

Time Warner, CBS Dispute Leads to Class-Action Lawsuit

by Anthony Caruso on August 28, 2013

Time Warner customers are fed up with an ongoing dispute between the cable provider and CBS News, which recently culminated in the provider blacking out the channel for subscribers. In response, customers have filed a class-action lawsuit against Time Warner, arguing that as paying customers, the provider cannot legally black out channels they are paying for under entertainment law.

Time Warner and CBS are currently in an intense battle over programming fees after CBS requested an increase in carriage fees for its channels. The ongoing argument resulted in a two-week blackout of CBS-owned stations in Los Angeles, New York City, Chicago, and several other service areas across the country.

The case calls into question the rights and obligations that cable providers - or other service networks - have to their customers who are subscribed to certain packages. This issue is not the first of its kind, and a number of related lawsuits have highlighted other touchy areas, such as whether cable providers can force customers to pay for unpopular channels they don't want. On the business aspect, networks have also become embroiled as of late in anti-trust legal battles that could change the television industry and provide more clarification on networks' responsibilities.

For instance, the Cablevision and Viacom dispute revolves around wholesale bundling, an increasingly unpopular industry practice, in which media conglomerates force cable companies to carry all their cable networks in one mandatory package. The issue is becoming more widely scrutinized as networks argue that it creates an anti-competitive environment and forces consumers to take on a greater share of costs for channels they don't want. As all of these issues are inter-related, it will be interesting to see how upcoming rulings on cable providers' rights and obligations affect the overall entertainment industry.