

TiVo settles with Cisco, Motorola and Time Warner (Update)

June 7 2013

TiVo has settled patent disputes with Cisco, Motorola Mobility and Time Warner Cable, averting a trial that was to begin next week.

The settlement fell well short of what most investors had expected, however, and shares of Tivo plunged 18 percent in premarket trading Friday.

Under the agreement, TiVo will get a lump-sum payment of \$490 million from Google and Cisco. The company will also enter into patent licensing deals with Cisco, Google and Arris Group Inc.

Google Inc. bought Motorola Mobility in 2012 and sold its set-top making unit to Arris this year.

"We are pleased to reach an agreement that brings our pending litigation to an end and further underscores the significant value our distribution partners derive from TiVo's technological innovations," CEO Tom Rogers said.

TiVo Inc., based in Alviso, Calif., has been suing pay TV companies, saying that they are using its patented technology in DVRs. It previously negotiated about \$1 billion in combined settlements in similar cases against other companies, including Dish Network Corp., AT&T Inc. and Verizon Communications.

TiVo has still struggled to make money, posting annual losses in nearly

all of the past 10 years.

Motorola Mobility and Time Warner cable said they were satisfied with the deal. Officials with Cisco Systems Inc. didn't immediately respond to an email seeking comment.

With Friday's deal, Tivo's awards and settlement from patent lawsuits total about \$1.6 billion.

Following the announcement, TiVo said it would double its stock buyback program to \$200 million and extended the plan for an additional two years.

Shares of Tivo fell \$2.47 to \$11.24 before the opening bell.

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