

# EXHIBIT 1

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**Weil, Gotshal & Manges LLP**

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January 24, 2011

BY HAND

The Honorable Marilyn R. Abbott  
Secretary  
U.S. International Trade Commission  
500 E Street, SW Room 112  
Washington, DC 20436

Re: **Certain Set-Top Boxes, and Hardware and Software Components Thereof,**  
Inv. No. 337-TA-

Dear Secretary Abbott:

Enclosed for filing on behalf of Microsoft Corporation ("Microsoft"), are the following documents in support of Microsoft's request that the Commission commence an investigation pursuant to the provisions of section 337 of the Tariff Act of 1930, as amended. Please note that Confidential Exhibits 7, 11, 16, 20 and 29 to the Complaint contain confidential business information. Pursuant to the Commission's Rules of Practice and Procedure, a request for confidential treatment of the information in those exhibits accompanies this filing. Accordingly, Microsoft submits the following:

1. An original and twelve (12) copies of Microsoft's verified Complaint (original and one copy unbound, without tabs (Rules 201.6(c), 210.8(a), and 201.8(d)));
2. An original and six (6) copies of the confidential and non-confidential exhibits to the Complaint (original and one copy unbound, without tabs). (Rules 201.6(c), 210.8(a), and 201.8(d));
3. One (1) additional copy of the Complaint and accompanying non-confidential exhibits, for service upon the proposed respondent (Rules 210.8(a) and 210.11(a));
4. A Certified Copy of the United States Patent No. 5,585,838 (the '838 patent) (Rule 210.12(a)(9)(i)) identified as Exhibit 5 to the Complaint;
5. A Certified Copy of the United States Patent No. 5,731,844 (the '844 patent) (Rule 210.12(a)(9)(i)) identified as Exhibit 9 to the Complaint;
6. A Certified Copy of the United States Patent No. 6,028,604 (the '604 patent) (Rule 210.12(a)(9)(i)) identified as Exhibit 13 to the Complaint;

7. A Certified Copy of the United States Patent No. 5,758,258 (the '258 patent) (Rule 210.12(a)(9)(i)) identified as Exhibit 18 to the Complaint;
8. One (1) Certified Copy of the Assignment of the '838 patent (Rule 210.12(a)(9)(ii)), and copies of the Assignment identified as Exhibit 6 to the Complaint;
9. One (1) Certified Copy of the Assignment of the '844 patent (Rule 210.12(a)(9)(ii)), and copies of the Assignment identified as Exhibit 10 to the Complaint;
10. One (1) Certified Copy of the Assignment of the '604 patent (Rule 210.12(a)(9)(ii)), and copies of the Assignment identified as Exhibit 14 to the Complaint;
11. One (1) Certified Copy of the Assignment of the '258 patent (Rule 210.12(a)(9)(ii)), and copies of the Assignment identified as Exhibit 19 to the Complaint;
12. One (1) Certified and three (3) copies (on CDs) containing Appendix A, which is the U.S. Patent and Trademark Office prosecution history for the '838 patent (Rule 210.12(c)(1));
13. One (1) Certified and three (3) copies (on CDs) containing Appendix B, which is the U.S. Patent and Trademark Office prosecution history for the '844 patent (Rule 210.12(c)(1));
14. One (1) Certified and three (3) copies (on CDs) containing Appendix C, which is the U.S. Patent and Trademark Office prosecution history for the '604 patent (Rule 210.12(c)(1));
15. One (1) Certified and three (3) copies (on CDs) containing Appendix D, which is the U.S. Patent and Trademark Office prosecution history for the '258 patent (Rule 210.12(c)(1));
16. Four (4) copies (on CDs) containing Appendix E, which includes all technical references mentioned in the prosecution history for the '838 patent (Rule 210.12(c)(2));
17. Four (4) copies (on CDs) containing Appendix F, which includes all technical references mentioned in the prosecution history for the '844 patent (Rule 210.12(c)(2));
18. Four (4) copies (on CDs) containing Appendix G, which includes all technical references mentioned in the prosecution history for the '604 patent (Rule 210.12(c)(2));
19. Four (4) copies (on CDs) containing Appendix H, which includes all technical references mentioned in the prosecution history for the '258 patent (Rule 210.12(c)(2));
20. A letter and certification pursuant to Commission Rules 201.6(b) and 210.5(d) requesting confidential treatment of Confidential Exhibits 7, 11, 16, 20 and 29.

The Honorable Marilyn R. Abbott  
January 24, 2011  
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**Weil, Gotshal & Manges LLP**

Thank you for your attention to this matter. Please contact the undersigned if there are any questions pertaining to this submission.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mark G. Davis', with a long horizontal line extending to the right.

Mark G. Davis  
*Counsel for Microsoft Corporation.*

Enclosures

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January 24, 2011

BY HAND

The Honorable Marilyn R. Abbott  
Secretary  
United States International Trade Commission  
500 E Street, S.W., Room 112  
Washington, D.C. 20436

**Re: *In the Matter of Certain Set-Top Boxes, and Hardware and Software Components Thereof***  
***U.S.I.T.C. Inv. No. 337-TA- (Docket No.)***

Dear Secretary Abbott,

In accordance with Commission Rules 201.6 and 210.5, Microsoft requests confidential treatment of the business information contained in Confidential Exhibits 7, 11, 16, 20 and 29.

