

# CableFAX Daily™

Wednesday — October 10, 2012

What the Industry Reads First

Volume 23 / No. 196

## Still Going: SeaChange Scores a Win in Long-Running Patent Case

You gotta love how a good patent dispute never seems to die. Look at how **TiVo** and **DISH's** quarrel lingered for 7 years. But others have hung around even longer. Yes, we're talking about you **SeaChange** and **Arris**. In all started in 2000, when SeaChange filed a VOD patent infringement suit against **nCube** (which was later bought by C-COR, which was bought by Arris in '07). SeaChange lost that case, nCube countersued, and Arris redesigned its video system. But in '09, Arris filed a motion alleging that SeaChange's work-around the n-Cube patent violated the injunction. That brings us to today, when a US District Court denied Arris' motion to hold SeaChange in contempt of that permanent injunction. But that's not the end. "The court's ruling does not find that SeaChange product has avoided infringement of Arris intellectual property nor does it resolve the litigation between Arris and SeaChange," Arris said. "Arris continues to believe the SeaChange products infringe its patent. Arris has an extensive patent portfolio which it will continue to protect." SeaChange sees things differently (big surprise given the history, eh?). "As far as we're concerned, the judge's decision definitively concludes the proceeding in our favor," said a SeaChange spokesperson. SeaChange CEO *Raghu Rau* issued a statement, saying that with the court's ruling, "the 2 companies can go back to competing in their respective markets on the strength of their technology and service, instead of in the courts." In light of the ruling, the US District Court for DE has ordered the companies to submit a joint status report by Fri. The good news for operators, none of this affects them or how they can use VOD, according to *Stan Brovont*, Arris, svp, marketing & biz dev. It's all legal maneuvering. That keeps going and going... SeaChange shares closed down 2 cents (-0.24%), while Arris was off by 11 cents (-0.87%).

**Dealapalooza:** What is it with **CBS**? It's just racking up deal after deal, without even a peep of discord. **DirectTV** was the latest to sign on the dotted line—not surprising given that at the MVPD said during its 2Q call that it was wrapping up negotiations with the programmer. More surprising is the number of deals getting done without flare ups. Last month, **Cablevision** and **AT&T U-Verse** both announced renewals. As with the others, DirecTV's agreement covers retrans of the CBS O&Os and continued carriage of **Showtime**, **CBS Sports Network** and **Smithsonian Channel**. Other big distributors have previously tied up pacts, with **Comcast** announcing a 10-year deal in '10—more than a year before its contract was set to expire. During CBS' 2Q earnings call with analysts, CEO *Les Moonves* noted that many deals are getting done without incident. "This is not to say we will never have a dispute that goes public, but across the industry, the marketplace is working and the few cases making all the noise are rare exceptions," he said. Separately, DirecTV inked a new agreement with **ION** that covers distribution of the flagship network. The DBS provider also will begin offering the net in HD.

**Ratings:** Big asterisk on the weekly ratings data Tues. Because of a technical glitch, **TNT's** Fri night movie, "A Time to Kill," wasn't included in basic cable's weekly program rankings. The movie also wasn't factored into TNT's primetime and total day deliveries for the week. **Nielsen** is trying to resolve the problem, **Turner** said. One thing won't change: **Disney's** still

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# CableFAX

## Celebrate the Cable Industry with these Signature Events

### Top Ops AWARDS



### Tuesday, October 30

Join us as we celebrate the CableFAX Program Awards and honor the Top Operators of the Year. This outstanding event will bring together those who create amazing content and those who excel in bringing it to the viewers.

**Location: W New York**

**Register Today!** [www.CableFAX.com/ProgramAwards](http://www.CableFAX.com/ProgramAwards)



### Wednesday, December 5

Celebrate the most powerful women executives in cable by attending our breakfast.

**Location: Grand Hyatt New York**

**Register Today!** [www.CableFAX.com/2012PowerfulWomen](http://www.CableFAX.com/2012PowerfulWomen)



### Wednesday, December 5

Attend the CableFAX 100 reception to network with the industry power list.

**Location: Grand Hyatt New York**

**Look at [www.CableFAX.com](http://www.CableFAX.com) for more information in the coming weeks.**

Please Contact Shannon Nelligan, Senior Marketing Manager,  
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the #1 net in total day for kids 6-11 and 9-14 for 69 straight weeks. Sun's "Good Luck Charlie" was the week's #1 telecast in kids 2-11 (2.31mln/5.8 rating) and kids 6-11 (1.86mln/7.9rating). The primetime win for last week went to **ESPN** (2.7 HH rating/2.69mln HH delivery), whose MNF outdelivered the presidential debate on **Fox News** (16.6mln viewers vs 10.4mln).


