Supreme Court to hear TV broadcasters' case against video service Aereo

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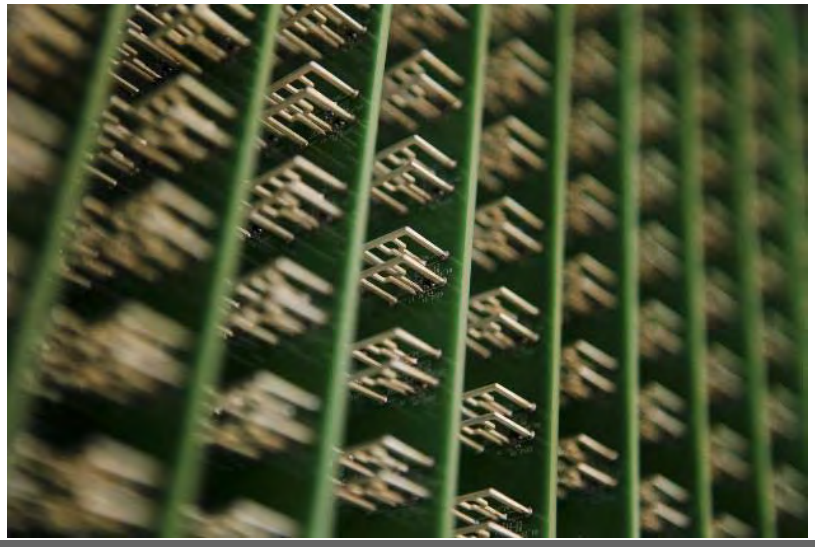

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FILE -- Rows of miniature antennae, each belonging to a subscriber to Aereo, a cable alternative, at a warehouse in New York, Aug. 31, 2012. Broadcasters asserted that Aereo, a start-up that streams free signals of TV stations to its customers' Internet-connected devices for a fee, is stealing from the broadcast networks on a giant scale, in a filing with the Supreme Court on Feb. 24, 2014. (Kirsten Luce/New York Times)

WASHINGTON – Tuesday's Supreme Court showdown pitting start-up video service Aereo against U.S. broadcasters has everyone from the White House to cloud computing advocates filing briefs and taking sides.

All parties agree on one thing: No matter what the court decides, it's likely to be a landmark copyright case with implications far beyond one company's future — from the way you pay for television to whether your use of Google Drive will be affected.

Broadcasters including ABC, NBC, CBS and Fox have been trying to shut down Aereo since the service launched in 2012, claiming it steals their copyrighted content.

Aereo lets users stream and record live over-the-air TV to their computers, phones and tablets by providing them with dime-sized antennas and online "cloud" storage. For a monthly fee, subscribers can watch local programming including news, weather and live events such as the Olympics and the Oscars.

For many so-called cord cutters, Aereo provides the missing piece that, in addition to services such as Netflix and Hulu, makes it possible to ditch pricey cable TV packages.

"Before cutting the cord, I had to call the cable company every couple of months and painfully negotiate the bill," said Cherie Gary, a marketing communications specialist who uses Aereo in Dallas.

Gary said her household is saving more than $90 a month and receives triple the programming by supplementing Aereo's local TV with content from Amazon Prime and Roku.

"I smiled when I drove to the cable company to turn in the DVR, and I've never looked back," she said. "I hope our Supreme Court justices are smart and the cable companies don't win."

Aereo's service is tailored to the growing number of American consumers who, like Gary, prefer to patch together cheap Internet services instead of relying on traditional TV packages.

"There is a generation of people today who are picking and choosing their own media experience, that does not want to be dictated to," said Virginia Lam, Aereo's vice president of communications and government relations.

"Every American has the right to watch over-the-air broadcast TV for free over an antenna, and right now there is an artificial paywall that confines you to paying for bundle access," she said. "Aereo just provides consumers with an alternative in a marketplace that has not had a lot of choice or competition in the past."

Broadcasters want Aereo to either pay them the same fees they receive from cable providers or shut down. If it loses in the high court, Aereo CEO Chet Kanojia has said, the company will close.

The service was forced to close in Salt Lake City and Denver when a Utah federal court ruled against it in February.

Broadcasters have good reason to be concerned. If the court rules that Aereo's service is legal, that will endanger the hefty retransmission fees they receive from cable companies to distribute their programming. Fox and CBS executives have threatened to move programming off the air and into subscription-only services.

"If the government wants to give them permission to steal our signal, then we will come up with some other way to get them our content and so get paid for it," CBS Chief Executive Leslie Moonves said at an investors meeting last month.

The Obama administration has sided with the broadcasters, saying in a brief that Aereo is "clearly infringing" on the networks' copyright.

Cloud computing advocates say the repercussions of this case are bigger than the company, and even bigger than the future of broadcast TV: They may affect online services that millions use every day.

Technology groups fear that a ruling against Aereo might stifle innovation and cause legal problems for popular apps such as Google Drive, iCloud and Dropbox. They say that by defining what makes Aereo a public performance and therefore illegal, broadcasters are unintentionally describing how users access files stored in the cloud.

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