

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of

**CERTAIN ELECTRONIC DEVICES
HAVING PLACESHIFTING OR DISPLAY
REPLICATION FUNCTIONALITY AND
PRODUCTS CONTAINING SAME**

Inv. No. 337-TA-878

**ORDER NO. 4: INITIAL DETERMINATION GRANTING JOINT MOTION TO
TERMINATE THE INVESTIGATION WITH RESPECT TO
RESPONDENT BELKIN INTERNATIONAL, INC.**

(June 5, 2013)

On May 20, 2013, complainant Sling Media, Inc. ("Sling") and respondent Belkin International, Inc. ("Belkin") filed a joint motion to terminate the Investigation as to respondent Belkin on the basis of a settlement agreement ("Agreement"). (Motion Docket No. 878-001.) No responses were received.

The Commission's Rules provide that "[a]ny party may move at any time to terminate an investigation in whole or in part as to any or all respondents on the basis of a settlement, a licensing or other agreement...." 19 C.F.R. § 210.21(a)(2). In the instant Investigation, the motion to terminate is based on the Agreement, which appears to resolve the dispute between Sling and Belkin. Sling and Belkin have submitted a copy of the public and confidential version of the Agreement as required by 19 C.F.R. § 210.21(b)(1). A copy of the Agreement is attached hereto as Exhibit A. Consistent with 19 C.F.R. § 210.21(b)(1), Sling and Belkin state that "[t]here are no other agreements, written or oral, express or implied between the parties concerning the subject matter of this investigation." (Mot. at 2.)

The Commission's Rules provide that in the case of a proposed termination by settlement

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agreement, the parties may file statements regarding the impact of the proposed termination on the public interest, and the administrative law judge may hear argument, although no discovery may be compelled, with respect to issues relating solely to the public interest. *See* 19 C.F.R.

§ 210.50(b)(2). In any initial determination terminating an investigation by settlement agreement or consent order, the administrative law judge is directed to consider and make appropriate findings regarding the effect of the proposed settlement on the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers. *Id.*

Sling and Belkin assert “that the attached Settlement Agreement will not have any adverse effect on the public health and welfare or competitive conditions in the United States.” (Mot. at 2.) There is nothing in the record to indicate that termination of this Investigation as to Belkin based on the Agreement will prejudice the public interest. As a result, I find that termination of this Investigation as to Belkin does not impose any undue burdens on the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers.

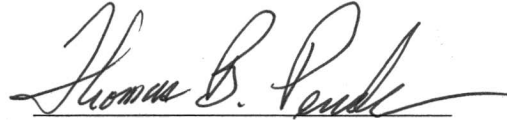
Accordingly, it is my Initial Determination that Motion Docket No. 878-001 is hereby GRANTED. This Initial Determination, along with supporting documentation, is hereby certified to the Commission.

Pursuant to 19 C.F.R. § 210.42(h), this Initial Determination shall become the determination of the Commission unless a party files a petition for review of the Initial

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Determination pursuant to 19 C.F.R. § 210.43(a), or the Commission, pursuant to 19 C.F.R. § 210.44, orders, on its own motion, a review of the Initial Determination or certain issues herein.

SO ORDERED.

A handwritten signature in black ink, appearing to read "Thomas B. Pender", written over a horizontal line.

Thomas B. Pender
Administrative Law Judge

Exhibit A

PATENTS IN SUIT SETTLEMENT AGREEMENT

This PATENTS IN SUIT SETTLEMENT AGREEMENT (this "Agreement") is made and entered into as of May 8, 2013 (the "Effective Date") by and between Plaintiff Sling Media, Inc., a corporation organized and existing under the laws of the State of Delaware, having an established place of business at 1051 Hillsdale Blvd., Suite 500, Foster City, CA 94404 (hereinafter referred to as "Plaintiff"), and Defendant Belkin International, Inc., a corporation organized and existing under the laws of the State of Delaware, having an established place of business at 12045 East Waterfront Drive, Playa Vista, CA 90094 (hereinafter referred to as "Defendant"). Plaintiff and Defendant are individually referred to herein as a "Party," and collectively as the "Parties."

