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What the Industry Reads First

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High Flying: TiVo Shares Jump on Initial ITC Ruling

TiVo shares soared Tuesday on positive news from the **International Trade Commission** regarding its patent dispute with Comcast and others. In an **SEC** filing Tuesday, TiVo said it received the final initial determination issued by the ITC's administrative law judge, which concludes **Comcast** violated two patents. The dispute also includes **Arris** and **Technicolor**. The ITC said the other four patents asserted by TiVo were found to have no violations at this point. However, the company has said it just needs one win to get an importation embargo on Comcast boxes with X1 software. TiVo shares closed up 14% on Tuesday. Comcast declined to comment on the ruling, with the ITC expected to issue a final ruling in the coming months. For now, the initial determination is confidential, but a public version of it should be available within 30 days. Just last week, TiVo execs were expressing confidence at an investor conference that they would prevail in the spat. TiVo currently has the ITC action as well as two district court cases pending over Comcast licensing. At **J.P. Morgan's** Global Technology, Media and Telecom Conference last week, TiVo CEO *Tom Carson* and CFO *Peter Halt* repeatedly circled back to Comcast as they talked about opportunities going forward and the IP licensing space. The company considers itself half product, half IP, according to Halt. TiVo was bought last year by **Rovi** for its product business. The IP side of the equation, however, puts the company at odds with Comcast as the once-licensed company has refused to renew its contract. TiVo has said the issue has less to do with the license itself and is more about the economics of the license, as it believes Comcast is infringing on its patent rights without a contract renewal. When asked if the ITC judgment will be the "end-all be-all," Carson emphasized that it isn't. "This is one step along the way. At this point it's going to be very hard for Comcast, I think, to convince a jury to say that they don't need a license. One because they had a license before for 12 years. Two, everybody else in the US is licensed including the biggest company, which is **AT&T**—and **DISH**, who's also a very material player here. So, it's going to be very hard for them to say they don't need a license." TiVo said the company will continue the legal process until Comcast takes a license, but it's hoping to go from legal to commercial conversations. TiVo's been chock-full of news recently, announcing last week that pres/CEO Carson will retire after 11 years with the company and its predecessors. A search for his replacement is underway. TiVo's also facing litigation with **Hulu**, with the streaming service asking the courts to declare



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that it doesn't need to renew an expiring licensing agreement with the company.

Stick with Cable: While the pay TV industry lost a total of 700K video subs in 1Q, it's worth remembering that cable only lost 145K, a **Telsey Advisory Group** research note headlined "Cable: Best Performer. Best Positioned" opined on Tuesday. The analysts dubbed **Altice USA**, with its pending IPO, essentially the new **Charter**. "We would not be surprised to see CHTR investors migrate to ATUS. With its new currency, we expect ATUS will be active in system consolidation: the **Cox** and **Mediacom** systems are likely targets," they wrote. Separately, **Moody's** raised its outlook on the rating of Altice USA parent **Altice International** from "negative" to "stable." The rating agency cited the company's improved revenue outlook and margin growth due to cost savings efforts in Portugal for the boost, as well as its fiber rollout and strong performance in Israel and the Dominican Republic.

Up Close and Personal: **Fox Sports** will make Saturday's **UEFA** Champions League final between Real Madrid and Juventus available in VR in conjunction with tech firm **LiveLike**. The stream will feature multiple camera angles, as well as statistics and pregame VOD features. Fans can access the VR experience via the Fox Sports VR app with authenticated sign-in. Fox has offered more than a dozen sporting events in VR over the past year.

No Emergency: The **FCC** and **TEGNA** agreed to a \$55K settlement for the use of false Emergency Alert System tones by its Jacksonville-based station, **WTLV**. Cable nets have previously been on the receiving end of similar fines for using false EAS tones. WTLV last August aired an ad for the **NFL's** Jacksonville Jaguars on four occasions that contained simulated EAS tones. The spot also contained a voiceover urging viewers that "this is not a test" and to "seek shelter." TEGNA has agreed to pay the fine and will implement a compliance and reporting plan going forward.

To Infinity: **Cisco** launched its 'infinite broadband' remote PHY solutions (RPHY) for cable access networks. The solution is meant for cable operators who are looking to meet the broadband needs of customers who want support for new applications like OTT streaming video and 5G mobile backhaul. RPHY allows for a reduction of power, cooling and hub site sizing, to provide total cost of ownership benefits. It is the foundation for Cisco's virtualization and Full Duplex DOCSIS strategy. Cisco's RPHY solution is based on open, standardized software and has been shipping to customers in a number of countries since April.

Nielsen Universe Estimates: In what's become the norm, the latest **Nielsen** Universe estimates have the network universe declining again. **Pivotal Research's** *Brian Wieser* writes that excluding distribution through virtual MVPDs, the median cable network entity tracked lost 2.9% of its subs despite an estimated 1.7% growth rate for total TV households for the month. He offers a glimmer of hope, noting that data related to VMPVDs should be included in the coming months and will likely make median cable network growth rates slightly less negative.

Programming: **Fox News** on Sunday will debut "The Next Revolution," a one-hour talk show hosted by *Steve Hilton*, at 9pm ET. Hilton, who joined the net in 2016 and previously served as an advisor to UK prime minister *David Cameron*, will focus on the impact of the populist movement in the US and beyond. -- The third annual Sports Humanitarian Awards, sponsored by **ESPN** and **Bristol-Myers Squibb**, will take July 11 in LA. ESPN will air a one-hour special at 7pm ET on July 25 featuring highlights from the event, up from 30 minutes last year. -- **Nat Geo** launched its 10 Days of Genius Film Festival, a series of short films inspired by the network's show, "Genius." Content will appear across Nat Geo's digital and social platforms, including **YouTube** and **Facebook**. The net partnered with creative agency **Pereira & O'Dell New York** to develop the festival, kicking it off with two short films, "The Instrument" and "The Mirror," directed by *Sam Spiegel*.

People: **Showtime** evp, corporate communications *Trisha Cardoso* is departing the premium cabler at the end of June to become pres & chief giving officer of the **Chuck Lorre Family Foundation**. She served in Showtime's top communications role since 2011. The programmer promoted *Johanna Fuentes* to succeed Cardoso. Fuentes will relocate to the net's West Coast office. She has been with Showtime's corporate communications team since 2010 and previously served as vp, communications at **Bravo**. -- **Discovery Communications** announced several promotions and a new hire within its US ad sales team. Previously an account exec, *Lisa Kus* was promoted to vp of client & brand partnerships. *Evan Mason*, also a former account exec, was upped to vp, client solutions. He will be responsible for developing 360 solutions for new and existing clients. *Jane Mylan* was promoted to vp, ad sales. She will manage multimedia ad sales. New hire *Christina Carey Dunleavy* will serve as vp, ad sales marketing. She previously served as vp, client partnerships at **NBCU**.