The information for which confidential treatment is sought is proprietary commercial information not otherwise publicly available. Specifically, these exhibits contain proprietary commercial information concerning Microsoft's business records, trade secrets, processes, sales, licenses, expenditures and other information of commercial value.

The information described above qualifies as confidential business information pursuant to Commission Rule 201.6(a) because:

1. it is not available to the public;
2. unauthorized disclosure of such information could cause substantial harm to the competitive position of Microsoft and/or a third party; and
3. its disclosure could impair the Commission's ability to obtain information necessary to perform its statutory function.

Honorable Secretary Abbott  
January 24, 2011  
Page 2

**Weil, Gotshal & Manges LLP**

If you have any questions, please do not hesitate to contact me at (202) 682-7258.

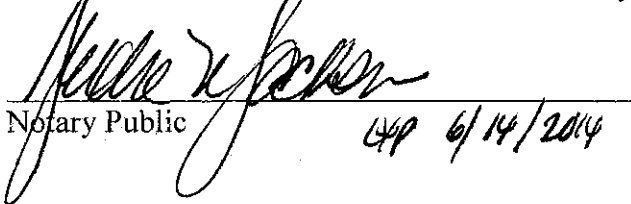
Sincerely,



Mark G. Davis  
*Counsel for Microsoft Corporation*

District of Columbia : SS

Sworn to and subscribed before me this 24th day of January, 2011.



Notary Public

WGP 6/14/2014

UNITED STATES INTERNATIONAL TRADE COMMISSION  
WASHINGTON, D.C.

In the Matter of

**CERTAIN SET-TOP BOXES, AND  
HARDWARE AND SOFTWARE  
COMPONENTS THEREOF**

Investigation No. 337-TA-\_\_\_\_

**COMPLAINT OF MICROSOFT CORPORATION UNDER  
SECTION 337 OF THE TARIFF ACT OF 1930, AS AMENDED**

**COMPLAINANT**

Microsoft Corporation  
One Microsoft Way  
Redmond, WA 98052  
Telephone: (800) 642-7676

**PROPOSED RESPONDENT**

TiVo Inc.  
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Alviso, CA 95002  
Phone: (408) 519-9100

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## Exhibit List

- |            |   |
|------------|---|
| Exhibit 1  | Microsoft Corporation's SEC Form 10-K Report for the Fiscal Year Ending June 30, 2010 |
| Exhibit 2  | TiVo Inc.'s SEC Form 10-Q filed on December 7, 2010                                   |
| Exhibit 3  | TiVo Supplied User Guide for a Representative Example of TiVo Set-Top Box             |
| Exhibit 4  | Mediaroom Information   |
| Exhibit 5  | Certified Copy of U.S. Patent No. 5,585,838   |
| Exhibit 6  | Certified Copy of Assignment Records for U.S. Patent No. 5,585,838                    |
| Exhibit 7  | <b>Confidential</b> Information Regarding Licensees under U.S. Patent No. 5,585,838   |
| Exhibit 8  | Claim Chart Demonstrating Infringement of U.S. Patent No. 5,585,838                   |
| Exhibit 9  | Certified Copy of U.S. Patent No. 5,731,844   |
| Exhibit 10 | Certified Copy of the Assignment Records for U.S. Patent No. 5,731,844                |
| Exhibit 11 | <b>Confidential</b> Information Regarding Licensees Under U.S. Patent No. 5,731,844   |
| Exhibit 12 | Claim Chart Demonstrating Infringement of U.S. Patent No. 5,731,844                   |
| Exhibit 13 | Certified Copy of U.S. Patent No. 6,028,604   |
| Exhibit 14 | Certified Copy of the Assignment Records for U.S. Patent No. 6,028,604                |
| Exhibit 15 | Listing of Foreign Patents and Patent Applications Corresponding to Asserted Patents  |
| Exhibit 16 | <b>Confidential</b> Information Regarding Licensees under U.S. Patent No. 6,028,604   |
| Exhibit 17 | Claim Chart Demonstrating Infringement of U.S. Patent No. 6,028,604                   |
| Exhibit 18 | Certified Copy of U.S. Patent No. 5,758,258   |
| Exhibit 19 | Certified Copy of the Assignment Records for U.S. Patent No. 5,758,258                |
| Exhibit 20 | <b>Confidential</b> Information Regarding Licensees under U.S. Patent No.             |



5,758,258

- Exhibit 21 Claim Chart Demonstrating Infringement of U.S. Patent No. 5,758,258
- Exhibit 22 Purchase Receipt for Purchase of TiVo's "Premiere XL" Product in the United States
- Exhibit 23 Photo of Purchased TiVo "Premiere XL" Product and Packaging
- Exhibit 24 Photo of Purchased TiVo "Premiere XL" Product Packaging Markings
- Exhibit 25 Domestic Industry Claim Chart for U.S. Patent No. 5,858,838
- Exhibit 26 Domestic Industry Claim Chart for U.S. Patent No. 5,731,844
- Exhibit 27 Domestic Industry Claim Chart for U.S. Patent No. 6,028,604
- Exhibit 28 Domestic Industry Claim Chart for U.S. Patent No. 5,758,258
- Exhibit 29 ***Confidential*** Declaration of Robert Togie