**At the Portals:** The FCC-designated Open Internet Advisory Committee held its 2nd meeting Tues, nearly 2 years after the Commission adopted its net neutrality order. **Netflix** Chief Product Officer *Neil Hunt* used the gathering to take some shots at broadband usage caps, arguing that many consumers don't understand caps. "We can explore more efficient ways" than caps, he said. It's not the 1st time (won't be the last time either) that Netflix blasted the practices by ISPs to cap Internet data. Earlier this year, CEO *Reed Hastings* slammed **Comcast**, alleging unfair implementation of net neutrality principles when it comes to bandwidth caps for its Xfinity Internet service. Comcast's defense is the service is delivered via its own private IP network and not over the public part of Internet. Front and center at Tues' meeting was specialized services, which the FCC order says the Commission will closely monitor to ensure they supplement, but not supplant, the Internet. The biggest threat to the Internet isn't ISPs' different network practices, but cyber attacks coming outside the borders, said *Charles Kalmanek*, research vp, **AT&T**. The next committee meeting is expected to be in Jan.

**Online:** **BBC** is getting cozy with **Hulu** again. The 2 will co-produce comedy-thriller "The Wrong Mans," a 6-part series that will be distributed to Hulu's US audience and **Hulu Plus** subs in '13. The move follows the companies' 1st co-production "The Thick of It," a UK political satire. Hulu is also expanding its partnership with **Viacom** with the addition of **Nick**, which will be added to the Hulu Plus online video streaming service starting Tues. In the next few months, Hulu Latino will see the addition of **Viacom's** bilingual net **Tr3s**. The 2 will continue to make eps and clips of "The Daily Show with Jon Stewart" and "The Colbert Report" available on Hulu. The deal came after Hulu's pact with **WWE**.

**TVE:** **Cable One** is the latest op to be added to **HBO's** TVE lineup. Through **HBO Go** and **Max Go**, Cable One subs can access HBO and Cinemax for free on computers, iPad, iPhone, iPod Touch and some Android smartphones. With HBO, subs can also access content on Kindle Fire, Xbox 360, Samsung Smart TV and Roku. -- **Suddenlink** became **TiVo's** 1st streaming customer with the launch of TiVo Stream in Lubbock, TX (Go Red Raiders!), allowing subs to watch live TV and DVR on iPads, iPod Touch and iPhones. Android devices and access to VOD content will be added later. A TiVo stream device (\$10 a month for rental) is required to use the service. The device's currently priced at \$130 for retail.

**Marketing:** On Wed, the No. 5 **Time Warner Cable** Chevrolet will be unveiled at the **Hendrick Motorsports** Campus. Earlier this week, TWC announced a 3-year primary sponsorship with Hendrick for the **NASCAR** Sprint Cup series. The agreement, through '15, includes primary paint schemes with driver *Kasey Kahne*. **Speed** will film from the event. -- **WE** is teaming with **Loehmann's** for a 1-day bridal event Oct 19 in Chelsea, NY, featuring 800 designer wedding gowns and *David Tutera*, host of the net's "My Fair Wedding: Unveiled." Loehmann will host "Loehmann's Grab the Gown: Your Perfect Day Sweepstakes" on its **Facebook** page. Winners can get gift cards and a signed copy of Tutera's wedding planning book.

**Programming:** **GSN** ordered a 2nd season of "The American Bible Challenge," a 1-hour game show in which contestants compete based on their knowledge of the Bible. The 9-ep new season will be aired '13. -- **RLTV** and George Washington Univ's **Face the Facts USA** project will collaborate on a series of panel discussions and town hall meetings on problems facing America. RLTV will air the events, with the 1st on the debt and deficit set to air Wed at 8pm ET. The conversation



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# BUSINESS & FINANCE

includes Sen *Alan Simpson* (R-WY) and *Jared Bernstein*, former chief economist and economic adviser to Vice Pres *Joe Biden*.

**Obit:** Veteran **Showtime** exec *Frank Pintauro* passed away Sunday after a long battle with cancer. He was 61. Pintauro served as evp, **Red Group**, where he oversaw the net's in-house ad agency, and as co-head of the net's marketing and creative services dept. Last year, under his leadership, the Red Group was named In-House Creative Team of the Year by **Promax-BDA**. "The success of Showtime is due in large part to Frank's contributions over the past 20 years," said Showtime chmn/CEO *Matt Blank*. Pintauro is survived by his wife *Kathy*, and sons *David* and *Tony*, who works in the creative services department for Showtime Sports. A funeral mass will be held in NY on Fri.

**People:** **Comcast** named *Hank Fore* regional svp for CA, replacing *Curt Henninger*, who is moving to Comcast's corporate office in Philly. -- **Comcast** tapped *John Titus* as area vp, ops for the northern suburbs of PA and parts of central and northern NJ.

**On the Circuit:** **NCTA** chief *Michael Powell* was the Politic365 "Game Changer" for Tues. Politic365, a destination for politics and policy related to communities of color, is honoring 365 Game Changers in 2012, selecting leaders who "embody our ideals and personify vibrant leadership in this country."

