon is the latest in a string of patent settlements for TiVo, which developed the first commercially available DVR. The device made it easy for people to record programs and watch them later, skipping over ads.

Last year TiVo settled with satellite TV company Dish Network Corp. and its set-top box provider EchoStar Corp. for \$500 million, and earlier this year resolved a lawsuit against AT&T Inc. for \$215 million. The payments from those settlements are also staggered over several years.

The company has said that the settlements bring its operations closer to profitability. TiVo has posted an annual loss in eight of the past 10 years.

Under the settlement with Verizon Communications Inc., TiVo will get an initial cash payment of \$100 million and quarterly payments totaling \$150.4 million through July 2018.

Verizon will also pay monthly license fees through July 2018 for each of its DVR subscribers above a certain level.

If the companies work together on certain joint initiatives, \$29.4 million of the payment would be subject to a credit.

The companies may also make Internet video services developed through Verizon's joint venture with video rental kiosk Redbox accessible through TiVo's DVRs.

Shares of TiVo, which is based in Alviso, California, added 69 cents, or 7.2 percent, to \$10.25. Shares of Verizon, which is based in New York, added 13 cents to \$45.76.

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