

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## New Rules: Fubo, Sports JV Partners Battle in Court Docs

It's been two months since **Disney, Fox Corp.** and **Warner Bros. Discovery** announced plans to launch a sports streaming jv, and this week saw plenty of movement in **Fubo's** antitrust lawsuit to block the service's launch.

Fubo filed a motion for a preliminary injunction Monday with the **Southern New York District Court**, arguing that these programming giants have long leveraged their control of must-watch sports content to force distributors, including Fubo, to license and distribute general entertainment channels. It alleges that Fox, Disney and WBD are giving themselves alone the right to offer a premium sports package without being dragged down by entertainment channels that drive up costs of packages.

"The JV service will feature just 15 channels, all featuring popular live sports—the kind of skinny sports bundle that Fubo has tried to offer for nearly a decade, only to encounter tooth-and-nail resistance from the Defendants and other large programmers," Fubo said.

Letters of support have also started to flow in from those that share Fubo's concerns about the service and its motion. **DirectTV** Chief Content Officer **Rob Thun** was among the authors, and he said his company also worries about the impact of the sports jv on competition for the distribution of sports programming.

"More specifically, the joint venture partners are offering content in a manner that they do not allow DirectTV or other

distributors to offer to consumers," Thun said. "Rather, the joint venture partners require that DirectTV offers a large bundle of channels and do not allow DirectTV to offer a smaller sports-focused bundle of channels." He believes that should the jv be allowed to launch, consumers will be deprived from meaningful competition should distributors not be allowed to put together a similar offering for their subscribers.

**DISH** EVP/Group President, Video Services **Gary Schanman** was also among the list of names speaking out in support of Fubo, but his letter was sealed by the court after Fubo requested as much.

On the other side of the legal battle, Warner Bros. Discovery, Disney and Fox Corp. each filed motions to dismiss Fubo's lawsuit. In Fox Corp's filing in support of the motion to dismiss, it fought back against Fubo's allegations that the jv would increase the incentives of the three programmers to shut out or and/or raise the carriage fees they charge to Fubo for their content.

"But Fubo does not, and cannot, plausibly allege that Defendants will raise the costs they charge Fubo or that they will engage in unlawful collusion. A future harm 'premised on a speculative chain of possibilities' does not count as a concrete and traceable injury in fact," Fox said.

It also argued that Fubo has no ground to stand on in its argument that the jv will somehow reduce competition. Specifically, it pointed to the initial announcement revealing the streaming service that stated Warner Bros. Discovery, Fox and



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ESPN would be licensing their sports content to the JV on a non-exclusive basis. “Fubo does not, and cannot, plausibly allege that the JV will influence the terms under which Fox chooses to license its content to Fubo eighteen months hence.”

Fox also took a few shots at Fubo, arguing that it has not invested in its own distribution infrastructure and offers little that makes it unique from the competition. At the same time, its stock price trades below \$2/share and the number of strong competitors in the video marketplace is only increasing. “But the antitrust laws exist to promote competition, not to protect Fubo from other competitors,” Fox said.

## ROKU HAS SECOND DATA BREACH, IMPACTS 576,000 ACCOUNTS

Roku announced it had a [data breach](#) impacting more than 15,000 accounts last month, and on Friday, the company revealed it discovered a second incident that affected well over 500,000 more accounts. “After concluding our investigation of this first incident, we notified affected customers in early March and continued to monitor account activity closely to protect our customers and their personal information,” the company said. “Through this monitoring we identified a second incident, which impacted approximately 576,000 additional accounts.” Roku said the unauthorized actors accessed accounts by using login credentials stolen from another source unrelated to Roku, which is a method called credential stuffing. It added that there’s no indication Roku was the source of the account credentials used in the breach, or that Roku’s systems were compromised in either incident. Roku also said malicious actors logged in and made unauthorized purchases of streaming subscriptions and hardware productions in less than 400 cases. As a response, Roku is implementing security measures to better detect and avoid future breaches. That includes resetting the passwords for all impacted accounts, refunding or reversing charges of accounts that had unauthorized purchases in addition to highlighting that no sensitive or full credit card information was stolen. Roku is also implementing two-factor authentication for all accounts.

## TELEVISAUNIVISION, TRANSMIT INTRODUCE AD FORMAT

TelevisaUnivision and the technology platform Transmit teamed up to create a virtual video advertising feature that brings creator-driven social ads to OTT streaming platforms. The new ad format allows companies to use vertical video social media assets concurrently with live sports events and popular entertainment programming on OTT channels. It’ll be

available starting today across in-break advanced ad units, which will be featured across TelevisaUnivision’s music and entertainment properties and **Liga MX** matches.

## T-MOBILE SHOPPING AT SAM’S

T-Mobile is rolling out to nearly all **Sam’s Club** locations in the U.S. after becoming the store’s exclusive in-club wireless provider. Sam’s Club members can shop for devices and plans from T-Mobile as well as the T-Mobile 5G Home and Business Internet. To commemorate the news, Sam’s Club members can get up to \$1,000 off select devices with eligible trade in on certain plans. Members will also get free shipping on every T-Mobile order. Those who switch to T-Mobile or add a new line will receive a \$60 Sam’s Club electronic gift card to spend every year they’re with the uncarrier.