WITNESSETH

WHEREAS, Plaintiff has filed actions against Defendant for infringement of one or more of the Patents in Suit (as that term is defined below) in the United States District Court for the Northern District of California (*Sling Media, Inc. v. Belkin International, Inc.*, Civil Action No. 3:13-cv-00074-JCS) (the "District Court Action") and the International Trade Commission (*In the Matter Of Certain Electronic Devices Having Placeshifting or Display Replication Functionality and Products Containing Same*, USITC Inv. No. 337-TA-878) (the "ITC Investigation" and, together with the District Court Action, the "Litigation"); and

WHEREAS, Defendant has denied liability in the Litigation;

WHEREAS, Plaintiff and Defendant desire to settle the Litigation pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the above promises and mutual covenants hereinafter contained, the parties agree as follows:

SECTION 1: DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" means, with respect to a Party, any individual, trust, corporation, partnership, joint venture, limited liability company, association, unincorporated organization or other legal entity that is controlling, controlled by or is under common control with such Party. For purposes of this Agreement, "control" shall exclusively mean the ownership of fifty percent (50%) or more of the outstanding voting shares of such an entity. However, with respect to an Affiliate of Plaintiff, the term Affiliate shall include only EchoStar Technologies, L.L.C. and its subsidiaries.

"Defendant and its distributors" and "its distributors" means Defendant and all parties located in Defendant's distribution chain to consumers, including without limitation distributors, resellers, and retailers.

"Licensed Products"

REDACTED

"Patents in Suit" means: (i) those patents listed on Schedule 1 attached hereto; (ii) any continuations, continuations-in-part, divisionals, reexaminations, post-grant review patents, or reissues of any of the aforesaid patents or patent applications; (iii) any patents or patent applications to which a claim of priority is or could be made by the patents identified in (i) or (ii); and (iv) any foreign counterparts of any of the foregoing. "Patents in Suit" does not include any patents or patent applications owned or controlled by Plaintiff or any Plaintiff Affiliate that are not expressly set forth in this definition.

"Term" shall have the meaning set forth in Section 4.1.

"Third Party" means any person or entity other than a party to this Agreement.

SECTION 2: LICENSE RELEASES AND COVENANTS

2.1 License.

REDACTED

2.2 Plaintiff's Release of Defendant. Plaintiff and its Affiliates hereby release Defendant and its Affiliates, and each of the foregoing's respective officers, directors, managers, members, employees, agents, experts, consultants and attorneys from any and all claims or liabilities in connection with or contemplated by the Litigation, including, without limitation, claims and liabilities related to: (i) infringement of the Patents in Suit solely with respect to the Licensed Products, (ii) the sale, distribution, or offer for sale of the Licensed Products during the Term (subject to Defendant's compliance with the terms relating thereto as contained herein); (iii) the conduct of the Litigation; and (iv) the conduct of settlement negotiations (except for representations or obligations expressly included in this Agreement).

2.3 Defendant's Covenant.

REDACTED

2.4 Defendant's Release of Plaintiff. Defendant hereby releases Plaintiff and its Affiliates, each of the foregoing's respective officers, directors, managers, members, employees, agents, experts, consultants and attorneys from any and all claims or liabilities in connection with or contemplated by the Litigation, including, without limitation, claims and liabilities related to: (i) the Patents in Suit; (ii) the conduct of the Litigation; and (iii) the conduct of settlement negotiations (except for representations or obligations expressly included in this Agreement).

2.5 No Other Rights. No rights or covenants are granted under any patents except as expressly provided herein, whether by implication, estoppel or otherwise. No right to grant covenants, rights, or sublicenses is granted in this Agreement. The parties agree that the licenses, releases and covenants set forth in this Section 2 expressly exclude any methods, systems, products, services and/or components of any Third Party (regardless of whether such methods, systems, products, services and/or components are independent of or combined with any Licensed Product). The Parties also agree that Section 2 shall not apply to any third party or any Affiliate of such third party who may become an Affiliate of Defendant after the Effective Date as a result of any transaction whereby: (i) control of Defendant or an Affiliate of Defendant is acquired by such third party after the Effective Date; or (ii) Defendant or an Affiliate of Defendant acquires control of such third party after the Effective Date.

