

Cablefax Daily™

Tuesday — August 23, 2016

What the Industry Reads First

Volume 27 / No. 162

Patently Speaking: DISH, Rovi Make Nice; TiVo Close Nears

Some 4 months after agreeing to a standstill in which they wouldn't pursue litigation against each other, **Rovi** announced a 10-year patent renewal license with **DISH**. Rovi shares closed up 6.7% Mon. The agreement also continues DISH's license to Rovi's Conversation Services natural language platform, as well as other Rovi products. This summer DISH launched a new voice remote nationwide that uses Rovi's semantic-based conversation services. In April, Rovi sued **Comcast**, alleging infringement of its electronic program guide patents. Comcast has filed its own lawsuit against Rovi. Those suits are still pending. According to Rovi, there are no updates on Comcast at this time. "Today's announcement with DISH further reinforces the importance of Rovi's intellectual property with traditional and next-generation pay-TV service providers," Rovi said. "Nine of the top 10 U.S. pay-TV operators are under license to use Rovi's technology innovation to power customizable, next-gen digital entertainment." Seven of those agreements have been signed over the last 7 quarters. Rovi is moving closer to completing its \$1.1bln acquisition of **TiVo**, which it expects to become effective Sept 7, subject to obtaining the approval of TiVo and Rovi stockholders. DISH's patent license agreement is subject to certain contingencies relating to the close of the TiVo acquisition. Additionally, DISH has agreed to provide TiVo with a release for all past products and a going-forward covenant not-to-sue under DISH's existing patents during the 10-year license term in exchange for TiVo providing DISH certain TiVo products during the term and cash payments by TiVo to DISH of \$60mln in the aggregate over the next year. Recall that TiVo, DISH and **EchoStar** reached a \$500mln patent settlement in 2011. None of this impacts the existing settlement and the final payment due under it in July 2017 remains payable to TiVo. Once the acquisition is closed, Rovi has said it will adopt TiVo as the new company name. It expects the combined company to realize at least \$100mln in annual cost synergies, with 65% of these synergies recognized in the first 12 months. Those synergies are in addition to roughly \$30mln in cost reduction and margin improvement already planned by TiVo for 2016.

Rio 2016: The games are over, but the analysis isn't. **NBCU** total audience delivery is pegged at 27.5mln viewers. That's behind the 2012 Summer Games in London (30.3mln) and slightly ahead of Beijing in 2008 (27.2mln), but good enough to be the 2nd-highest prime audience for any non-US Summer Games. "**NBC's** primetime broadcasts

100
Cablefax
VIDEO SERIES

SPONSORED BY: **CSG**
INTERNATIONAL

Watch this week's
featured interview
with Z Living General
Manager **Rafe Oller**.



CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Sr. Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Cablefax/Screenster Editor: Kaylee Hultgren, 646.764.8267, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Dir. of Business Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● Dir. of Market Dev.: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Production: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Sub Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,699.97/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

were again the dominant form of consumption for Americans, accounting for about 95% of all of the primetime audience. But by putting events—for the first time ever in primetime—on **NBCSN, Bravo**, and at times **USA Network**, as well as streaming primetime in pattern, we learned a lot about consumption habits and attracted new audiences. We'll use all of the data from all of our platforms to develop our plans for PyeongChang in 2018 and Tokyo in 2020," **NBC Sports** group chmn *Mark Lazarus* said in a statement. NBCSN ranked as the #1 sports cable net for 14 days of expanded primetime coverage, and NBC Olympics' digital coverage set an event record with 3.3bln total streaming minutes and 2.71bln live streaming minutes among 100mln unique users.

Cox DMCA Appeal: Cox has filed an appeal with the 4th Circuit Court of Appeals over a \$25mln piracy verdict. Earlier this month, a VA federal judge affirmed a jury's \$25mln judgment against Cox that found the ISP failed to act on warnings that certain customers were downloading and sharing copyrighted music illegally (**CFX**, 12/18). The case is being followed closely given the potential implications for other ISPs.

