Aereo Puts on the Blitz

Embattled Provider Braces for Supreme Court Showdown with Broadcasters

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Aereo, the embattled provider of broadband TV and cloud DVR services, fired on all fronts last week as it braced for its Supreme Court showdown with broadcasters this week.

The multifaceted media blitz, which comes ahead of Aereo's defense that gets underway on Tuesday (April 22), included Aereo's launch of a website that advocates its position, as top executives and investors made appearances on TV and talk shows or stated their positions in high-profile publications.

On the Web, Aereo launched **ProtectMyAntenna.org**, a site emphasizing its position that its service merely provides remote access to antennas that capture free over-the-air digital TV signals — not performances which, as the broadcasters claim, are subject to copyright payments.

"We remain steadfast in our conviction that Aereo's cloud-based antenna and DVR technology falls squarely within the law," Aereo founder and CEO Chet Kanojia said in a letter to subscribers. "We have every hope and confidence that the court will validate and preserve a consumer's right to access local over-the-air television using an individual antenna, make a personal recording with a DVR, and watch that recording on a device of their choice."

Kanojia also offered some choice words on C-SPAN's *Communicators* series last week, holding that broadcasters' arguments are baseless and even "insane" in their characterizing of Aereo as a Rube Goldberg contraption set up to circumvent the law.

Kanojia deflected questions asking why cable operators should have to pay for broadcast signals, but Aereo does not, arguing that MSOs don't pay a copyright fee for "in-market" transmissions and that Aereo is not a program distributor but a company that provides a technology platform.

“There is a distinction between cable companies, who are monopolies, and equipment providers, whose job it is to build equipment that adds value to a consumer’s life,” Kanojia said.

IAC chairman Barry Diller, the former head of Fox and one of Aereo’s minority investors, defended the company in an op-ed piece in *The Wall Street Journal*, chastising the Obama administration for taking the broadcasters’ side.

“[B]roadcasters claim Aereo is ‘stealing’ their content,” Diller wrote. “Why is the industry pushing to punish those who wish to receive their television through airwaves, which are not owned by broadcasters? The answer is obvious: Broadcasters make more money when consumers are steered away from over-the-air program delivery and toward cable and satellite systems that pay the broadcasters retransmission fees.”

Kanojia also gave an interview to Katie Couric of Yahoo News, echoing Diller’s earlier position that Aereo has no real Plan B, and may have to go out of business if it loses the case.

In a research report, Bernstein Research analyst Todd Juenger suggested that if Aereo loses, it won’t be long before it and others develop technologies and methods that work around the court’s ruling.

Nine justices will hear the case, and the high court is expected to announce its judgment in June.

See more at: http://www.multichannel.com/news/policy/aereo-puts-blitz/373955

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