2.6 Releases. The releases in this Agreement include an express, informed, knowing and voluntary waiver and relinquishment to the fullest extent permitted by law. In this connection, the parties acknowledge that they may have sustained damages, losses, costs or expenses which are presently unknown and unsuspected and that such damages, losses, costs or expenses as may have been sustained may give rise to additional damages, losses, costs or expenses in the future. The parties hereto further acknowledge that they have negotiated this Agreement taking into account presently unsuspected and unknown claims, counterclaims, causes of action, damages, losses, costs and expenses, and the parties hereto voluntarily and with full knowledge of its significance, expressly waive and relinquish any and all rights they may have under any state or federal statute, rule or common law principle, in law or equity, relating to limitations on general releases.

2.7. Covenant Not To Sue.

REDACTED

2.8. Release Under Cal. Civ. Code § 1542. For the avoidance of doubt, each of Plaintiff and Defendant also specifically acknowledges that it is aware of and familiar with the provisions of California Civil Code Section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

Each of Plaintiff and Defendant being aware of this section hereby expressly waives and relinquishes all rights and benefits it may have under this Section §1542, as well as any other statutes or common law principles of similar effect in any jurisdiction.

SECTION 3: CONSIDERATION

3.1 Payment.

REDACTED

3.2 Taxes / Costs. All taxes imposed as a result of the existence of this Agreement or the performance hereunder shall be paid by the party required to do so by applicable law. The parties agree that they shall bear their own costs and attorneys' fees relating to or arising from the Litigation and to the negotiation of this Agreement.

3.3 Dismissal. Within five (5) business days after the payment of the License Payment, the parties shall cause their respective counsel to execute and file the stipulated motion and proposed order in the form set forth in Exhibit A for the District Court Action and the joint motion to terminate investigation in the form set forth in Exhibit B for the ITC Investigation dismissing all claims and counterclaims between the parties in the Litigation without prejudice. The parties shall promptly proceed with any and all additional procedures needed to dismiss without prejudice the Litigation. The parties acknowledge and agree that this Agreement is enforceable according to its terms with respect to final dismissal without prejudice of all claims and counterclaims in the Litigation.

SECTION 4: TERM AND TERMINATION

4.1 Term. The term of this Agreement shall commence upon the Effective Date and shall continue until unless earlier terminated by Plaintiff or Defendant as set forth below.

4.2 Termination.

REDACTED

4.3 Survival. In the event of termination pursuant to Section 4.2, the license, releases and covenants granted to the breaching party shall terminate as of the date that such termination takes effect and the non-breaching party shall retain its remedies for such breach. The provisions of Section 1 and Sections 2.1, 2.2, 2.4, 2.5, and 2.6 survive only to the extent of rights or benefits, if any, such provisions confer on the non-breaching party; and the provisions of Sections 3, 4, 5 and 6 will survive any termination of this Agreement. Section 2.3 survives through the latest date of expiration of any patent on Schedule 1.

SECTION 5: ASSIGNMENT

5.1 No Assignment. Defendant may not assign (by contract, operation of law or otherwise) its rights under this Agreement without the prior written consent of Plaintiff and any attempt to assign without such permission will be void.

SECTION 6: MISCELLANEOUS PROVISIONS

6.1 Representations:

6.1.1 Plaintiff Representations: Plaintiff represents and warrants as of the Effective Date that (i) Plaintiff owns the Patents in Suit, and has the right to grant the license, releases and covenants with respect to the Patents in Suit of the full scope set forth herein; (ii) it has not assigned or otherwise transferred to any other Person any rights to the Patents in Suit that would prevent Plaintiff from entering into this Agreement and/or any claim or liability being released hereunder; and (iii) the person executing this Agreement on behalf of Plaintiff has the full right and authority to enter into this Agreement on Plaintiff's behalf.

