

## CEO: Lawuit could kill Internet TV startup

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(AP) — News Corp.'s Fox and other broadcasters went to court on Wednesday to try to pull the plug on a startup that takes live TV programming and sends it to mobile devices in New York for a monthly fee.

If granted, a preliminary injunction sought by the plaintiffs would devastate Aereo, the company's chief executive told a judge at a hearing in federal court in Manhattan.

Extended litigation "would be the end of the company," Chaitanya Kanojia said.

Kanojia testified that Aereo made no secret of its plan to assign each \$12-a-month subscriber one of the tens of thousands of miniature antennas warehoused in Brooklyn. The setup allows users to capture over-the-air broadcasts for viewing on iPhones, iPads and computers.

"I did this the right way," he said. "We were public about what we're building."

Rather than object before Aereo launched its service this year, the plaintiffs chose "to lie in wait until we exposed ourselves and then sued us," Kanojia said.

The copyright infringement lawsuit brought by Fox, ABC, CBS, NBC and others accuses Aereo of copying and retransmitting their programming over the Internet unlawfully. Aereo has argued that it's

providing a legal, alternate platform for free TV broadcasts.

On cross-examination, Kanojia conceded that he and his investors were aware all along that litigation was likely and that he had even set aside funds to defend the company in court. Among the investors is Barry Diller, the former head of Paramount Pictures.

"I think investors fully understood that there was a chance that could happen," he said when asked about the specter of a suit.

The case is being closely watched because of the precedent it could set. Broadcasters owned by The Walt Disney Co., CBS Corp. and Comcast Corp. have deals to collect hundreds of millions of dollars annually from cable and satellite TV providers for the right to retransmit their signals to subscribers.

Such signals are also available using an antenna, but most TV households pay for service through a provider. If Aereo's service is found not to infringe on broadcasters' copyrights, it could upend a system that has created a profitable new revenue stream for media companies.

Last week, U.S. District Court Judge Alison Nathan in New York dismissed a separate claim of unfair competition, saying it was preempted by the Copyright Act.

No immediate ruling was expected on the motion for an injunction in the copyright case.

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