## Appendices

- A. Certified copy of U.S. Patent No. 5,585,838 prosecution history
- B. Certified copy of U.S. Patent No. 5,731,844 prosecution history
- C. Certified copy of U.S. Patent No. 6,028,604 prosecution history
- D. Certified copy of U.S. Patent No. 5,758,258 prosecution history
- E. Technical references for U.S. Patent No. 5,585,838
- F. Technical references for U.S. Patent No. 5,731,844
- G. Technical references for U.S. Patent No. 6,028,604
- H. Technical references for U.S. Patent No. 5,758,258

## **Physical Exhibits**

- 1 Tivo Premiere XL
- 2 AT&T U-verse

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## **I. INTRODUCTION**

1. Microsoft Corporation ("Microsoft") requests the United States International Trade Commission (the "Commission") institute an investigation into violations of section 337 of the Tariff Act of 1930, as amended and codified at 19 U.S.C. § 1337.

2. The violations that should be investigated include proposed respondent TiVo Inc.'s ("TiVo's") importation into the United States, sale for importation into the United States, and/or sale within the United States after importation of certain set-top boxes known as digital video recorders ("DVRs") and associated software and hardware thereof as detailed below. The accused products infringe one or more claims of U.S. Patent Nos. 5,585,838 ("the '838 patent"), 5,731,844 ("the '844 patent"), 6,028,604 ("the '604 patent"), and 5,758,258 ("the '258 patent"), (collectively, the "Microsoft Patents"). The Microsoft Patents are valid and enforceable United States Patents, the entire right, title and interest in and to which Microsoft owns by assignment.

3. The '838 patent discloses systems and methods for providing an electronic program guide. On information and belief, TiVo infringes at least claims 1 and 13 of the '838 patent. The '844 patent discloses computer systems and methods for providing a user with efficient selection of a television program or other content to view or record. On information and belief, TiVo infringes at least claims 1, 7, 11-15, and 21 of the '844 patent. The '604 patent discloses graphical user interfaces and operating environments for controlling a computer through limited input devices such as remote controls. On information and belief, TiVo infringes at least claims 1, 2, 7-9, 14-16, and 19 of the '604 patent. The '258 patent discloses systems and methods for associating viewing restrictions with identifiable viewer classes in an interactive viewing environment. On information and belief, TiVo infringes at least claims 1, 2, 3, 6, and 7 of the '258 patent.

4. Microsoft seeks an order excluding TiVo's infringing set-top boxes and associated software and hardware from entry into the United States and a cease and desist order or orders halting the domestic sale of infringing, imported set-top boxes and associated software and hardware.

## **II. THE PARTIES**

### **A. Complainant**

5. Complainant Microsoft Corporation ("Microsoft") is a Washington corporation with a principal place of business at One Microsoft Way, Redmond, Washington 98052.

6. Founded in 1975, Microsoft is a leader in creating and providing computer software, services and solutions for businesses and consumers. Microsoft has offices located across the United States and in more than 100 countries. Microsoft generates revenue by developing and licensing many types of software for use on a wide range of computing devices (among other revenue-generating activities). Microsoft's software products include operating systems for servers, personal computers, set-top boxes and other intelligent devices; server applications for distributed computing systems; business, entertainment, and communications applications; software development tools; software for automotive and navigational settings; and Internet searching software. For fiscal years 2008 through 2010, Microsoft earned revenue in the United States exceeding \$180 billion. (Exhibit 1, Microsoft 2010 Form 10-K at 23.)

7. A significant part of Microsoft's business is the development, licensing and distribution of software for multimedia content delivery and entertainment. Microsoft's Mediaroom is a software platform that permits TV and video service providers to deliver enhanced entertainment content and applications to their subscribers. Mediaroom software runs on set-top boxes connected to subscribers' TVs as well as the server equipment that TV and

video service providers use to provide programming, video-on-demand, broadband Internet connectivity and other content and/or services to subscribers.

8. Microsoft's patent portfolio includes more than 25,000 issued U.S. patents and pending applications. Microsoft's continued success depends in significant part on its ability to establish, maintain and protect the technology it has created, which in turn requires and includes the enforcement of Microsoft's patent rights.

9. Microsoft uses the technologies covered by the Microsoft Patents in the United States, as described in Section VIII below. In connection with the use of these technologies, Microsoft has made significant investments in the United States in facilities, equipment, labor, and capital, also as described in Section VIII below.

**B. Proposed Respondent**

10. The proposed respondent is TiVo Inc. ("TiVo"), a Delaware corporation with a principal place of business at 2160 Gold Street, Alviso, CA.

11. TiVo holds itself out as a leading provider of "technology and services for advanced television solutions" including for digital video recorders (DVRs). (See SEC TiVo Form 10-Q filed on December 7, 2010, p. 22, attached as Exhibit 2.) TiVo sells and distributes infringing DVR set-top boxes and associated software in the United States through consumer electronic retailers and through TiVo's on-line Internet store at <http://www.tivo.com>. (*Id.*)

12. On information and belief, TiVo's infringing DVR set-top boxes are manufactured and assembled outside the United States, primarily in Mexico, and are imported into the United States for sale here. TiVo provides directions to end users of its products and services, instructing them how to use TiVo's infringing DVR set-top boxes and associated software to practice methods that are covered by the Microsoft Patents. (Exhibit 3 is a copy of an owner's manual supplied by TiVo with one of its infringing set-top boxes.)