## QUICKPLAY, GOOGLE CLOUD JOIN FOR NEW PRODUCT

Quickplay is continuing to dive into the use of Generative AI, revealing a new Curator Assistant designed to help content programming teams enhance discovery within content libraries. The product, made in partnership with **Google Cloud**, allows for the creation of storefront rails that have more titles and can be programmed faster. It uses Generative AI to help create rails aligned with topical or seasonal content, or verticals specific to a subject based on the user’s personal interests. Google’s Vertex AI also helps return data that uses a larger database than traditional metadata tagging.

## RATINGS

The Season 11 debut of **Hallmark Channel**’s longest-running series “When Calls the Heart” was the most-watched program of the week among W18+ and on Sunday across households, total viewers, W18+ and P18+. The episode garnered 2.8 million unduplicated total viewers on an L+3 basis. That helped Hallmark Channel to be the No. 1 entertainment cable network in weekend total day among W18+.

## ON THE CIRCUIT

**MSNBC** Senior Business Analyst *Stephanie Ruhle* will have a fireside chat with **TV One** and **Cleo TV** President *Michelle Rice* to open up **The WICT Network**’s 2024 Signature Luncheon. This year’s event, which takes place in NYC next Friday following **The Cable Center**’s Hall of Fame Dinner on Thursday, will highlight the 20th anniversary of The WICT Network’s PAR Initiative.

**DOING GOOD**

**Comcast's RISE** program is setting its sights on the greater Jacksonville area. Eligible small businesses within the region can now apply to receive business support grants in the form of \$5,000 in addition to technology makeovers, marketing support, media schedules, coaching sessions and educational support. The grants will be awarded to 100 businesses across Florida's Clay, Duval, Nassau and St. Johns counties and Camden, Charlton and Glynn counties in Georgia. The [application](#) window will run from May 1-31, and recipients will be unveiled in August.

**PROGRAMMING**

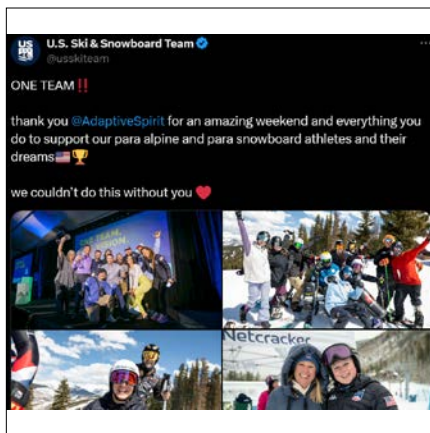
The 2024 **WNBA** Draft will air Monday on **ESPN** at 7:30pm. *Ryan Ruocco* will be the on-site host as *Rebecca Lobo* and *Andraya Carter* join as analysts and *Holly Rowe* will interview draftees following their selections. "WNBA Countdown" will lead into the draft starting at 7pm. The 6pm edition of "SportsCenter" will air from the draft's site in Brooklyn. – **Fox Nation's** newest special will come next week as "Battle for the Arctic with Bill Hemmer" premieres Wednesday. The one-hour program will highlight the Navy's recently launched three-week operation for research in the Arctic region called "Operation Ice Camp 2024." – The latest edition of **Lifetime's** "Ripped from the Headlines" feature, "The Girl Locked Upstairs: The Tanya Kach Story," is set to premiere this summer. The film chronicles a true story about *Tanya Kach*, who was groomed by a security guard at her middle school and held captive for 10 years. "Beyond the Headlines: The Tanya Kach Story with Elizabeth Smart" will air following the movie.

**PEOPLE**

**UP Entertainment** is promoting *Alyson DeMarino* from Senior Director, Ad Sales Client Solutions to VP, Ad Sales Client Solutions. She'll oversee the creation of the company's upfront presentation and manage the creative ideation, strategy and execution of client solutions to enhance branded content across linear, digital and social media platforms.

**CABLEFAX DASHBOARD**

**Social Media Hits**



**Research**

(Source: [Hub Research's "Connected Home" Study](#))

- > 62% of TV households are now streaming weekly on smart TVs, up significantly from 47% in 2021. Approximately 79% TV households currently own at least one smart TV set.
- > 56% of TV households have some sort of streaming media player.
- > While separate streaming media player devices like Roku and Fire TV are in half of homes, growth has stalled compared to all-in-one smart TVs that provide seamless integration for viewers.
- > The growth of easy-to-install, affordable sound bars are improving the external sound systems for many while they otherwise are hesitant to upgrade to 4K or 8K TV sets.

**Up Ahead**

- APRIL 13-17:** [NAB Show](#); Las Vegas
- APRIL 18:** [Cable Hall of Fame](#); NYC
- APRIL 19:** [WICT Network Signature Luncheon](#); NYC
- APRIL 25:** [FCC Open Meeting](#); D.C.
- APRIL 30:** [Cablefax Top Ops Free Entry Deadline](#)

**Quotable**

*"If you actually look at the [digital discrimination] statute, you could write it on the back of a napkin. It really has the appearance of kind of an afterthought. The core responsibility given to the FCC in that statute is to promote equal access to broadband service... The FCC, the actual approach they took in implementing that, just completely blows that out of proportion by applying this actually not only to intentional actions, but also to any actions that could have a disparate impact on different groups... I think we have a really strong case that the FCC has exceeded its mandate here substantially, so we'll be continuing to take that fight forward."*

– **ACA Connects Chief Regulatory Counsel Brian Hurley speaking at the 2024 PA Broadband Summit on the FCC's digital discrimination rules**