

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

PREMIER INTERNATIONAL  
ASSOCIATES, LLC,

Plaintiff,

v.

TIVO INC.,

Defendant.

Civil Action No. \_\_\_\_\_

**TRIAL BY JURY DEMANDED**

**COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff, PREMIER INTERNATIONAL ASSOCIATES, LLC, by its attorneys, hereby complains of Defendant TIVO, INC. as follows:

**I.**

**PARTIES**

1. Plaintiff, PREMIER INTERNATIONAL ASSOCIATES, LLC (“PREMIER”) is a limited liability company organized and existing under the laws of the State of Illinois with its principal place of business located at 221 N LaSalle St, Chicago, Illinois 60601.

2. Defendant TIVO, INC. (“TiVo”) is a corporation organized and existing under the laws of the State of Delaware, with its principal executive offices located at 2160 Gold Street, Alviso, California 95002. TiVo is authorized to do business in the State of Illinois and has appointed Illinois Corporation Service, 801 Adlai Stevenson Drive, Springfield, Illinois 62703 as its registered agent.

3. TiVo states in its annual filing for the fiscal year ended January 31, 2012 as follows:

TiVo is a leading developer and provider of software and technology that enables the search, navigation, and access of content across disparate sources, including linear television, on-demand television, and broadband video in a single, easy, intuitive user experience. We provide these capabilities through set-top boxes that include digital video recorders ("DVRs") or non-DVR set-top boxes, tablet computers, mobile phones, and other screens. We also provide innovative advertising solutions for the media industry, including a unique platform for interactive advertising and audience measurement services. Since prior to the introduction of our first commercial DVR in 1999, we have developed significant intellectual property applicable to the advanced television market and we are focused on protecting our intellectual property.

Historically, we have distributed the majority of our products and services directly to consumers and have also developed indirect channels of distribution through large domestic and international television service providers who utilize our software and technology in set-top boxes and other devices that receive their multichannel services. These customers include Charter Communications, DIRECTV, Grande, RCN, Suddenlink, and others in the United States, ONO (Spain), Virgin Media (United Kingdom) and others outside the United States.

We primarily generate revenues from four sources:

- Consumer Service. Our primary source of revenues is from consumers in our direct to consumer business, who subscribe to the TiVo service directly with us and typically pay us monthly fees, or in some cases pay for TiVo service for the life of their product upfront, which we report as our TiVo-Owned service subscriptions. We sell our DVRs to consumers through distribution relationships with major retailers, such as Best Buy, and direct through our on-line store at TiVo.com.
- Television Service Providers or MSOs. We work with television service providers, which we also refer to as MSOs, who typically pay us recurring monthly fees in order to provide the TiVo service to their subscribers either as their default user interface or as an optional premium service. We may also receive revenues for licensing and professional services and hardware sales from these customers.

(See TiVo Form 10-K for the Fiscal Year Ended January 31, 2012, p. 6, filed with the SEC on March 23, 2012, available at: <http://investor.tivo.com/phoenix.zhtml?c=106292&p=irol-sec> - last accessed on July 11, 2012.)

4. TiVo states in its most recent annual filing that as of January 31, 2012 its "TiVo-Owned installed subscription base was approximately 1.1 million subscriptions" and that its "MSO installed subscription base increased [...] to 1.2 million subscriptions" resulting in 2,279 million total cumulative subscriptions. (See TiVo Form 10-K for the Fiscal Year Ended January 31, 2012, p. 44, filed with the SEC on March 23, 2012, available at: <http://investor.tivo.com/phoenix.zhtml?c=106292&p=irol-sec> - last accessed on July 11, 2012.)

5. TiVo states further that its TiVo-Owned subscriptions generated average revenues of \$8.15 per month and that its MSO (Television Service Provider) subscriptions generated average monthly revenues of \$1.63 per month. (See TiVo Form 10-K for the Fiscal Year Ended January 31, 2012, p. 47, filed with the SEC on March 23, 2012, available at: <http://investor.tivo.com/phoenix.zhtml?c=106292&p=irol-sec> - last accessed on July 11, 2012.)

## II.

### **JURISDICTION AND VENUE**

6. This Court has exclusive subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a) because this action arises under the patent laws of the United States, including 35 U.S.C. § 271 *et seq.* This Court has personal jurisdiction over TiVo because it has committed acts giving rise to this action within Illinois and this judicial district and has established minimum contacts within the forum such that the exercise of jurisdiction over TiVo would not offend traditional notions of fair play and substantial justice.

7. Venue properly lies in the Northern District of Illinois pursuant to 28 U.S.C. §§ 1391(b), 1391(c), and 1400(b), because TiVo has committed acts within this judicial district giving rise to this action, and TiVo “resides” in this District as it is subject to personal jurisdiction in this District. Venue is also appropriate because TiVo is doing business in this judicial district, including one or more of the infringing acts of offering for sale, selling, using infringing products, or providing service and support to its customers in this District and it does so through established distribution channels. Furthermore, PREMIER is a resident of Illinois.

