

TIVO INC
Form 8-K
September 24, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 21, 2012

TIVO INC.
(Exact name of registrant as specified in its charter)

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| Delaware (State or other jurisdiction of incorporation) | 000-27141 (Commission File Number) | 77-0463167 (IRS Employer Identification No.) |
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| | |
|---|---------------------|
| 2160 Gold Street, Alviso, California (Address of principal executive offices) | 95002 (Zip Code) |
|---|---------------------|

Registrant's telephone number, including area code (408)519-9100
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01 Entry into a Material Definitive Agreement.

Settlement and Patent License Agreement

On September 21, 2012, TiVo Inc. ("TiVo") and Verizon Communications Inc. ("Verizon") entered into a Settlement and Patent License Agreement (the "Agreement"), pursuant to which the parties have agreed to: settle and dismiss with prejudice all outstanding litigation between them (as described in TiVo's periodic reports filed with the Securities and Exchange Commission (the "Commission")); provide each party with a license to certain patents owned by the other party; and release all infringement claims between the parties with respect to such licensed patents.

Under the Agreement, Verizon will provide TiVo total compensation worth at least \$250.4 million. The payments will consist of an upfront cash payment of \$100,000,000 due on or before September 28, 2012 and twenty-five recurring payments due to TiVo 30 days after the end of each calendar quarter in the amount of \$6,016,000 through September 30, 2018.

As part of the Agreement, Verizon may earn a credit of up to \$29.4 million if Verizon agrees to pursue a specified commercial services arrangement with TiVo prior to December 21, 2012, which may reduce up to twenty-two of the quarterly cash payments to \$4,679,636. In addition to the \$250.4 million in compensation, TiVo will also receive incremental monthly fees at a higher rate than the rate implied by the guaranteed fees per Verizon DVR subscriber if the growth of Verizon's DVR subscriber base exceeds certain pre-determined levels. Any incremental additional per subscriber fees are due to TiVo 30 days after the end of each calendar quarter in which they are accrued.

Pursuant to the Agreement, TiVo granted Verizon a license under its advanced television patents, including the patents that TiVo had asserted against Verizon (U.S. Patent Nos. 6,233,389, 7,493,015 and 7,529,465), to make, have made, use, sell, offer to sell and import advanced television technology in connection with multichannel video programming services of Verizon (including the Verizon FiOS TV pay television service) and video services of the joint venture between Verizon and Redbox Automated Retail, LLC, subject to certain limitations and exclusions.

Verizon granted TiVo a license under its advanced television patents to make, have made, use, sell, offer to sell and import advanced television technology in connection with TiVo products and services, including products and services provided to other multichannel video programming service providers, subject to certain limitations and exclusions.

The Agreement expires on July 31, 2018. In addition, TiVo may terminate the rights and licenses granted to Verizon pursuant to the Agreement under certain circumstances, including but not limited to if Verizon has failed to make timely payment. As in the past, TiVo expects that the timing of its revenue recognition for the payments under the agreement will differ from its receipt of cash payments. Additionally, during its current fiscal quarter, TiVo expects that it will recognize some portion of the \$100,000,000 initial payment as consideration for past damages and will recognize the remainder of the upfront payment and the ongoing payments as revenue in its financial statements.

The foregoing description of the Agreement is qualified in its entirety by reference to the full text of the Agreement which will be filed with the Commission as an exhibit to the Company's Form 10-Q for the quarter ending October 31, 2012 and is incorporated by reference herein. TiVo intends to seek confidential treatment of certain terms of the Agreement in connection with its filing in accordance with the procedures of the Commission.

This current report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to, among other things, the amount of future payments TiVo expects to receive in connection with its settlement of its patent litigation with Verizon and TiVo's expectations that its revenue recognition for the settlement payments will differ from its receipt of cash payments including recognition of a portion of the upfront payment as consideration for past damages. Forward-looking statements generally can be identified by the use of forward-looking terminology such as, "believe," "expect," "may," "will," "intend," "estimate," "continue," or similar expressions or the negative of those terms or expressions. Such statements involve risks and uncertainties, which could cause actual results to vary materially from those expressed in or indicated by the forward-looking statements. Factors that may cause actual results to differ materially include delays in development, competitive

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service offerings and lack of market acceptance, as well as the other potential factors described under "Risk Factors" in TiVo's public reports filed with the Commission, including TiVo's Annual Report on Form 10-K for the fiscal year ended January 31, 2012, TiVo's Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. TiVo cautions you not to place undue reliance on forward-looking statements, which reflect an analysis only and speak only as of the date hereof. TiVo disclaims any obligation to update these forward-looking statements.

ITEM 7.01. Regulation FD Disclosure.

A copy of the press release issued by TiVo on September 24, 2012 regarding the Agreement described in this report is attached as Exhibit 99.1 to this Current Report on Form 8-K. The information in the press release that is an exhibit to this Current Report on Form 8-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, regardless of any general incorporation language in such filing.

ITEM 9.01. Financial Statements and Exhibits.

(d) The following exhibits are included with this Report:

| Exhibit No. | Description |
|-------------|---|
| 99.1 | Press Release of TiVo Announcing Settlement and Patent License Agreement with Verizon issued on September 24, 2012. |



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.
TIVO INC.

Date: September 24, 2012

By:

/s/ Anna Brunelle
Anna Brunelle
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT INDEX

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