Espial-Arris: Espial has completed its acquisition of **Arris's** Whole Home Solution platform. Arris exec *Ron Miller* will transition to lead the business as gm for Espial. The transaction gives Espial an end-to-end, cloud-hosted solution for service providers' next-gen video services. "WHS expands our solution portfolio with a cloud-hosted Video-as-a-Service platform that is complementary to and will leverage Espial's current solutions for next-generation IP video services," Espial CEO *Jaison Dolvane* said in a statement. "Espial gains a broad base of new customer relationships and further scales our world-class integration, operations, and software development teams."

Viacom's Latest: Viacom's shakeup became official, with the programmer and **National Amusements** announcing pres/CEO *Philippe Dauman's* departure Sat evening. But it's Viacom, so there's still some more drama... Court papers filed Mon by *Keryn Redstone*, Sumner Redstone's granddaughter, say she wasn't included in settlement talks or the agreement and she wants to see the details. Dauman resigned immediately, but continues as non-exec chmn until Sept 13. Viacom COO *Thomas Dooley* will serve as interim pres/CEO through Sept 30, which marks the end of Viacom's fiscal year. Under the terms of the settlement, which have been unanimously approved by the Boards of Directors of Viacom and NAI, all lawsuits among them will be terminated, and Viacom will create an expanded board to include the 5 Viacom directors elected in June by NAI: *Kenneth Lerer, Thomas May, Judith McHale, Ron Nelson* and *Nicole Seligman*. "I care deeply for Viacom, which has been an important part of my life since I joined Sumner in the acquisition of the company 30 years ago. I believe this agreement will give the Company and its employees the best opportunity to continue a smooth evolution into the future," read a Dauman statement.

Spectrum Auction: The **FCC's** forward auction continues, with the agency announcing that starting today (Aug 23) the bidding schedule will increase to 3 rounds per business day. Bidding rounds are set from 10-11am ET, 1-2pm and 4-5pm. Previously, bidding took place in 2 rounds from 10am-noon and 2-4pm. The FCC may make subsequent schedule changes. At the end of Mon, the auction has an estimated \$12bln in proceeds as of the close of Round 9.

Virtual Reality: For the first time ever, the opening match of the 54th Bundesliga season will be broadcast live to an international audience in virtual reality via **NextVR** and **Fox Sports**. The season opener of the German professional soccer league is set for Fri at 8:30pm UTC. This marks the 5th time in 2016 FOX Sports and NextVR have teamed up to offer live virtual reality content, with past VR events including the Daytona 500 and US Open golf championship.

Broadcast Going Mobile: **Tribune** is doing more in the mobile space, expanding its partnership with mobile interactive content platform **Jebbit**. **Fox8 Cleveland** will begin to use the platform for interactive mobile, video and native digital solutions. The station already has signed 6 new customers in the first few weeks of the partnership. Previously, Tribune's **PIX11** in NYC was the broadcaster's only station using Jebbit.

FOTV IPO: **FOTV Media**, which includes **FilmOn.TV** networks, **CinemaNow** and **OVGuide**, announced the launch of its IPO of a minimum of 2.5mln shares (maximum 3.75mln) with an \$8/share price. FOTV expects the offerings to close in Sept and that shares will begin trading on the Nasdaq under the symbol "FOTV."

Programming: **Netflix** teamed up with **Northwood Entertainment** for "Anne," based on the classic novel "Anne of Green Gables." Written by Emmy Award winner *Moira Walley-Beckett*, production on the 8-episode series will start in

BUSINESS & FINANCE

Sept and will stream globally on Netflix and will be broadcast in Canada on **CBC** in 2017. -- The 13th annual **McDonald's 365Black Awards** will premiere for the 4th consecutive year on **BET** on Sept 1 at 9pm. To honor those making positive contributions to the African-American community, the event will air again on **Centric TV** on Sept 11 at 11pm and Sept 12 at 10am. -- **Food** ordered 2 pilots directly to series, "All Caked Up" and "Ginormous Food." The 6 half-hr eps are tentatively set to premiere later this year. -- **Bravo** greenlit "Below Deck Mediterranean" for a sophomore season. The series is the network's fastest growing show in the past 3 years among P25-54.

