

CBS buys small stake in mobile TV startup Syncbak

The Associated Press

NEW YORK (AP) — CBS Corp. says it has made a minority investment in Syncbak, a technology company that allows mobile device users to pick up signals from their local TV stations over the Internet.

Founded in Marion, Iowa, in 2009, Syncbak allows people who download the app to watch local programming, even over a cellphone connection.

Broadcasters like CBS are hoping to reach consumers on new platforms as viewing habits change.

CBS's investment comes after it and other networks mounted a legal challenge to New York-based Aereo, a startup that plucks broadcast signals for free from the air and distributes them to customers via the Internet for \$8 a month or more.

Broadcasters have sued Aereo, alleging copyright infringement. Aereo has prevailed so far, arguing that by using thousands of antennas, its service replicates a customer buying his own antenna to receive free over-the-air broadcasts.

It won a preliminary ruling in an appeals court earlier this month, which allowed it to continue offering its service in the New York City area. It plans to expand to Boston, Chicago, Philadelphia, Washington and 18 other U.S. markets this spring.

CBS said Monday that Syncbak's technology is being tested by more than 100 TV stations in 70 markets, including San Francisco, Philadelphia and Dallas.

CBS said it would work closely with cable, satellite and telecommunications companies on building Syncbak.

That suggests that getting the full use of Syncbak could require a pay TV subscription, although that hasn't yet been decided.

Most U.S. TV households pay for service from cable and satellite companies who in turn pay local TV stations for the right to retransmit their feeds to subscribers. These so-called retransmission fees amounted to \$3 billion last year and are expected to double by 2018, according to research firm SNL Kagan.

Aereo jeopardizes those fees because, if its legal argument stands, cable and satellite companies could build similar technology to avoid paying for retransmission rights.

By offering local TV station content, Syncbak supplements the efforts of pay TV

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operators, such as Time Warner Cable Inc., which last week began allowing live TV viewing of certain channels through its mobile app for customers who are outside their home.

However, the TWC TV app only provides live TV channels of national programming, such as BBC America and TVGuide Network.

Currently, Syncbak's app is not providing national network programming or the daily prime-time lineups of major broadcasters such as NBC, CBS, ABC and Fox.

For example, in San Francisco, the only channel available on the Syncbak app is KTSF, a station that broadcasts news and dramas in a variety of Asian languages including Chinese, Tagalog and Vietnamese.

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