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Alki David, the Greek billionaire and Hollywood maverick who owns film libraries, was talking on his mobile phone last week from his estate on the isle of Spetses about what comes next for FilmOn.

He has watched the "roadkill" of online-streaming companies over the years, but he still has the fight - and apparently the financial resources - to take on the TV networks.

"I'm prepared to be the biggest pain . . . they have ever experienced," he said.

He will get his chance.

The U.S. Supreme Court decided 6-3 on June 25 that Aereo Inc. - and, thus, David's FilmOn - violated copyright laws with their mini-antenna farms that grabbed free broadcast-TV signals out of the air and transmitted them over the Internet.

Aereo chief executive Chet Kanojia called the high court decision a "massive setback for the American consumer." Several days later, Kanojia suspended Aereo's service in about a dozen TV markets where it had launched over the last year.

David said Wednesday that he wasn't throwing in the towel in the 18 TV markets where he had antenna farms. (Neither FilmOn nor Aereo offers its services in the Philadelphia area.)

The Supreme Court decision characterized Aereo's service as similar to a cable company, and if that was so, then FilmOn must also be a cable service. So FilmOn filed last week with the U.S. Copyright Office as a small cable company and paid a compulsory license fee contained in the Copyright Act of 1976, allowing it, David said, to transmit the local broadcast-TV stations.

"This is America," David said. "We have a right to be a cable company. Imagine having a cable service and not having your local television station on it. You can't have an important public service like that and have it half-baked."

FilmOn is making the local TV stations available on a premium tier that costs about \$10 a month to comply with the Copyright Act, a FilmOn spokesman said. Most FilmOn users view the free part of the site, which is supported by advertising.

FilmOn's legal strategy has merits, but will almost certainly lead to more court action by the TV networks, experts said. "The Supreme Court did not say they are a cable company," said Seth Davidson, an attorney with Edwards, Wildman, Palmer L.L.C. "The court said they were *like* a cable company."

But Davidson added that the we-are-a-cable-company approach could buy FilmOn - and even Aereo - time to continue to operate. Otherwise, Davidson said. "they have very few options, as far as I can see."

Backed by TV and Internet mogul Barry Diller, Aereo was considered a one-trick pony with the local TV networks as it related to content.

David, 46, who lives in Beverly Hills and is married to former model Jennifer Stanó, said the broadcast-TV networks were not make-or-break for FilmOn.

In April, FilmOn acquired the CineBx Library that included 10,000 films and 10,000 hours of historical TV footage. The biggest part of the library was the Allied Entertainment Library with 640 westerns, 150 Broadway musicals, war films, and TV documentaries.

FilmOn has available 45,000 on-demand videos and hundreds of channels for which David's negotiated carriage, he said. FilmOn streams about 1.5 billion short video advertisements and hosts 45 million unique visitors a month, the company said.

David would not disclose revenue or the number of subscribers.

The United States accounts for about 25 percent of FilmOn's revenue, though the site has a bigger brand in Europe and the Middle East.

David described FilmOn as YouTube with professional-quality content.

"As far as we know," he said, "we are and should be regulated as a cable company. It's important for FilmOn to be seen as a vanguard of the space." – Philadelphia Inquirer



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