People: **Altice USA** announced 2 new leadership appointments. *Lisa Rosenblum* was named vice chmn of **Altice USA** where she will work closely with the CEO and the exec leadership team on key initiatives. *David Connolly*, who previously served as an adviser to Altice at **Shearman & Sterling LLP** during the company's acquisition of Cablevision, was named evp and general counsel. Rosenblum previously held the evp/gm role. -- **TDS** appointed *Vicki Bernards* to vp, financial analysis and strategic planning where she will continue to lead the company's strategic planning, budgeting and forecasting processes. She most recently served as dir, financial analysis and strategic planning.

Cablefax Daily Stockwatch

Company	08/22 Close	1-Day Ch	Company	08/22 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
DISH:	49.89	(0.51)	INTEL:	35.36	0.12			
ENTRAVISION:	7.75	(0.06)	INTERACTIVE CORP:	57.79	(0.12)			
GRAY TELEVISION:	11.43	(0.06)	LEVEL 3:	48.77	0.23			
MEDIA GENERAL:	17.79	UNCH	MICROSOFT:	57.67	0.05			
NEXSTAR:	53.77	0.24	NETFLIX:	95.26	(0.61)			
SINCLAIR:	28.76	(0.56)	NIELSEN:	53.47	0.32			
TEGNA:	21.36	(0.13)	SEACHANGE:	3.32	0.06			
MSOS								
CABLE ONE:	545.17	(1.55)	SONY:	33.01	0.29			
CHARTER:	252.65	0.02	SPRINT NEXTEL:	6.04	0.11			
COMCAST:	66.44	0.15	SYNACOR:	2.72	(0.02)			
GCI:	12.50	(0.11)	TIVO:	10.81	0.16			
LIBERTY BROADBAND:	67.30	0.43	UNIVERSAL ELEC:	76.41	(0.27)			
LIBERTY GLOBAL:	31.88	0.10	VONAGE:	6.18	(0.15)			
SHAW COMM:	20.29	(0.01)	YAHOO:	42.52	(0.5)			
SHENTEL:	25.37	(0.64)	TELCOS					
PROGRAMMING								
21ST CENTURY FOX:	25.12	(0.03)	AT&T:	40.91	(0.1)			
AMC NETWORKS:	55.68	(0.27)	CENTURYLINK:	28.93	0.09			
CBS:	52.68	0.83	FRONTIER:	4.64	(0.05)			
DISCOVERY:	26.56	(0.17)	TDS:	28.37	(0.14)			
DISNEY:	95.87	(0.52)	VERIZON:	52.55	0.10			
GRUPO TELEVISIA:	27.63	0.05	MARKET INDICES					
HSN:	43.36	(0.16)	DOW:	18529.42	(23.15)			
LIONSGATE:	21.13	(0.3)	NASDAQ:	5244.60	6.22			
MSG NETWORKS:	18.50	(0.39)	S&P 500:	2182.64	(1.23)			
SCRIPPS INT:	64.04	(0.38)	TECHNOLOGY					
STARZ:	31.35	(0.13)	ADVANTAGE:	1.81	0.01			
TIME WARNER:	80.51	(0.29)	AMDOCS:	58.92	(0.36)			
VIACOM:	46.84	(1.86)	AMPHENOL:	61.50	0.31			
WWE:	21.03	0.10	APPLE:	108.51	(0.85)			
TECHNOLOGY								
ARRIS GROUP:	26.81	(0.25)	ARRIS GROUP:	26.81	(0.25)			
AVID TECH:	9.63	(0.06)	AVID TECH:	9.63	(0.06)			
BLNDER TONGUE:	0.62	(0.01)	BLNDER TONGUE:	0.62	(0.01)			
CISCO:	30.63	0.11	CISCO:	30.63	0.11			
COMMSCOPE:	28.75	0.17	COMMSCOPE:	28.75	0.17			
CONCURRENT:	5.12	0.01	CONCURRENT:	5.12	0.01			
CONVERGYS:	29.41	(0.02)	CONVERGYS:	29.41	(0.02)			
CSG SYSTEMS:	42.83	0.46	CSG SYSTEMS:	42.83	0.46			
EHOSTAR:	38.26	(0.3)	EHOSTAR:	38.26	(0.3)			
GOOGLE:	772.15	(3.27)	GOOGLE:	772.15	(3.27)			
HARMONIC:	4.16	0.04	HARMONIC:	4.16	0.04			

Cablefax TV Innovation Summit

WHY EXHIBIT AT THE TV INNOVATION SUMMIT?