### **III. THE PRODUCTS AT ISSUE**

13. The products at issue are set-top boxes and their associated hardware and software components. Microsoft is informed and believes that TiVo is importing into the United States, selling for importation into the United States, and/or selling within the United States after importation the following infringing set-top boxes identified or associated with at least the following model names: TiVo Premiere, TiVo Premiere XL, TiVo HD, and TiVo HD XL. Microsoft reserves the right to identify additional infringing products during or after discovery.

14. Contemporary set-top boxes are electronic computing devices that connect to a television and one or more external signal sources such as satellite TV, cable TV, analog broadcast TV, or content streamed over the Internet. A set-top box processes signals so that the transmitted content can be displayed on a connected TV. When equipped with a storage device such as a hard disk drive, a set top box also may record and store content for later play back.

15. Set-top boxes typically are connected for two-way communication with servers maintained by service providers to whom the user (subscriber) of the set-top box may pay a fee. Downstream signals (*i.e.*, signals sent to the set-top box) can include programming content, scheduling information about upcoming shows or listings of available on-demand movies or programs, software updates for the set-top box, and various operating commands or maintenance messages that the service provider uses to provide and control system access. Upstream signals (*i.e.*, signals sent from the set-top box to an interconnected server) may include such things as requests for access to video-on-demand content, and information used to identify or authenticate the set-top box or the subscriber to the service providers' systems.

16. TiVo's branded set-top boxes are marketed and sold directly to end users who connect them to TVs or entertainment systems in their homes. For the TiVo set-top boxes to operate with full functionality, an end user must connect the set-top box to TiVo's servers (*e.g.*,



via a broad-band internet connection) and subscribe to TiVo's service. On information and belief, TiVo has approximately 1.3 million subscribers using a TiVo-branded set-top box and associated software under a direct subscription agreement with TiVo. (Ex. 2, p.25).

17. On information and belief, other set-top boxes with software licensed and/or provided by TiVo are distributed in the United States by TV service providers whose subscribers are permitted to connect their set-top boxes to TiVo's servers in order to receive TiVo's service. (See Ex. 2, pp. 21-22.)

18. The TiVo set-top boxes provide various ways in which to receive signal content from the Internet, cable TV, broadcast TV and other sources. The TiVo set-top boxes provide users with an electronic program guide and interface to navigate and select live TV programs and other content or applications; the ability to obtain video-on-demand from the Internet and from providers such as Netflix, Amazon.com, and Blockbuster; the ability to switch between video-on-demand and live TV; and the ability to receive, record and schedule the recording of live TV programs.

19. A copy of the user guide for a representative example of TiVo's set-top boxes is attached as Exhibit 3 to this Complaint.

20. Microsoft's Mediaroom platform includes client software that runs on set-top boxes so that subscribers may interact with and use set-top boxes connected to content provider systems. Set-top boxes powered by Mediaroom software provide users with an electronic program guide and interface to navigate and select live TV programs and other content or applications, the ability to obtain video-on-demand content, the ability to switch between video-on-demand and live TV, as well as the ability to receive, record and schedule the recording of live TV programs.

21. A copy of product information for Mediaroom is attached to this Complaint as Exhibit 4.

22. Microsoft believes that set-top boxes are assigned Harmonized Tariff Schedule of the United States Item No. 8525.50.1000.

#### **IV. THE MICROSOFT PATENTS AT ISSUE**

##### **A. U.S. Patent No. 5,585,838**

##### **i) Patent identification and ownership by Microsoft**

23. Microsoft owns by assignment all the right, title and interest in and to U.S. Patent No. 5,585,838 (“the ’838 patent”) entitled “Program Time Guide.” The ’838 patent issued on December 17, 1996, based on Application No. 08/435,968 filed on May 5, 1995 by inventors Frank A. Lawler and Joseph H. Mathews, III. A certified copy of the patent is attached as Exhibit 5.

24. As indicated on the cover of the ’838 patent, the named inventors assigned all rights in their invention to Microsoft. A certified copy of the assignment records, as duly filed with the United States Patent and Trademark Office, is attached as Exhibit 6.

25. Accompanying this complaint as Appendix A is a certified copy and three additional copies of the prosecution history of the ’838 patent. Appendix E includes copies of each patent and technical reference mentioned in the prosecution history of the ’838 patent.

26. The foreign counter-part information for the Microsoft Patents is attached as Exhibit 15. Microsoft owns all right, title, and interest to each of these foreign counterparts. Microsoft is aware of no other foreign counterparts or foreign counterpart applications corresponding to the Microsoft Patents that have been issued, abandoned, denied, or which remain pending.

27. A confidential listing of information regarding licensees under the '838 patent is attached as *Confidential* Exhibit 7.

**ii) Non-technical description of the patented invention<sup>1</sup>**

28. The '838 patent generally relates to an electronic program guide that enables a user to view program schedule information.

29. The '838 patent has twenty-one claims: four independent claims and seventeen dependent claims.

30. The '838 patent generally discloses, for example, storing some program schedule information at a user's set-top box and retrieving additional program schedule information that is stored at a server (e.g., a "head end"). When the user desires to see the additional program schedule information, the set-top box retrieves the additional program schedule information from the server for display. The invention of the '838 patent is commonly employed by set-top boxes today by allowing users to quickly and effectively retrieve a vast amount of programming information without requiring extraordinary storage at the users' set-top boxes.

