

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

TIVO INC.,

Plaintiff,

vs.

**ECHOSTAR COMMUNICATIONS
CORPORATION, et al.,**

Defendants.

§
§
§
§
§
§
§
§
§
§

CIVIL ACTION NO. 2:04-CV-01 (DF)

ORDER

Before the Court is EchoStar’s Emergency Motion for a Stay of this Court’s November 20, 2008 Order. Dkt. No. 865. Also before the Court is TiVo’s response. Dkt. No. 866. For the reasons set forth below, EchoStar’s Motion is hereby **DENIED**.

EchoStar contends that this Court’s November 20, 2008 Order was improper because this Court must first “make a threshold determination of ‘whether infringement should be adjudicated in contempt proceedings’ instead of requiring new charges of infringement to be determined in a new full trial.” Dkt. No. 865 at 2 (quoting *KSM Fastening Systems, Inc. v. H.A. Jones Co.*, 776 F.2d 1522, 1530 (Fed. Cir. 1985)). This threshold determination must consider whether there are “substantial open issues with respect to infringement,” that is whether there are “colorable difference[s]” between the adjudged and modified products. *KSM*, 776 F.2d at 1530-32; *see also Additive Controls & Measurement v. Flowdata, Inc.*, 154 F.3d 1345, 1349 (Fed. Cir. 1998). If such differences exist, then contempt proceedings are inappropriate. *KSM*, 776 F.2d at 1530-32.

EchoStar argues that this determination can not be made on the current record before this Court. Dkt. No. 865 at 3. For exactly this reason, this Court ordered a further hearing on the matter.

See Dkt. No. 864. It is plainly within this Court’s discretion to hear evidence regarding this threshold issue at the same time it hears evidence on the continuing infringement of the accused products. *See Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936) (noting “the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants”). Such was always this Court’s intention.

Next, EchoStar contends that this Court’s November 20, 2008 Order “erroneously raises the question” of whether EchoStar receivers continue to infringe the hardware claims of TiVo’s ’389 Patent. Dkt. No. 865 at 3. On appeal, the Federal Circuit reversed the jury’s finding of literal infringement with respect to the ’389 Patent’s hardware claims. *Tivo, Inc. v. Echostar Commc’ns Corp.*, 516 F.3d 1290, 1304-05 (Fed. Cir. 2008). The Federal Circuit, however, did not render an opinion regarding EchoStar’s infringement of those claims under the doctrine of equivalents. *Id.* In so doing, the Federal Circuit stated that “we do not decide what further proceedings, if any, are appropriate in the district court regarding the equivalents issue. Instead, we leave that issue for the district court to resolve in the event that, on remand, TiVo decides to continue to pursue the hardware claims in light of this decision.” *Id.* at 1305.

In accordance with this mandate, this Court left open the issue of EchoStar’s infringement of the ’389 Patent’s hardware claims under the doctrine of equivalents. It was this Court’s intention to hear evidence regarding this matter during the February hearing—thereby allowing this Court to be better equipped to determine what further proceedings, if any, were necessary. TiVo, however, has decided not to pursue its hardware claims at this time. *See* Dkt. No. 866 at 5-6. As such, this Court will revise its November 20, 2008 order to reflect that decision.

To conclude, this Court finds that its November 20, 2008 order set forth a course of action consistent with the mandate of this case, Federal Circuit precedent, and this Court’s continuing

power to enforce its own injunction. It will, however, be modified to reflect TiVo's decision not to continue pursuing its hardware claims at this time. All discovery obligations will remain in effect subject to the revised order setting the February hearing.

SIGNED this 5th day of December, 2008.

A handwritten signature in black ink, appearing to read "David Folsom", written over a horizontal line.

DAVID FOLSOM
UNITED STATES DISTRICT JUDGE