6.1.2 Defendant Representations:

REDACTED

6.1.3 No Warranties. Nothing contained in this Agreement shall be construed as: (i) a warranty or representation by either party that any manufacture, sale, use or other disposition of products by the other party has been or will be free from infringement of any patents, except as expressly provided pursuant to the License pursuant to Section 2.1; (ii) an agreement by either party to bring or prosecute actions or suits against third parties for infringement, or conferring any right to the other party to bring or prosecute actions or suits against third parties for infringement; (iii) conferring any right to the other party to use in advertising, publicity, or otherwise, any trademark, trade name or names of either party, or any contraction, abbreviation or simulation thereof without the prior written consent of the other party; or (iv) conferring by implication, estoppel or otherwise, upon either party, any right (including a license) under other patents except for the rights expressly granted hereunder.

6.2 Confidentiality. From and after the Effective Date, neither party shall disclose the existence or terms of this Agreement except:

6.2.1 with the prior written consent of the other party;

6.2.2 to any governmental body having jurisdiction and specifically requiring such disclosure;

6.2.3 for the purposes of disclosure in connection with the Securities and Exchange Act of 1934, as amended, the Securities Act of 1933, as amended, and any other reports filed with the Securities and Exchange Commission, or any other filings, reports or disclosures that may be required under applicable laws or regulations;

6.2.4 pursuant to the terms of a confidentiality agreement at least as restrictive as this Agreement, except that additionally a third party who receives information under this Section 6.2.4 must consent and agree not to share such information with other third parties; and

6.2.5

6.3 Notices. All notices required or permitted to be given hereunder shall be in writing and shall be delivered by hand, or, if dispatched by prepaid air courier, with package tracing capabilities or by registered or certified airmail, postage prepaid, addressed as follows:

If to Plaintiff:

Sling Media, Inc.
100 Inverness Terrace East
Englewood, CO 80112
Attn.: General Counsel
Fax: 303 728 5048

If to Defendant:

Belkin International, Inc.

12045 East Waterfront Drive,
Playa Vista, California 90094
Attn.: General Counsel
Fax: 310 751 5909

Such notices shall be deemed to have been served when received by addressee. Either party may give written notice of a change of address and, after notice of such change has been received, any notice or request shall thereafter be given to such party as above provided at such changed address.

6.4 Publicity. Neither party will issue a press release nor any other announcement regarding this Agreement or the relationship contemplated herein unless both parties provide prior consent in writing. The parties shall direct their representatives not to make any disclosures of the terms of this Agreement.

6.5 Governing Law / Jurisdiction. This Agreement and matters connected with the performance thereof shall be construed, interpreted, applied and governed in all respects in accordance with the laws of the United States of America and the State of California, without reference to conflict of laws principles. Plaintiff and Defendant shall use their best good faith efforts to resolve by mutual agreement any disputes, controversies or differences that may arise from, under, out of or in connection with this Agreement. Plaintiff and Defendant agree (a) that all disputes and litigation regarding this Agreement, its construction and matters connected with its performance be subject to the exclusive jurisdiction of the state and federal courts in the Northern District of California (the "Court"), and (b) to submit any disputes, matters of interpretation, or enforcement actions arising with respect to the subject matter of this Agreement exclusively to the Court. The parties hereby waive any challenge to the jurisdiction or venue of the Court over these matters.

6.6 Sophisticated Parties Represented by Counsel. The parties each acknowledge, accept, warrant and represent that (i) they are sophisticated parties represented at all relevant times during the negotiation and execution of this Agreement by counsel of their choice, and that they have executed this Agreement with the consent and on the advice of such independent legal counsel, and (ii) they and their counsel have determined through independent investigation and robust, arm's-length negotiation that the terms of this Agreement shall exclusively embody and govern the subject matter of this Agreement.

6.7 Bankruptcy. Each party irrevocably waives all arguments and defenses arising under 11 U.S.C. 365(c)(1) or successor provisions to the effect that applicable law excuses the party, other than the debtor, from accepting performance from or rendering performance to an entity other than the debtor or debtor in possession as a basis for opposing assumption of the Agreements by the other party in a case under Chapter 11 of the Bankruptcy Code to the extent that such consent is required under 11 U.S.C. § 365(c)(1) or any successor statute. Any change of control resulting from any such bankruptcy proceeding shall remain subject to Section 5 above.

