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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:

VIDANGEL, INC.,

Debtor.

Case No. 17-29073

Chapter 11

Judge Kevin R. Anderson

**DEBTOR'S MOTION FOR ORDER AUTHORIZING
TRANSFER OF INTELLECTUAL PROPERTY**

VidAngel, Inc. (the "Debtor" or "VidAngel"), by and through its undersigned counsel, hereby moves under 11 U.S.C. § 363 for an order authorizing its transfer to Skip Foundation, Inc. ("Skip Foundation") of certain intellectual property (the "Assets") pursuant to the agreement (the "Contribution Agreement,"), which is attached as Exhibit "A" hereto. In support of the Motion, the Debtor respectfully states as follows:

I. JURISDICTION, VENUE, AND PREDICATES

1. The Court has jurisdiction pursuant to 28 U.S.C. §§ 1334 and 157. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to

28 U.S.C. §§ 1408 and 1409. The legal predicates for the relief sought are 11 U.S.C. §§ 363(b) and Federal Rule of Bankruptcy Procedure 6004.

II. PROCEDURAL BACKGROUND

2. On October 18, 2017, the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, in the United States Bankruptcy Court for the District of Utah.

3. Since the Petition Date, the Debtor has been managing its assets and properties as debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No committee, trustee or examiner has been appointed in this case.

4. On January 15, 2019, the Debtor filed its initial proposed Debtor's Plan of Reorganization.

5. The Debtor has not yet sought, or obtained, approval of a disclosure statement. Further, the Court has not scheduled a hearing, voting deadlines, objections deadlines or other procedures relating to confirmation of the Plan.

6. The parties are awaiting the results of a jury trial on the Studios' purported damages caused by VidAngel's copyright infringement. That trial began in Los Angeles, California on June 10, 2019 in the United States District Court for the Central District of California, Case No. 2:16-cv-04109-AB-PLA. It is expected to continue for at least a week.

III. TERMS OF THE PROPOSED TRANSFER

7. Pursuant to the Contribution Agreement, VidAngel proposes to transfer to Skip Foundation all its intellectual property that facilitates streaming and filtering of entertainment and enables customers to skip objectionable content.

8. The Contribution Agreement provides generally as follows, subject specifically to its terms:

- a. VidAngel will transfer the Assets to Skip Foundation.
- b. In consideration, VidAngel will be a founding member of Skip.

c. Skip shall assume the “Assumed Liabilities,” as defined in paragraph 3 of the Contribution Agreement.

d. Skip agrees to “license all of the Assets in accordance with the Creative Commons-Attribution-ShareAlike (CC BY-SA 4.0 as amended), a GNU Free Documentation License (v1.3 as amended), or a patentleft license, each as applicable and that [Skip] covenants to use such licenses in perpetuity for all technology it obtains or develops.” Contribution Agreement, paragraph 4.

e. The Assets include:

i. Skip.tv domain name;

ii. “Skip” trademark registration, Serial Number 88192925;

iii. Tagging Software:

(1) Stream capture and preparation services software;

(2) Web interface for collaborative tagging software; and

(3) Video utilities and algorithms for tag and stream management and delivery software Databases of tags (skips) for about 10,000 titles and of shows and movies (about 48,359) .

Contribution Agreement, Schedule 1.

f. A Trademark Assignment Agreement (attached with Exhibit A), which pertains to the Skip trademark registration, will be executed presently.

g. An Intellectual Property Assignment Agreement (also attached with Exhibit A), which pertains to the “Assigned IP,” as defined therein, has been executed, as has the Contribution Agreement.

IV. RELIEF REQUESTED

9. The Debtor respectfully requests the entry of an order, pursuant to 11 U.S.C. § 363(b) and Federal Rules of Bankruptcy Procedure 6004 and 9014, authorizing it to transfer the Assets pursuant to the Contribution Agreement.

V. BASIS FOR RELIEF REQUESTED

10. Pursuant to section 363(b) of the Bankruptcy Code and subject to the requirement of prior notice and a hearing, the Debtor is empowered to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b).

11. A transfer of assets proposed by a debtor-in-possession should be authorized and approved if the sale is supported by a sound business reason and is based on a sound exercise of business judgment. *See, e.g., In re Medical Software Solutions*, 286 B.R. 431, 440-41 (Bankr. D. Utah 2002).

12. The Debtor, in the exercise of its business judgment, has determined that a transfer of the Assets to Skip Foundation is in the best interests of its chapter 11 estate.

VI. CONSLUSION

The Debtor respectfully requests that this Court enter an order granting the motion, authorizing the Debtor to transfer the Assets as described herein, and granting such other and further relief as the Court deems just and proper.

DATED this 12th day of June, 2019.

Parsons Behle & Latimer

/s/ J. Thomas Beckett _____

J. Thomas Beckett

Attorneys for VidAngel, Inc.

PROOF OF SERVICE

I hereby certify that on June 12, 2019, I caused a true and correct copy of the foregoing **DEBTOR'S MOTION FOR ORDER AUTHORIZING TRANSFER OF INTELLECTUAL PROPERTY** to be served as follows:

I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which sent notification of such filing to the following:

- Laurie A. Cayton tr laurie.cayton@usdoj.gov, James.Gee@usdoj.gov;Lindsey.Huston@usdoj.gov;Suzanne.Verhaal@usdoj.gov
- Rose Leda Ehler rose.ehler@mto.com, cynthia.soden@mto.com
- Michael R. Johnson mjohanson@rqn.com, docket@rqn.com;dburton@rqn.com
- Kelly M. Klaus kelly.klaus@mto.com
- David H. Leigh dleigh@rqn.com, dburton@rqn.com;docket@rqn.com
- United States Trustee USTPRegion19.SK.ECF@usdoj.gov

I caused a true and correct copy of the foregoing documents to be served on the following parties by First Class Mail, postage prepaid:

Brent O. Hatch

Johnson & Hatch
10 West Broadway
Suite 400
Salt Lake City, UT 84101

In addition, I emailed a copy of the foregoing to all the parties specifically listed above.

/s/ J. Thomas Beckett

J. Thomas Beckett
Michael R. Brown
PARSONS BEHLE & LATIMER
Attorneys for VidAngel, Inc.