

VIDILLION SUPPORTS AEREO SUPREME COURT RULING

Long-term 'win' for broadcasters and consumers that will define the future of Connected TV

June 27, 2014—Las Vegas—The Supreme Court made a landmark decision Wednesday in favor of television networks and broadcasters, saying that Aereo is in violation of copyright law. Vidillion, the leading Connected TV (CTV) advertising platform provider, supports this ruling that cements the role of copyright protection in the future of CTV and the video industry as a whole.

Justices ruled 6 to 3 that Aereo's internet TV service is similar to a cable company and is thus liable to pay retransmission fees for the content it broadcasts. Justice Stephen Bryer wrote, "Behind-the-scenes technological differences do not distinguish Aereo's systems from cable systems." Aereo's service charges \$8 per month for subscribers to watch over-the-air TV over the Internet, none of which is passed on to the networks. "Aereo sells a service that allows subscribers to watch television programs, many of which are copyrighted, virtually as they are being broadcast," Justice Bryer adds. As a result, the court rules that Aereo's service is a "public performance" of television operating without a copyright license and is thus illegal.

Resounding Victory for Broadcasters

The Supreme Court decision to pull the plug on Aereo encourages broadcasters and networks to increase their 'cord-cutter' audience share. This benefits service providers that are authorized to carry TV broadcaster content, that have partnered with Vidillion for advertising revenue. Dennis Nugent, President of Vidillion, states, "As a CTV monetization platform, we uphold our very strong content owner copyright protection as well as help monetize their content. So far it has been a win-win and people are happy."

As all broadcast networks agree, incentivizing copyright and authorizing distribution help uphold the high-quality content consumers expect and the copyright protection content-creators need. Nugent echoes, "Viewers will have an improved quality of service by viewing the TV broadcaster streams on authorized platforms such as Roku, and on their mobile device applications."

Despite its copyright issues, Aereo has proven strong consumer demand for CTV. This opens more opportunities for Vidillion as it continues to establish its niche in the market. According to Nugent, "Vidillion can profitably deliver linear TV channels to connected viewers for networks and broadcasters with no risk to existing revenue streams. Geographic restrictions such as DMA (Designated Market Area) territories can be enforced for connected viewers without complicated authenticated-user systems such as those being promoted by cable companies. Broadcasters invoking must-carry rules have the opportunity to make more money with Vidillion's Dynamic Ad Insertion (DAI) service than they can from must-carry retransmission. DAI provides verified delivery of individually targeted ads to connected viewers, leading to higher ad revenue. Even broadcasters earning retransmission fees may find that they can make more money from OTT delivery with Vidillion."

Defining the Future of Connected TV

Nicco Mele of Harvard Kennedy Law School says, “[It] is an opening salvo in a pretty intense war about the future of video. Consumers want to watch whatever they want to watch, whenever they want to watch it, and on whatever device to watch it on.” Meanwhile, Vidillion welcomes this trend as a pioneer in CTV advertising. For ten years, it has been developing its own IPTV technology delivery services, encompassing monetization models, revenue shares with copyright owners, and viewer-targeted advertisements for content creators and broadcasters alike. Its patented ad delivery system, VidTizer, allows for global video streams across devices for whenever/wherever viewing.

According to Nugent, Vidillion’s vision lies in ad targeting systems designed to complement and work with TV broadcasters’ DMA Model, where viewers within the same region can receive the same channels and programs. Its technology and services embrace this model for all devices, including copyright. “It is very interesting times we live in. Every day, we at Vidillion refine and define the broadcast TV experience for content owners and consumers alike.”

About Vidillion

Vidillion built the first connected TV monetization platform, VidTizer. VidTizer enables video content owner and video service providers (VSPs) to make money from content viewed on connected TVs. Vidillion’s proprietary patent-pending software allows precisely targeted ads based on device, profile, geography, language and context, and verifies ad delivery. [VidTizer three-tier hierarchies of business rules](#) maximizes the revenue from ad inventory and allows content distributors to limit ads to viewers based on profiles such as religion, language, device, content or other parameters. VidTizer includes the Vidillion Versatile Anonymous System (VAST) proxy server that allows delivery of ads to non-VAST compliant devices. VidTizer uniquely offers content owners the means to monetize their video content on Connected TVs. For more information, please visit www.vidillion.com.

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