31. Attached as Exhibit 8 is a claim chart that applies claims 1 and 13 of the '838 patent to TiVo's set-top boxes and associated software.

**B. U.S. Patent No. 5,731,844**

**i) Patent identification and ownership by Microsoft**

32. Microsoft owns by assignment all the right, title and interest in and to U.S. Patent No. 5,731,844 ("the '844 patent") entitled "Television Scheduling System for Displaying a Grid Representing Scheduled Layout and Selecting a Programming Parameter for Displaying or Recording." The '844 patent issued on March 24, 1998, based on Application No. 08/713,588

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<sup>1</sup> The text in the non-technical description does not, and is not intended to, construe either the patent disclosures or the claims of any of the referenced Microsoft Patents.

filed on August 13, 1996 by inventors Adam Christopher Rauch, Gregory Riker, Nathan Paul Myhrvold, and Edwin Thorne, III. A certified copy of the '844 patent is attached as Exhibit 9.

33. As indicated on the cover of the '844 patent, the named inventors assigned all rights in their invention to Microsoft. A copy of the assignment records for the '844 patent is attached as Exhibit 10.

34. Accompanying this complaint as Appendix B is a certified copy and three additional copies of the prosecution history of the '844 patent. Appendix F includes copies of each patent and technical reference mentioned in the prosecution history of the '844 patent.

35. The foreign counter-part information for the Microsoft Patents is attached as Exhibit 15. Microsoft owns all right, title, and interest to each of these foreign counterparts. Microsoft is aware of no other foreign counterparts or foreign counterpart applications corresponding to the Microsoft Patents that have been issued, abandoned, denied, or which remain pending.

36. A listing of information regarding licensees under the '844 patent is attached as *Confidential* Exhibit 11.

**ii) Non-technical description of the patented invention<sup>2</sup>**

37. The '844 patent is generally directed to a computer system and method for providing a user with efficient selection of a television program or other content to view or record.

38. The '844 patent has thirty-four claims: six independent claims and twenty-eight dependent claims.

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<sup>2</sup> The text in the non-technical description does not, and is not intended to, construe either the patent disclosures or the claims of any of the referenced Microsoft Patents.

39. Before the invention in the '844 patent, the display of a television schedule and the interface for the user to select a program for viewing were cumbersome and time-consuming, often requiring the user to navigate to and away from display windows with information about a program. Such display windows obscured the schedule information and impeded rapid consideration of possible viewing options.

40. The '844 patent generally discloses, for example, a system in which a computer connected to a television and a content source such as a cable provider receives information about programs. The program information is laid out in the form of a schedule, listing program names, dates and times. The schedule is concurrently displayed with textual and graphic information about the user's current selection so that the user can rapidly and perceptively consider and select programs for viewing. The invention of the '844 patent is commonly implemented by set-top boxes in order to overcome the cumbersome and time-consuming program search that needed to be implemented prior to the invention.

41. Attached as Exhibit 12 is a claim chart that applies claims 1 and 21 of the '844 patent to TiVo set-top boxes and associated software.

**C. U.S. Patent No. 6,028,604**

**i) Patent identification and ownership by Microsoft**

42. Microsoft owns by assignment all the right, title and interest in and to U.S. Patent No. 6,028,604 ("the '604 patent") entitled "User Friendly Remote System Interface Providing Previews of Applications." The '604 patent issued on February 22, 2000, based on Application No. 08/917,739 filed on August 27, 1997, by inventors Joseph Matthews, III, David Wm. Plummer, and David A. Barnes. A certified copy of the patent is attached as Exhibit 13.

43. As indicated on the cover of the '604 patent, the named inventors assigned all rights in their invention to Microsoft. A certified copy of the assignment records, as duly filed with the United States Patent and Trademark Office, is attached as Exhibit 14.

44. Accompanying this complaint as Appendix C is a certified copy and three additional copies of the prosecution history of the '604 patent. Appendix G includes copies of each patent and technical reference mentioned in the prosecution history of the '604 patent.

45. The foreign counter-part information for the Microsoft Patents is attached as Exhibit 15. Microsoft owns all right, title, and interest to each of these foreign counterparts. Microsoft is aware of no other foreign counterparts or foreign counterpart applications corresponding to the Microsoft Patents that have been issued, abandoned, denied, or which remain pending.

46. A listing of information regarding licensees under the '604 patent is attached as *Confidential* Exhibit 16.

**ii) Non-technical description of the patented invention<sup>3</sup>**

47. The '604 patent generally relates to graphical user interfaces and operating environments for controlling a computer through limited input devices such as a remote control.

48. The '604 patent has twenty-one claims: three independent claims and eighteen dependent claims.

49. The '604 patent generally discloses systems and methods that associate descriptions of menu options along with the options. The user is provided with a way to indicate possible selection of an option and is presented with descriptive information of a possible

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<sup>3</sup> The text in the above non-technical description does not, and is not intended to, construe either the patent disclosures or the claims of any of the referenced Microsoft Patents.

selection to inform and aid the actual selection process. This type of system creates a user-friendly atmosphere where by a user can quickly navigate set-top box menu screens and know the function that will be executed if a user selects a particular option.