## CableFAX Daily Stockwatch

Company	10/09 Close	1-Day Ch	Company	10/09 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	51.02	(1.78)	CONCURRENT:	5.00	(0.09)
DISH:	32.15	0.03	CONVERGYS:	15.69	(0.15)
DISNEY:	51.51	(0.82)	CSG SYSTEMS:	22.32	(0.33)
GE:	22.62	(0.3)	ECHOSTAR:	30.71	0.03
NEWS CORP:	25.00	(0.5)	GOOGLE:	744.09	(13.75)
<b>MSOS</b>					
CABLEVISION:	16.78	(0.46)	HARMONIC:	4.30	(0.12)
CHARTER:	76.08	0.05	INTEL:	21.90	(0.61)
COMCAST:	35.32	(0.89)	JDSU:	10.60	(0.28)
COMCAST SPCL:	34.41	(0.81)	LEVEL 3:	22.01	(0.47)
GCI:	10.17	(0a.04)	MICROSOFT:	29.28	(0.5)
LIBERTY GLOBAL:	60.27	(0.99)	RENTRAK:	17.03	(0.17)
LIBERTY INT:	18.75	(0.02)	SEACHANGE:	8.27	(0.02)
SHAW COMM:	20.66	(0.1)	SONY:	11.51	(0.4)
TIME WARNER CABLE:	97.28	(1.1)	SPRINT NEXTEL:	4.95	(0.14)
VIRGIN MEDIA:	30.04	(0.53)	TIVO:	10.10	(0.16)
WASH POST:	359.65	(1.35)	UNIVERSAL ELEC:	18.01	(0.48)
<b>PROGRAMMING</b>					
AMC NETWORKS:	41.92	(0.83)	VONAGE:	2.25	(0.07)
CBS:	34.86	(1.34)	YAHOO:	15.85	(0.18)
CROWN:	1.66	(0.02)	<b>TELCOS</b>		
DISCOVERY:	59.69	(0.97)	AT&T:	37.14	(0.52)
GRUPO TELEVISA:	23.98	(0.26)	VERIZON:	46.11	(0.46)
HSN:	48.82	(0.31)	<b>MARKET INDICES</b>		
INTERACTIVE CORP:	53.03	(0.65)	DOW:	13473.53	(110.12)
LIONSGATE:	15.44	(0.07)	NASDAQ:	3065.02	(47.33)
LODGENET:	0.68	(0.07)	S&P 500:	1441.48	(14.4)
NEW FRONTIER:	1.25	(0.06)	<b>TECHNOLOGY</b>		
OUTDOOR:	7.27	(0.02)	ADVANTAGE:	2.10	(0.01)
SCRIPPS INT:	63.27	(0.03)	ALCATEL LUCENT:	0.95	(0.06)
TIME WARNER:	45.56	(0.94)	AMDOCS:	32.26	(0.41)
VALUEVISION:	2.37	0.09	AMPHENOL:	58.50	0.18
VIACOM:	56.77	(0.57)	AOL:	36.59	(0.14)
WWE:	8.29	(0.08)	APPLE:	635.85	(2.32)
<b>TECHNOLOGY</b>					
ARRIS GROUP:	12.54	(0.11)	AVID TECH:	9.43	(0.35)
ADDVANTAGE:	2.10	(0.01)	BLNDR TONGUE:	1.16	(0.07)
ALCATEL LUCENT:	0.95	(0.06)	BROADCOM:	33.18	(0.83)
AMDOCS:	32.26	(0.41)	CISCO:	18.80	(0.1)
AMPHENOL:	58.50	0.18	CLEARWIRE:	1.30	UNCH
AOL:	36.59	(0.14)			

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**OTT Musings: Stakeholders Debate Evolving Content Delivery at CES**  
 With the Comcast/Disney distribution deal a harbinger for TV Everywhere and Fox's move last summer to put select content behind a pay wall, panelists mulled the ins and outs of over-the-top delivery at an OTT panel at CES. "The tablet, the device, is going to control the TV experience at U-verse," said Jeff Weber, AT&T VP, product and strategy, noting the company's drive into tablet apps and model of providing APIs for developers to send content from device to television. But discernment is critical, panelists agreed. While AT&T has an approval process in place, YouTube abandoned its API-based partnership model two years ago "because we ended up with different apps on different TV, and performance differed," said Francisco Valera, dir/global head of platform and games partnerships. Touting YouTube's deals with Samsung, LG and its new Xbox partnership, "if we can't control the app, and update features quickly, it's a lost cause," he said. YouTube's recent-day model of investment in original content will stretch the company's presence in specific categories such as "niche cooking and unique travel" channels. "We don't see ourselves becoming a large studio, but we're more than dogs on skateboards," Valera quipped. "We want to bring in proven providers of broadcast quality content that's not sustainable in the cable universe." Valera said YouTube is working on its fourth UI, and moving toward the HTML 5 standard. Noting that unlike other video distributors YouTube always owns its TV and mobile content rights, "Can we bring our content to an AT&T, Cox or Comcast? We can, and that's where we are excited," he said. Initial deals with distributors are rolling out in Europe and Asia, he said. At Cox, focus remains on the UI. "It's important to get the user interface right, especially as more content is added in," said Lisa Pickelsimer, executive director, video product development. Integrated search, recommendations and social media will become more key, Pickelsimer said, noting the bigger role of metadata and the need