

CableFAX Daily™

Wednesday — March 18, 2009

What the Industry Reads First

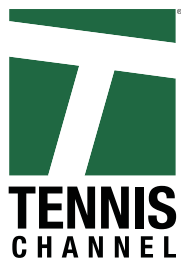
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Patently Offensive: Discovery Goes After Amazon's Kindle

Here is one we didn't see coming. On Tues, **Discovery** filed a patent infringement suit against **Amazon** over its Kindle and Kindle 2 electronic book readers. Turns out Discovery filed for a patent in '99 for an electronic book security and copyright protection system and was granted that patent in Nov '07. The lawsuit filed in US District Court for DE seeks unspecified damages, claiming Amazon has repeatedly and willfully violated Discovery's patent. The suit brings up a host of questions—such as: Why is it being filed now with Kindle already on its 2nd iteration? And just what was Discovery ever doing in the e-book field? As with most legal matters, everyone's staying quiet. Amazon didn't even get back to us with a comment. But as for the why now, the most likely answer is that Discovery wants a piece of the growing e-books pie. As for why Discovery even has such a patent, you'll have to think back to the '90s when *John Hendricks* and Discovery were very involved in the development of digital content and delivery services. Recall **Your Choice TV**, which was a prelude to today's VOD. While working to reshape TV content delivery, Discovery delved into digitizing text as well. Discovery eventually licensed patents related to VOD and ITV to a group of cable operators, but it retained the e-book patent. That patent envisions transmission from a content provider's site, a video distribution system and a variety of alternative distribution systems and also suggests that—like Amazon—Discovery was interested in not only in the device itself but also in providing content. One of the 55 drawings associated with the patent shows a connection to a cable or DBS set-top. Another drawing shows that in addition to books in their e-book library, users could click buttons to go straight to Discovery online or to a television guide. Sometimes we wonder if **NCTA's** Broadband Home was actually one of Hendricks' dwellings... Where this case goes is anyone's guess at this early stage. Discovery's official statement: "Our tradition as an inventive company has produced considerable intellectual property assets for our shareholders, and today's infringement litigation is part of our effort to protect and defend those assets," said Discovery gen counsel *Joseph LaSala*.

DTV Doings: Broadcasters had until 5:30pm ET Tues to notify the **FCC** of when they will discontinue analog. Keep your eyes on FCC.gov, which should release a list this evening of which stations will terminate June 12, as well as which will go dark before then and when.

On the Hill: Everyone has an opinion on how the broadband portion of the stimulus bill should work, including **NCTA**. The cable trade group put its ideas in a paper that it will send to key members of Congress as well as **NTIA** and **RUS**—the 2 agencies overseeing the \$7bln funding for broadband grants and loans. The gist? Stimulus programs should be used for areas with no physical access to broadband. As for underserved areas, the fund should be used to overcome barriers to adoption—such as affordability, lack of a computer, low digital literacy, etc. If there are any funds remaining, then the govt could consider extending broadband facilities to underserved areas, **NCTA**



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said. The awards also should be technologically neutral, with value-producing projects that can be implemented quickly receiving highest priority, the paper concluded.

Competition: U-verse TV subs now have access to **College Basketball from Yahoo! Sports**, an interactive app featuring March Madness content, including personalized brackets, game summaries and video clips. -- **Verizon Wireless** is featuring previews of March Madness games through its **V CAST** service, including insight and analysis from coaches such as *Rick Pitino* and *John Calipari*. -- **DISH** has launched an interactive **Fandango** app allowing subs to purchase movie tickets via remote control. Subs with phone line-connected set tops may use their credit card for the purchase, while others may reserve tickets and complete the purchase at the theater.

In the States: **Microsoft** co-founder/**Charter** controlling stakeholder *Paul Allen* is writing a memoir to be published by **Penguin's Portfolio**, reports *Crain's NY*. The chapter we most anticipate (after Charter) is the one describing his interest in the 1st manned, private spaceship. -- **Cavalier Telephone** teamed with **DirectTV** to offer a triple-play of phone, HSI and the DBS op's video service. -- **Comcast** launched its VoIP service in several Santa Barbara County, CA, communities including Santa Maria and Santa Ynez.

Retrans: Could the clock be winding down on a retrans dispute between **DirectTV** and **CBS** affil **KXJB** in Fargo, ND? The fight began in early Jan. As the DBS op said discussions continue, the station's Website notes increased local interest in the spat because North Dakota State University is preparing to play Fri its 1st-ever NCAA tourney game—on CBS.

