

Startup sued for putting local TV on the iPhone

March 2 2012, By PETER SVENSSON , AP Technology Writer

(AP) -- Broadcasters have sued a startup backed by media billionaire Barry Diller that sends live local TV feeds to iPhones and iPads in the New York area.

Two groups of broadcasters, including ABC, CBS, NBC, Fox and the local PBS station, filed suits Thursday in federal court, saying Aereo Inc.'s service uses their content without permission.

Aereo launched two weeks ago, but it's available by invitation only. Subscribers pay \$12 per month for access to 27 locally broadcast TV channels through the Web browsers on their Apple devices. It's set to open up to more subscribers on March 14. The company hopes to expand service to other cities.

Aereo says the suits are groundless and it looks forward to "a full and fair airing of the issues."

Aereo has more than \$25 million in venture capital backing, with more than \$20 million of it coming from a funding round led by InterActiveCorp, which owns Match.com, Ask.com and other websites. Diller is the chairman of InterActiveCorp and the former CEO of Fox.

The startup exploits what it believes is a loophole in the laws governing retransmission of local broadcasts. It doesn't use one big antenna to pick up the local broadcasts and relay them to the Internet. Instead, it uses one tiny antenna for each subscriber that's watching.

People are entitled to watch local broadcast TV when they use their own antennas, and Aereo believes that what it's doing, legally speaking, is acting as a remote antenna for each subscriber, rather than taking broadcasts and retransmitting them.

Broadcasters aren't buying that argument.

"Aereo's service to the end user is similar to and competes with cable or satellite operators and telephone companies that also retransmit broadcast programming to their subscribers, except that Aereo's service is unlawful," said the suit filed by ABC, CBS, NBC and others.

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