6.8 Severability. If any provision of this Agreement is held to be illegal or unenforceable, such provision shall be limited or eliminated to the minimum extent necessary so that the remainder of this Agreement will continue in full force and effect and be enforceable. The parties agree to negotiate in good faith and to enforce a substitute provision for any invalid or unenforceable provision that most nearly achieves the intent of such provision.

6.9 Entire Agreement. The parties acknowledge, accept, warrant and represent that: (i) this is an enforceable agreement; (ii) this Agreement embodies the entire and only understanding of each of them

with respect to the subject matter of the Agreement, and merges, supersedes and cancels all previous representations, warranties, assurances, conditions, definitions, understandings or any other statement, express, implied, or arising by operation of law, whether oral or written, whether by omission or commission between and among them with respect to the subject matter of the Agreement; (iii) no oral explanation or oral information by either party hereto shall alter the meaning or interpretation of this Agreement; (iv) the terms and conditions of this Agreement may be altered, modified, changed or amended only by a written agreement executed by duly authorized representatives of Plaintiff and Defendant; (v) the language of this Agreement has been approved by counsel for each of them, and shall be construed as a whole according to its fair meaning; and (vi) none of the them (nor their respective counsel) shall be deemed to be the draftsman of this Agreement in any action which may hereafter arise with respect to the Agreement.

6.10 Modification: Waiver. No modification or amendment to this Agreement, nor any waiver of any rights, will be effective unless assented to in writing by the party to be charged, and the waiver of any breach or default will not constitute a waiver of any other right hereunder or any subsequent breach or default.

6.11 Construction; Language. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be applied in the construction or interpretation of this Agreement. As used in this Agreement, the words "include" and "including" and variations thereof, will not be deemed to be terms of limitation, but rather will be deemed to be followed by the words "without limitation." The headings in this Agreement will not be referred to in connection with the construction or interpretation of this Agreement. This Agreement is in the English language only, which language shall be controlling in all respects, and all notices under this Agreement shall be in the English language.

6.12 Counterparts. This Agreement may be executed in counterparts or duplicate originals, both of which shall be regarded as one and the same instrument, and which shall be the official and governing version in the interpretation of this Agreement. This Agreement may be executed by facsimile signatures or other electronic means and such signatures shall be deemed to bind each party as if they were original signatures.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed below by their respective duly authorized officers.

Sling Media, Inc.

Belkin International, Inc.

By:



By:

Name:

Mark Jackson

Name:

Title:

President ETC

Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed below by their respective duly authorized officers.

Sling Media, Inc.

Belkin International, Inc.

By: _____

By:  _____

Name: _____

Name: D. Thomas _____

Title: _____

Title: Chief Legal Officer _____

SCHEDULE 1
LICENSED PATENTS

U.S. Patent No. 7,725,912

U.S. Patent No. 7,877,776

U.S. Patent No. 8,051,454

U.S. Patent No. 8,060,909

U.S. Patent No. 8,266,657

U.S. Patent No. 8,365,236

EXHIBIT A

STIPULATED MOTION FOR DISMISSAL WITHOUT PREJUDICE

The plaintiff, Sling Media, Inc., and defendant Belkin International, Inc., pursuant to Fed. R. Civ. P. 41(a)(2) and (c), hereby move for an order dismissing all claims and counterclaims in this action WITHOUT PREJUDICE, subject to the terms of that certain agreement entitled "**PATENTS IN SUIT SETTLEMENT AGREEMENT**" and dated May 8, 2013. Each party will bear its own costs, expenses and attorneys' fees.

ORDER OF DISMISSAL WITHOUT PREJUDICE

CAME ON THIS DAY for consideration of the Stipulated Motion for Dismissal Without Prejudice of all claims and counterclaims asserted between plaintiff, Sling Media, Inc. and defendant, Belkin International, Inc. in this case, and the Court being of the opinion that said motion should be GRANTED, it is hereby.