Online: Fri was a record-breaking day for **Comedy Central's** TheDailyShow.com, with the site logging its most unique visitors on a single day (1.1mln). Posted was the full ep of *Jon Stewart's* Thurs interview with **CNBC's** *Jim Cramer*. Last week also marked the site's most weekly unique visitors ever (2.5mln). -- **CNBC** and **Bloomberg** are among the initial content partners of **1Cast**, a video search and newscast platform that codifies personalized content and sends it to subscribers' smart phones and the Web. Info at www.1cast.com. -- **TheWB.com** and **MySpace** each premiered Tues "Rockville CA," a scripted digital series set at a fictional L.A. rock club and featuring live performances by 20 indie artists.

Ratings: Through a tag-team effort consisting of "Hannah Montana," "Wizards of Waverly Place," "Sonny with a Chance" and a Sat night airing of feature film "Cars," **Disney** became the 1st net this year to pull even with **USA** in prime. But the race was so tight as to require a photo finish, and declaring a winner depends on several angles. The nets tied in prime HH rating with a 2.0 while USA led in HH delivery by a mere 78K homes, or 1.987mln to 1.909mln. Disney, though, emerged victorious in total viewers, delivering 2.614mln compared to USA's 2.608mln. The call from our eyes gives the slightest of edges to USA, which topped the telecast rankings with 2 hours of **WWE** content that averaged a 3.7/3.6mln. Hannah notched 3rd (3.3/3.25mln). **Fox News** was a clear 3rd (1.8/1.74mln) among nets, and was followed by a traffic jam in 4th comprised of **TBS** (1.4/1.44mln), **ESPN** (1.4/1.41mln) and **Nick at Nite** (1.4/1.38mln).

Programming: We've come a long way from grainy pornos on VHS. **Hustler TV** will launch **HustlerHD** on May 1. Every title on the new service will be filmed and aired in true HD. HustlerHD will offer multiple edit versions, competitive splits and VOD titles with a 50% refresh rate. -- **CBS College Sports** will air 2 out-of-market March Madness games, 1 each on Thurs (4:45pm ET) and Fri (7:10pm ET). -- **CNN** this week features cross-platform programming that spotlights the economic crisis, including *Anderson Cooper* reporting from 5 US cities and interactive features

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Honors: *Diversity MBA Magazine* ranked **Comcast** as the 6th best place for diverse managers to work. **Verizon** immediately followed the MSO on the top-50 list.

People: *Garrett Baker* was elevated to pres, **Waller Capital**. He has led the firm's cable efforts since '03. **Waller Capital** also promoted *Jeffrey Brandon* to managing dir, *Kenneth Clausman* to dir, *Michael Cohen* to assoc and *Christopher Erwin* to assoc. *Brian Stengel* recently left **Morgan Stanley** to lead **Waller's** digital media practice. -- **Arris** promoted *Dan Whalen* to svp, sales. -- Former **NBCU** chief digital officer *George Kliavkoff* agreed to join **Hearst Ent and Syndication** as evp/ deputy group head. -- **Cablevision's** **Optimum Lightpath** appointed *John Macario* svp, product strategy and management.

Business/Finance: **Discovery** was the target of more new money from hedge funds than any other US company in the last Q, reports *Reuters*, citing **Thomson Reuters Ownership** data. **Discovery** shares have climbed 20+% since it started trading as a standalone company in Sept.