1. **Our Audience**—Qualified Decision Makers.
2. **Exhibiting Benefits**—Exposure.
3. **The Brand**—27 Years of Proven Results.
4. **Make Connections**—Reach Attendees.
5. **Our Exhibitors**—Your Competition.

September 22 | 230 Fifth Venue
www.cablefaxtvsummit.com

Space is extremely limited, so act fast!

Olivia Murray: omurray@accessintel.com
 Rich Hauptner: rhauptner@accessintel.com
 Jo Ben-Atar: jbenatar@accessintel.com

CFX TECH SPOTLIGHT

CFX Tech Spotlight, a once a month feature, profiles companies providing interesting, innovative and sometimes below-the-radar technology across the video and broadband.

Company: Antronix

Antronix is a manufacturer and supplier of drop passives, mainline passives and multi-taps in North America. Headquartered in NJ, Antronix has 7 manufacturing facilities in China and Taiwan. Known for its multi-taps, residential amplifiers, line passives, subscriber passives, and grounding hardware, the company is launching in September a new PON hybrid fiber coaxial end-to-end broadcast access network platform. Dubbed Intercept eHFC, the product line will offer cable providers the capability to use high capacity PON links to enhance existing DOCSIS data capacity and provide multi-gigabit symmetrical data to subs without adding any additional QAMs or using legacy spectrum. The goal is to make moving into fiber much less expensive for cable operators. “We’ve had some initial discussions, and the response has been very favorable,” said Dave Wachob, director of business development. “What we’re trying to do is provide operators a way to increase their data reach, above and beyond even what DOCSIS 3.1 is promising. We’ve come up with a whole system transport that facilitates that both on the cable network as well as the in-home component.”

Near-Term Strategy

With Antronix focused on increasing HSD rates, it’s taking a look at the constraints cable has had providing symmetrical high-speed data. “The FiOSes of the world have jumped on that as a needed requirement. One could argue whether a consumer truly needs gigabit symmetrical data, but be that as it may, the competition has made attempts in convincing the industry that there’s a true need for gigabit symmetrical data,” Wachob said. Antronix’s new offering doesn’t require operators to give up DOCSIS, MoCA or anything else they’re doing. “They can continue to pursue those paths. We’ve just come up with a way to add data rate and capacity above and beyond what he’s currently using today or probably planning to do for the next 10 years.” The company believes Intercept eHFC will alleviate many of the challenges with full scale



implementation of DOCSIS 3.1, as well as expand the data spectrum for unparalleled data delivery performance in a platform that’s compatible with DOCSIS and HFC Node +) architectures.

Customer Base

Antronix is talking to a wide range of operators—from large to small—about its PON hybrid approach. It has a big launch planned for September at SCTE Cable-Tec Expo. The current customer base includes all the major MSOs in the US and Canada, as well as small cable providers around the US, Canada and South America.

Competitors

Arris, PPC, Commscope, Extreme, PCT (for current product lines), Arris and Cisco (for Intercept)

Number of Employees

25 (does not include manufacturing)

History

Antronix is not a new kid on the block, having been created in the heydays of cable in the 1980s. It was founded by engineer Danny Tang, who passed in March at the age of 73. His son Neil Tang presides over the company today.



INNOVATION MEETS HERE.

SEPTEMBER 26-29 PHILADELPHIA PENNSYLVANIA CONVENTION CENTER

SCTE ISTE CABLE-TEC

EXPO'16

THIS YEAR'S TRACKS INCLUDE:

 <b style="color: #0070C0;">DELIVERING GIGABIT SPEEDS – FIBER	 <b style="color: #0070C0;">VIDEO SERVICES	 <b style="color: #0070C0;">SDN/NFV
 <b style="color: #0070C0;">DELIVERING GIGABIT SPEEDS – HFC	 <b style="color: #0070C0;">ENERGY MANAGEMENT/ WORKFORCE SOLUTIONS	 <b style="color: #0070C0;">BOOT CAMPS: DOCSIS® 3.1, FTTx, AND WIRELESS