ORDERED, ADJUDGED AND DECREED that. all claims and counterclaims asserted in this suit between plaintiff, Sling Media, Inc. and defendant, Belkin International, Inc. are hereby dismissed without prejudice, subject to the terms of that certain agreement entitled "**PATENTS IN SUIT SETTLEMENT AGREEMENT**" and dated May 8, 2013.

It is further ORDERED that all attorneys' fees and costs are to be borne by the party that incurred them.

EXHIBIT B

**JOINT MOTION TO TERMINATE THE INVESTIGATION WITH RESPECT TO
RESPONDENT BELKIN INTERNATIONAL, INC.**

Pursuant to Commission Rule 210.21(b), Complainant Sling Media, Inc. ("Sling") and Respondent Belkin International, Inc. ("Belkin") hereby move to terminate this investigation with respect to Belkin on the basis of the attached Patents in Suit Settlement Agreement. For this reason, the parties request that this Joint Motion be granted.

Commission Rule 210.21(b) provides, in relevant part:

An investigation before the Commission may be terminated as to one or more respondents pursuant to section 337(c) of the Tariff Act of 1930 on the basis of a licensing or other settlement agreement.

The attached Patents in Suit Settlement Agreement has been executed by the parties.

There are no other agreements, written or oral, express or implied between the parties concerning the subject matter of this investigation.

Settlement agreements are generally within the public interest. *See, e.g., Certain Synchronous Dynamic Random Access Memory Devices, Microprocessors, and Products Containing Same*, Inv. No. 337-TA-431, Order No. 11 at 2 (July 12, 2000). The parties respectfully submit that the attached Settlement Agreement will not have any adverse effect on the public health and welfare or competitive conditions in the United States.

For the reasons set forth above, the parties respectfully request that the joint motion to terminate with respect to Belkin be granted pursuant to 19 C.F.R. 210.21(c).

**IN THE MATTER OF CERTAIN ELECTRONIC DEVICES
HAVING PLACESHIFTING OR DISPLAY REPLICATION
FUNCTIONALITY AND PRODUCTS CONTAINING SAME**

337-TA-878

CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **ORDER NO. 4 : INITIAL DETERMINATION** has been served upon, **The Office of Unfair Import Investigations** and the following parties via first class mail and air mail where necessary on JUN -5 2013,



Lisa R. Barton, Acting Secretary
U.S. International Trade Commission
500 E Street, S.W., Room 112A
Washington, DC 20436

FOR COMPLAINANT SLING MEDIA, INC.:

Timothy W. Riffe, Esq.
FISH & RICHARDSON, P.C.
1425 K Street N.W., 11th Floor
Washington, DC 20005

() Via Hand Delivery
(☒) Via Overnight Mail
() Via First Class Mail
() Other: _____

RESPONDENTS:

BELKIN INTERNATIONAL, INC.
12045 East Waterfront Drive
Playa Vista, CA 90094

() Via Hand Delivery
(☒) Via Overnight Mail
() Via First Class Mail
() Other: _____

MONSOON MULTIMEDIA, INC.
1730 South Amphlett Boulevard
Suite 101
San Mateo, CA 94402

() Via Hand Delivery
(☒) Via Overnight Mail
() Via First Class Mail
() Other: _____

C2 MICROSYSTEMS, INC.
2833 Junction Avenue
Suite 101
San Jose, CA 95134

() Via Hand Delivery
(☒) Via Overnight Mail
() Via First Class Mail
() Other: _____

**IN THE MATTER OF CERTAIN ELECTRONIC DEVICES
HAVING PLACESHIFTING OR DISPLAY REPLICATION
FUNCTIONALITY AND PRODUCTS CONTAINING SAME**

337-TA-878

PUBLIC MAILING LIST

Lori Hofer, Library Services

LEXIS - NEXIS

9473 Springboro Pike

Miamisburg, OH 45342

☐ Via Hand Delivery

☐ Via Overnight Mail

☒ Via First Class Mail

☐ Other: _____

Kenneth Clair

THOMSON WEST

1100 – 13th Street NW

Suite 200

Washington, DC 20005

☐ Via Hand Delivery

☐ Via Overnight Mail

☒ Via First Class Mail

☐ Other: _____