CableFAX Daily Stockwatch

Company	03/17 Close	1-Day Ch	Company	03/17 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	26.01	0.19	ADC:	3.66	0.09
DIRECTV:	21.73	0.87	ADVANTAGE:	1.50	0.11
DISH:	10.77	0.35	ALCATEL LUCENT:	1.64	0.07
DISNEY:	17.82	0.61	AMDOCS:	17.33	0.36
GE:	10.00	0.34	AMPHENOL:	27.45	0.69
HEARST-ARGYLE:	1.59	(0.43)	APPLE:	99.66	4.24
NEWS CORP:	7.13	0.33	ARRIS GROUP:	7.40	0.36
MSOS					
CABLEVISION:	12.73	0.67	AVID TECH:	9.80	0.22
CHARTER:	0.02	0.00	BIGBAND:	6.10	0.38
COMCAST:	13.27	0.70	BLNDER TONGUE:	0.98	0.00
COMCAST SPCL:	12.47	0.68	BROADCOM:	19.44	1.11
GCI:	5.16	0.01	CISCO:	16.14	0.69
KNOLOGY:	4.11	0.09	CLEARWIRE:	4.30	0.27
LIBERTY CAPITAL:	5.59	0.33	COMMSCOPE:	8.80	0.55
LIBERTY ENT:	18.43	1.24	CONCURRENT:	3.26	(0.04)
LIBERTY GLOBAL:	12.34	1.43	CONVERGYS:	6.87	0.32
LIBERTY INT:	3.08	0.27	CSG SYSTEMS:	12.86	0.25
MEDIACOM:	4.65	0.50	ECHOSTAR:	14.49	(0.42)
SHAW COMM:	15.31	0.39	GOOGLE:	335.34	15.65
TIME WARNER CABLE:	27.07	1.17	HARMONIC:	5.92	0.44
VIRGIN MEDIA:	4.82	(0.11)	INTEL:	14.90	0.65
WASH POST:	353.81	4.81	JDSU:	3.15	0.25
PROGRAMMING					
CBS:	4.15	0.32	LEVEL 3:	0.66	0.00
CROWN:	2.00	0.18	MICROSOFT:	16.90	0.65
DISCOVERY:	16.77	0.11	MOTOROLA:	3.89	0.24
EW SCRIPPS:	1.50	0.07	OPENTV:	1.46	0.06
GRUPO TELEVISA:	13.35	0.37	PHILIPS:	16.13	0.11
HSN:	4.75	0.11	RENTRAK:	9.28	0.28
INTERACTIVE CORP:	14.97	0.49	SEACHANGE:	5.83	0.38
LIBERTY:	21.65	1.49	SONY:	20.45	0.96
LODGENET:	0.78	0.03	SPRINT NEXTEL:	3.62	0.05
NEW FRONTIER:	1.30	0.03	THOMAS & BETTS:	23.55	0.60
OUTDOOR:	6.52	0.39	TIVO:	6.72	0.39
PLAYBOY:	1.58	0.05	TOLLGRADE:	5.83	0.03
RHI:	1.62	0.10	UNIVERSAL ELEC:	17.15	1.03
SCRIPPS INT:	21.44	0.78	VONAGE:	0.41	0.01
TIME WARNER:	8.38	0.23	YAHOO:	13.99	0.77
VALUEVISION:	0.41	0.03	TELCOS		
VIACOM:	17.19	0.71	AT&T:	25.37	1.01
WWE:	11.00	0.62	QWEST:	3.38	0.01
TECHNOLOGY					
3COM:	2.65	0.22	VERIZON:	29.83	1.28
MARKET INDICES					
DOW:				7395.70	178.73
NASDAQ:				1462.11	58.09

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From the most outstanding cable programs to the best surprise ending, the Annual CableFAX Program Awards honor the best in cable content and people. This unique awards program from the industry's most trusted brand, CableFAX, raises the bar on what's good on and about Cable. Now's your chance to win a CableFAX Program Award and get recognized for bringing value to your viewers.

Are you ready to enter? It's simple to compete, as your content and people speak for themselves. But you have to enter to be considered, so don't let your competitors steal the show. We'll be honoring the winners in September at the Grand Hyatt Hotel in New York, NY, and in the annual CableFAX Program Awards Issue.

We look forward to seeing your entry and saluting cable's top shows and people of the year.

Categories:

Platinum/People Categories:

- Best Actor in Cable
- Best Actress in Cable
- Best Cable Program
- Best New Cable Program
- Best Producer
- Best Writer
- Best Director
- Hall of Fame: Open to actors, writers, directors and producers for a body of work

By Genre: Best Show or Series In The Following Genre

- Animals/Nature
- Animated
- Children's
- Comedy
- Documentary
- Drama
- Education/Instructional
- Family Friendly
- Fitness/Health
- Food

- Music
- News
- Public Affairs
- Reality/Game Show
- Sci Fi
- Sports
- Talk Shows
- Best Regional Program
- Other: enter your best in a genre not mentioned above

By Genre: Best Actor/Actress/Host In The Following Genres

- Animals/Nature
- Animated
- Children's
- Comedy
- Documentary
- Drama
- Education/Instructional
- Family Friendly
- Fitness/Health
- Food

- Music
- News
- Public Affairs
- Reality/Game Show
- Sci Fi
- Sports
- Talk Shows
- Best Regional Program
- Other: enter your best in a genre not mentioned above

Special Categories:

- Best Opening Sequence
- Best Surprise Ending
- Most Unrealistic Scene That Was Most Entertaining

Tech Categories:

- Best Use of HD Technology
- Best Online/Mobile Extras for a Linear Show
- Best Online-Only/Mobile-Only Show
- Best Video on Demand Program/Special

Timeline:

Entry Deadline: May 1, 2009

Late Entry Deadline: May 8, 2009

Luncheon: September 16, 2009

Location: Grand Hyatt New York, NY

www.cablefaxprogramawards.com

For questions or additional information, please contact awards coordinator Mary Lou French at (301) 354-1851, mfrench@accessintel.com