50. Attached as Exhibit 17 is a claim chart that applies claims 1, 8, and 15 of the '604 patent to TiVo set-top boxes and associated software.

**D. U.S. Patent No. 5,658,258**

**i) Patent identification and ownership by Microsoft**

51. Microsoft owns by assignment all the right, title and interest in and to U.S. Patent No. 5,658,258 ("the '258 patent") entitled "Selective Delivery of Programming for Interactive Televideo System." The '258 patent issued on May 26, 1998, based on Application No. 08/517,939 filed on August 21, 1995, by inventors Daniel J. Shoff and Joseph H. Matthews, III. A certified copy of the patent is attached as Exhibit 18.

52. As indicated on the cover of the '258 patent, the named inventors assigned all rights in their invention to Microsoft. A certified copy of the assignment records, as duly filed with the United States Patent and Trademark Office, is attached as Exhibit 19.

53. Accompanying this complaint as Appendix D is a certified copy and three additional copies of the prosecution history of the '258 patent. Appendix H includes copies of each patent and technical reference mentioned in the prosecution history of the '258 patent.

54. The foreign counter-part information for the Microsoft Patents is attached as Exhibit 15. Microsoft owns all right, title, and interest to each of these foreign counterparts. Microsoft is aware of no other foreign counterparts or foreign counterpart applications corresponding to the Microsoft Patents that have been issued, abandoned, denied, or which remain pending.

55. A listing of information regarding licensees under the '258 patent is attached as *Confidential* Exhibit 20.

ii) **Non-technical description of the patented invention**<sup>4</sup>

56. The '258 patent generally relates to associating TV programs with varying viewing levels to assist in creating a more family-friendly interactive television viewing environment.

57. The '258 patent has sixteen claims: four independent claims and twelve dependent claims.

58. The '258 patent generally discloses systems and methods for associating viewing restrictions with identifiable viewer classes in an interactive viewing environment. Users of the set-top boxes have an opportunity to restrict and/or authorize certain viewing groups from viewing certain program categories. For example, parents may determine that they want to prohibit their children from viewing television programs with a "TV-MA" rating. The '258 invention describes this functionality.

59. Attached as Exhibit 21 is a claim chart that applies claims 1 and 7 of the '258 patent to TiVo set-top boxes and associated software.

**V. UNFAIR ACTS OF RESPONDENT TIVO – PATENT INFRINGEMENT**

60. On information and belief, TiVo manufactures abroad, sells for importation into the United States, imports into the United States, and/or sells within the United States after importation, set-top boxes and associated software that infringe one or more of the Microsoft Patents.

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<sup>4</sup> The text in the above non-technical description does not, and is not intended to, construe either the patent disclosures or the claims of any of the referenced Microsoft Patents.



61. TiVo directly infringes and/or indirectly infringes the Microsoft Patents by making, using, selling, offering for sale, and importing the articles claimed by, or practicing the claimed methods of, the Microsoft Patents. Moreover, TiVo is aware of the Microsoft Patents, at least because TiVo was provided with a copy of this Complaint upon its filing. TiVo indirectly infringes the Asserted Patents, at least upon receipt of this Complaint, by contributing to and/or inducing the infringement of these patents by end users of its products.

**A. The '838 Patent**

62. On information and belief, TiVo's set-top boxes and associated software infringe at least claims 1 and 13 of the '838 patent. Additionally, on information and belief, TiVo is aware of the '838 patent. On information and belief, TiVo knowingly induces users of its set-top boxes and associated software to infringe at least claims 1 and 13 of the '838 patent. Further, on information and belief, TiVo contributes to the infringement of at least claims 1 and 13 of the '838 patent because its set-top boxes and associated software are made for use in infringement of these claims and are not staple articles of commerce suitable for substantial noninfringing use. Exemplary claim charts comparing each asserted independent claim of the '838 patent to the representative TiVo Premiere XL and TiVo HD XL set-top boxes are attached as Exhibit 8.

**B. The '844 Patent**

63. On information and belief, TiVo's set-top boxes and associated software infringe at least claims 1, 7, 11-15, and 21 of the '844 patent. Additionally, on information and belief, TiVo is aware of the '844 patent. On information and belief, TiVo knowingly induces users of its set-top boxes and associated software to infringe at least claims 1, 7, 11-15, and 21 of the '844 patent. Further, on information and belief, TiVo contributes to the infringement of at least claims 1, 7, 11-15, and 21 of the '844 patent because its set-top boxes and associated software are made for use in infringement of these claims and are not staple articles of commerce suitable

for substantial noninfringing use. Exemplary claim charts comparing each asserted independent claim of the '844 patent to the representative TiVo Premiere XL and TiVo HD XL set-top boxes are attached as Exhibit 12.

**C. The '604 Patent**

64. On information and belief, TiVo's set-top boxes and associated software infringe at least claims 1, 2, 7-9, 14-16, and 19 of the '604 patent. Additionally, on information and belief, TiVo is aware of the '604 patent. On information and belief, TiVo knowingly induces users of its set-top boxes and associated software to infringe at least claims 1, 2, 7-9, 14-16, and 19 of the '604 patent. Further, on information and belief, TiVo contributes to the infringement of at least claims 1, 2, 7-9, 14-16, and 19 of the '604 patent because its set-top boxes and associated software are made for use in infringement of these claims and are not staple articles of commerce suitable for substantial noninfringing use. Exemplary claim charts comparing each asserted independent claim of the '604 patent to the representative TiVo Premiere XL and TiVo HD XL set-top boxes are attached as Exhibit 17.