## III.

### **INFRINGEMENT OF U.S. PATENT NO. 6,243,725**

8. PREMIER realleges and incorporates by reference the allegations set forth in Paragraphs 1-7 above as if fully set forth herein.

9. On June 5, 2001 United States Patent Number 6,243,725 (“the ‘725 Patent”) entitled “List Building System” was duly and lawfully issued by the United States Patent and Trademark Office (“USPTO”) to James D. Hempleman, Sandra M. Hempleman and Neil A. Schneider. A true and correct copy of the ‘725 Patent is attached hereto as **Exhibit A**.

10. On December 8, 2006, Apple Computer, Inc. filed with the United States Patent and Trademark Office (“USPTO”) a “Request for Ex Parte Reexamination of U.S. Pat. No. 6,243,725” under Control No. 90/008,361 (“the ‘725 Reexamination”).

11. On March 31, 2009, the USPTO issued an Ex Parte Reexamination Certificate for the ‘725 Patent (“the ‘725 Reexam Certificate”). During the ‘725 Reexamination, claims 1-114 of the ‘725 Patent were cancelled and new claims 115, 116 and 117 were added and determined to be patentable. The ‘725 Reexam Certificate issued with claims 115, 116 and 117, a true and correct copy of which is attached hereto as **Exhibit B**.






12. PREMIER is the assignee of the ‘725 Patent and holds the rights to sue and recover for past, present and future infringement thereof.

13. On May 2, 2012, PREMIER provided notice to TiVo of the ‘725 Patent and the claims in the ‘725 Reexam Certificate.

14. TiVo has been and is now infringing, directly and indirectly by way of inducement and/or contributory infringement, literally and/or under the doctrine of equivalents, the ‘725 Patent in the State of Illinois, in this judicial district and elsewhere in the United States by, among other activities, making, using, importing, offering for sale, selling, providing, maintaining and/or supporting, without license or authority, products falling within the scope of one or more claims of the ‘725 Patent. Such products include, without limitation, TiVo-branded digital video recorders (DVR) (including resident firmware and software), such as, for example, TiVo Premiere, TiVo Premiere XL and TiVo Premiere XL4 (formerly “TiVo Premiere Elite”), which allows TiVo’s subscribers as well as subscribers of third-party Television Service Providers (MSOs), to record and store television programming in digital format. In particular, the TiVo-branded DVRs allow subscribers to designate at least one distinguishing feature, i.e., characteristic, for a (recorded) program, and in response to the user’s designation the TiVo-

branded DVRs will list the recorded programs that match the designated feature, and sort the listed recorded programs by the date the programs were recorded. The TiVo-branded DVRs infringe at least independent system claim 115, and likely other claims, of the '725 Patent.

15. TiVo currently offers to consumers the following DVR products and services on its website:

 <p><b>up to 75 HD hrs</b></p> <p><b>Now 65% more hours!</b></p> <h3>TiVo Premiere</h3> <ul style="list-style-type: none"> <li>Delivers TV &amp; web entertainment</li> <li>Up to 75 hours of HD recording</li> <li>The world's largest VOD store</li> <li>Online &amp; mobile scheduling</li> <li>Replaces your cable box*</li> <li>Free shipping <a href="#">Details</a></li> <li>30-day guarantee <a href="#">Details</a></li> </ul> <p><a href="#">Full product details</a></p> <p><b>\$149<sup>99</sup></b> plus <a href="#">service</a></p> <p>Select</p>	 <p><b>up to 150 HD hrs</b></p> <h3>TiVo Premiere XL</h3> <p><b>All the features of Premiere, plus:</b></p> <ul style="list-style-type: none"> <li>Up to 150 hours of HD recording</li> <li><a href="#">THX® Certified</a> for optimum quality</li> <li>TiVo® Glo backlit remote control</li> </ul> <p><a href="#">Full product details</a></p> <p><b>\$249<sup>99</sup></b> <del>was \$299<sup>99</sup></del> plus <a href="#">service</a></p> <p>Select</p>	 <p><b>up to 300 HD hrs</b></p> <h3>TiVo Premiere XL4</h3> <p><b>All the features of Premiere, plus:</b></p> <ul style="list-style-type: none"> <li>4 tuners to record 4 shows at once</li> <li>Up to 300 hours of HD recording</li> <li><a href="#">THX® Certified</a> for optimum quality</li> <li>TiVo® Glo backlit remote control</li> <li>Digital channels only <a href="#">Details</a></li> <li>Superb source for home theater upgrades and future expansion</li> </ul> <p><a href="#">Full product details</a></p> <p><b>\$399<sup>99</sup></b> <del>was \$499<sup>99</sup></del> plus <a href="#">service</a></p> <p>Select</p>
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <h3>Curious about compatibility?</h3> <p>Whether you receive your TV programming by cable, satellite or digital antenna, we can help verify that your TiVo DVR will accommodate your source with our comprehensive compatibility guide.</p> <p><a href="#">Check compatibility</a></p> </div> <div style="width: 50%; text-align: center;">  <p><b>The TiVo from DIRECTV is back!</b></p> <p>Now you can enjoy the world-famous TiVo service seamlessly integrated with DIRECTV through the TiVo® HD DVR from DIRECTV. Available nationwide. <a href="#">Learn more</a></p>  <p>Order today at <a href="http://www.directv.com/tivo">www.directv.com/tivo</a></p> </div> </div>		