**D. The '258 Patent**

65. On information and belief, TiVo's set-top boxes and associated software infringe at least claims 1, 2, 3, 6, and 7 of the '258 patent. Additionally, on information and belief, TiVo is aware of the '258 patent. On information and belief, TiVo knowingly induces users of its set-top boxes and associated software to infringe at least claims 1, 2, 3, 6, and 7 of the '258 patent. Further, on information and belief, TiVo contributes to the infringement of at least claims 1, 2, 3, 6, and 7 of the '258 patent because its set-top boxes and associated software are made for use in infringement of these claims and are not staple articles of commerce suitable for substantial noninfringing use. Exemplary claim charts comparing each asserted independent claim of the

'258 patent to the representative TiVo Premiere XL and TiVo HD XL set-top boxes are attached as Exhibit 21.

## **VI. SPECIFIC INSTANCES OF UNFAIR IMPORTATION AND SALE**

66. Proposed Respondent TiVo's set-top boxes are imported into the United States from overseas, as evidenced by TiVo products recently purchased in the United States.

67. Exhibit 22 is a receipt reflecting the purchase of a TiVo Premiere XL set-top box obtained from a Best Buy store located in Washington, D.C. on January 19, 2011. The receipt includes the model number of the purchased TiVo set top box: TCD74800.

68. Exhibit 23 is a photo of the TiVo set-top box purchased in Washington from a Best Buy store on January 19 and its shipping box. As the photo shows, the shipping box is labeled "TiVo Premiere XL" and the TiVo set-top box depicts the model number TCD74800.

69. Exhibit 24 is a photo of the January 19 purchased TiVo set-top box packaging markings. The photo shows that the model number displayed on the TiVo packaging is TCD74800, which matches the number on the receipt and the product. The photo also shows that the packaging box bears the label "Made in Mexico."

70. As shown by the receipt and product packaging photographs, the purchased TiVo set-top box was imported prior to purchase in the United States. On information and belief, all accused TiVo set-top boxes are similarly imported in violation of Section 337.

71. Additionally, in TiVo's most recent Form 10-K filed with the U.S. Securities and Exchange Commission and dated January 31, 2010, on page 10, under the subheading "Manufacturing and Supply Chain," TiVo states: "Today the majority of our products are assembled in Mexico. Our primary distribution center is operated on an outsourced basis in

Texas.” This is further evidence that TiVo’s products are imported from outside the United States.

72. The TiVo Premiere XL set-top box, in its packaging, is submitted as Physical Exhibit 1.

**VII. HARMONIZED TARIFF SCHEDULE ITEM NUMBERS**

73. On information and belief, the Accused Products fall within at least the following classification of the Harmonized Tariff Schedule (“HTS”) of the United States: 8525.50.1000. The HTS number is intended to be for illustration only and is not exclusive of the products accused of infringement by Microsoft. The HTS number is not intended to limit the scope of the investigation.

**VIII. DOMESTIC INDUSTRY**

74. A domestic industry exists, as defined under 19 U.S.C. § 1337(a)(3)(A), (B), and (C), comprising significant investments in physical operations, employment of labor and capital, and exploitation of the Microsoft Patents.

**A. United States Investments in the Domestic Industry**

75. As shown below, Microsoft makes extensive use of the inventions claimed in the Microsoft Patents in its Mediaroom product/software. Microsoft licenses its Mediaroom software platform to AT&T subsidiaries, which use the software in connection with the U-verse subscriber service. AT&T’s U-verse service provides cable TV service, broadband internet access, and phone service to subscribing end users. Subscribers are provided with set-top boxes that run Mediaroom software. In the use of those set-top boxes to obtain U-verse service, the Microsoft Patents are practiced.

76. Microsoft has made significant investment in plant and equipment in the United States with respect to the Microsoft Mediaroom software. Microsoft's headquarters are located in Redmond, Washington. (Exhibit 1, Microsoft 2010 Form 10-K at 1.) As of June 30, 2010<sup>5</sup> Microsoft owned approximately 15 million square feet of office space in King County, Washington alone. (*Id.* at 20.) Microsoft also has a development agreement with the city of Redmond under which it may develop approximately 1.6 million square feet of additional office space to its Redmond corporate campus. (*Id.*) A significant portion of this plant and equipment is devoted strictly to Microsoft Mediaroom. (*See Confidential* Exhibit 29, Togie Decl. ¶ 4.)

77. Microsoft is one of the world's largest computer science research organizations, does research and development at its vast offices in Redmond, and also owns and operates research and development facilities in other parts of the United States. (*Id.* at 10.) Substantial research, development, design, engineering, and testing of Microsoft products is done by Microsoft employees using or working within Microsoft's facilities in the United States. This includes substantial research and development for Microsoft Mediaroom. (*See Confidential* Exhibit 29, Togie Decl. ¶ 5.)

78. Microsoft has been and is engaged in employment of labor in the United States. As of June 30, 2010, Microsoft had approximately 54,000 full-time employees in the United States (*Id.* at 10.) A significant portion of these domestic employees are devoted strictly to the research, development, engineering, and design associated with Mediaroom. (*See Confidential* Exhibit 29, Togie Decl. ¶ 6.)

79. Additional confidential business information regarding Microsoft's investments in plant, equipment, labor, and R&D related to Mediaroom is set forth in the Declaration of Robert

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<sup>5</sup> Microsoft's fiscal year ended June 30. Unless otherwise stated, all information presented is based on Microsoft's fiscal calendar. (*See* Exhibit 1, Microsoft 2010 Form 10-K at 10.)

Togie, Microsoft's Finance Director in the Media Platforms Business, attached as *Confidential* Exhibit 29.

80. Microsoft's investments in the relevant domestic industry are continuing and ongoing.

**B. Microsoft's Practice of the Asserted Patents**

81. Microsoft makes extensive use of the Asserted Patents in Microsoft Mediaroom software. As noted above, Microsoft currently provides the Microsoft Mediaroom software to AT&T for use in AT&T's U-verse cable TV set-top boxes. Microsoft Mediaroom practices each of the Microsoft Patents. The financial information for Microsoft Mediaroom is identified above and in the confidential declaration of Robert Togie. (*Confidential* Exhibit 29).

82. An exemplary claim chart comparing Microsoft Mediaroom to a representative claim of the '838 patent is attached as Exhibit 25.

83. An exemplary claim chart comparing Microsoft Mediaroom to a representative claim of the '844 patent is attached as Exhibit 26.

84. An exemplary claim chart comparing Microsoft Mediaroom to a representative claim of the '604 patent is attached as Exhibit 27.

85. An exemplary claim chart comparing Microsoft Mediaroom to a representative claim of the '258 patent is attached as Exhibit 28.

86. An AT&T U-verse set-top box, in its packaging, is submitted as Physical Exhibit 2.

## **IX. RELATED LITIGATION**

### **A. Pending Litigation Between Microsoft and TiVo**

87. Microsoft is currently an intervenor in a lawsuit filed by TiVo in the Eastern District of Texas. In that case, TiVo has alleged patent infringement against, among others, AT&T. The case is *TiVo, Inc. v. AT&T, Inc., et. al* (Case No. 2:09-CV-259-DF).

88. Microsoft has also filed a patent infringement complaint against TiVo in the Northern District of California. The case is *Microsoft Corp. v. Tivo, Inc.* (Case No. 5:10-cv-00240-LHK (PSG)).

### **B. Litigation Relating to the Asserted Patents**

89. Concurrently with the filing of this complaint, Microsoft will file a civil action in the U.S. District Court for the Western District of Washington accusing TiVo of infringing the '838 patent, the '844 patent, the '604 patent, and the '258 patent.

90. A foreign counterpart to the '844 patent is currently the subject of a German Opposition Proceeding.

91. The '258 patent was asserted in counterclaims by Microsoft in two patent infringement disputes between Microsoft and Alcatel in the Eastern District of Texas. The cases are *Alcatel USA Resources, Inc. v. Microsoft Corporation*, (Case Nos. 6:06-CV-499 and 6:06-CV-500). The parties have since settled these disputes.

## **X. RELIEF REQUESTED**

WHEREFORE, by reason of the foregoing, Microsoft Corporation requests that the United States International Trade Commission:

(a) institute an immediate investigation pursuant to section 337 of the Tariff Act of 1930, as amended, with respect to violations of that section based upon the importation into the United States, the sale for importation, or the sale within the United States after importation by

TiVo Inc. of set-top boxes and associated hardware and software thereof that infringe valid and enforceable United States Patent Nos. 5,585,838, 5,731,844, 6,028,604, and 5,758,258;

(b) schedule and conduct a hearing on said unlawful acts;

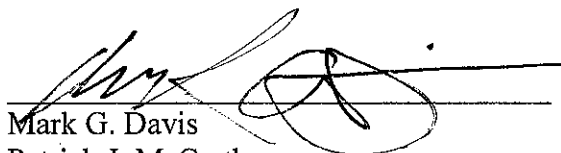
(c) following said hearing, issue a permanent exclusion order excluding entry into the United States of set-top boxes and hardware and software components thereof that infringe said patents;

(d) issue permanent cease and desist orders prohibiting respondent from selling in the United States any set-top boxes and hardware and software components thereof that infringe said patents; and

(e) issue such other and further relief as the Commission deems just and proper based on the facts determined by the investigation and the authority of the Commission.

Dated: January 24, 2011

Respectfully Submitted,



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Corporation*

VERIFICATION

I, James A. Baldwin, declare, in accordance with 19 C.F.R. §§ 210.4 and 210.12(a), under penalty of perjury, that the following statements are true:

1. I, James A. Baldwin, am the Chief Technology Officer for the TV, Video & Music Business at Microsoft Corporation, and am duly authorized to sign this Complaint on behalf of Microsoft Corporation;

2. I have read the foregoing Complaint;

3. To the best of my knowledge, information and belief, based upon reasonable inquiry, the foregoing Complaint is well-founded in fact and is warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law;

4. The allegations or other factual contentions have either evidentiary support or are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and

5. The foregoing Complaint is not being filed for any improper purpose, such as to harass or cause unnecessary delay or needless increase in the cost of litigation.

Executed on 21 January, 2011.

  
\_\_\_\_\_  
James A. Baldwin, Chief Technology Officer for  
the TV, Video & Music Business  
Microsoft Corporation