(Screenshot of <http://www.tivo.com/products/home/index.html> - taken on July 11, 2012.)

16. TiVo has also been inducing infringement of the '725 Patent, literally or under the doctrine of equivalents, under 35 U.S.C. §271(b) by intentionally and knowingly inviting and instructing the users of TiVo's DVR products and services on how to use said products and

services to directly infringe the claimed system. See, for example, pages 4-5 of the TiVo Premier XL 4 Viewer's Guide (available at <http://support.tivo.com/ci/fattach/get/72942/1338580675/redirect/1>, last accessed on July 11, 2012), and excerpt of which is reproduced below:

### Sorting shows

You can view My Shows either alphabetically by title (from A to Z) or by date recorded.

- In TiVo with HD menus, press the blue **B** button on your TiVo remote to change how the list is sorted. Press it again to switch back.
- In TiVo with SD menus, press ENTER on your TiVo remote while viewing the My Shows list to see 'My Shows Options.' Then highlight 'Sort', and press the RIGHT arrow to choose 'Alphabetically.' Select 'View My Shows with these options.'

### Grouping shows

When Groups are on, shows are organized into folders, and a number in parentheses to the right of each folder shows how many shows it contains. If you've recorded several episodes of the same show, they can all be collected into a group. You'll also see groups for HD recordings, TiVo Suggestions (if you have auto-recording of Suggestions turned on), and auto-recording WishList® searches.

Groups are on by default. To turn them off, do one of the following:

- In TiVo with HD menus, press the red **C** button on your TiVo remote to turn groups off. Press it again to turn Groups back on.
- In TiVo with SD menus, press ENTER on your TiVo remote while viewing the My Shows list to see 'My Shows Options.' Select Groups, then press the RIGHT arrow to choose 'Off.' Then select 'View My Shows with these options.'

Even if Groups are turned off, you'll see the Recently Deleted group at the bottom of the My Shows list. Shows you delete go to the Recently Deleted group, where they remain until space is needed for new recordings.

A show's title may appear in more than one group, even though there is only one recording of the show. For example, you might have several episodes of a show in that show's group, and the same titles in the HD Recordings group, which includes all shows recorded in HD. When you delete a show in one group, the title also disappears from any other group.

When your shows are grouped, you can highlight the group name and press PLAY to play all of the shows in the group in sequence, beginning with the oldest.

17. TiVo has committed acts of infringement which have caused damage to PREMIER. Under 35 U.S.C. § 284, PREMIER is entitled to recover from TiVo the damages sustained by PREMIER as a result of its infringement of the '725 Patent. TiVo's infringement on PREMIER's exclusive rights under the '725 Patent will continue to damage PREMIER causing irreparable harm, for which there is no adequate remedy of law, unless enjoined by this Court under 35 U.S.C. § 283.

18. To the extent that facts learned in discovery show that TiVo's infringement of the '725 Patent is, or has been willful, PREMIER reserves the right to request such a finding at the time of trial.

#### **IV.**

#### **PRAYER FOR RELIEF**

WHEREFORE, PREMIER respectfully requests that this Court enter judgment against Defendant TIVO INC. as follows:

- (a) for declaration that United States Patent No. 6,243,725 is good and valid in law;
- (b) for judgment that Defendant has infringed and continues to infringe the '725 Patent;
- (c) for preliminary and permanent injunctions under 35 U.S.C. § 283 against Defendant and its respective directors, officers, employees, agents, subsidiaries, parents, attorneys, and all persons acting in concert, on behalf of, in joint venture, or in partnership with Defendant thereby enjoining any further acts of infringement;

- (d) for damages to be paid by Defendant adequate to compensate PREMIER for its infringement, including interest, costs and disbursements as justified under 35 U.S.C. 284; and
- (e) for such further relief at law and in equity as the Court may deem just and proper.

V.

**DEMAND FOR JURY TRIAL**

Pursuant to Federal Rules of Civil Procedure Rule 38, Plaintiff PREMIER hereby demands a jury trial on all issues triable by jury.

Dated: August 3, 2012

Respectfully submitted,

/s/Jeffrey R. Moran

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