

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

WNAC, LLC

470 Atlantic Avenue, Floor 4
Boston, MA 02210,

Plaintiff,

v.

**VERIZON CORPORATE SERVICES
GROUP INC.**

1 Verizon Way
Basking Ridge, NJ 07920,

NEXSTAR MEDIA GROUP, INC.

545 E. John Carpenter Freeway, Suite 700
Irving, Texas 75062,

Defendants.

CIVIL ACTION NO.

**JURY TRIAL
DEMANDED**

COMPLAINT

Plaintiff, WNAC, LLC (“WNAC”), alleges as follows, upon actual knowledge with respect to itself and its own acts, and upon information and belief as to all other matters:

NATURE OF THE ACTION

1. Plaintiff WNAC seeks monetary relief from Defendants’ willful violations of WNAC’s retransmission consent rights for its licensed local television broadcast station WNAC-TV (“the Station”).

2. Defendant Verizon Corporate Services Group Inc. (“Verizon”) retransmitted the Station’s signal in the Station’s designated market area in 2017-2019 without the consent from

WNAC that is required by federal law, and without compensating WNAC. Verizon's actions constitute direct copyright infringement under the Copyright Act, 17 U.S.C. §§ 101 *et seq.*

3. Defendant Nexstar Media Group, Inc. ("Nexstar") knew of and materially contributed to Verizon's unlawful actions, and its actions thus constitute contributory copyright infringement.

4. Nexstar had the right and ability to control Verizon's unlawful actions and financially benefitted from Verizon's unlawful actions, and its actions thus constitute vicarious copyright infringement.

5. Verizon and Nexstar (together "Defendants"), separately and in concert with one another, engaged in unfair or deceptive representations and acts in colluding to retransmit the Station's signal in 2017-2019 without WNAC's required consent, with Nexstar secretly collecting payments for unlawful retransmissions from Verizon. Defendants' deceptive acts and practices harmed WNAC, including by denying WNAC fair value compensation for the retransmissions of its signal, in violation of M.G.L. ch. 93A, § 11.

6. Defendants' conduct constitutes unjust enrichment under Massachusetts law, based on the fair market value of retransmitting the Station's signal in the Station's designated market area from 2017-2019, which occurred without WNAC's consent and without compensating WNAC.

PARTIES

7. Plaintiff WNAC is a Rhode Island limited liability company with an address at 470 Atlantic Avenue, Floor 4, Boston, MA 02210.

8. Defendant Verizon is a New York corporation with a principal place of business at 1 Verizon Way, Basking Ridge, NJ 07920.

9. Defendant Nexstar is a Delaware corporation with a principal place of business at 545 E. John Carpenter Freeway, Suite 700, Irving, Texas 75062.

JURISDICTION AND VENUE

10. This Court has jurisdiction over the subject matter of this action under 17 U.S.C. § 501(c) and 28 U.S.C. §§ 1331 and 1338(a). The Court has supplemental jurisdiction over WNAC's state law claims under 28 U.S.C. § 1367(a) because they are substantially related to its federal claims and arise out of the same case or controversy.

11. This Court has personal jurisdiction over Defendants because they have purposefully availed themselves of the privilege of conducting business in Massachusetts. Nexstar owns and operates television broadcast station WPRI-TV and plays a substantial role in the operation of the Station. Both WPRI-TV and the Station transmit programming in Massachusetts. Verizon retransmits television programming in Massachusetts, including programming carried by the Station's signal.

12. Venue lies in this District pursuant to 28 U.S.C. § 1391(b) and (c) because a substantial part of the events giving rise to WNAC's claims have occurred in this District and the rights at issue are located in this District.

BACKGROUND ON RETRANSMISSION CONSENT RIGHTS

13. Most households in the United States get their television programming by subscribing to a multichannel video programming distributor ("MVPD")—typically a cable or satellite operator—which provides viewers with access to multiple video channels, often including the signals of television broadcast stations licensed by the Federal Communications Commission ("FCC") to serve a particular household's local market. More specifically, an MVPD typically receives, packages, and retransmits a broadcast station's signal within that

station's designated market area ("DMA") as defined by Nielsen Holdings ("Nielsen"). DMAs comprise 210 distinct geographic regions in the United States, with each county in the country assigned to one of the DMAs. Local television viewing in each DMA is measured by Nielsen.

14. The Communications Act of 1934, as amended ("Communications Act"), prohibits MVPDs from retransmitting a broadcast station's signal unless they first obtain that station's express consent, commonly known as "retransmission consent." In certain scenarios, an MVPD may be required to retransmit a broadcast station's signal, a requirement known as "must-carry."

15. Licensees of commercial broadcast television stations are required to elect between the two options of "must-carry" and "retransmission consent" every three years and must notify MVPDs of that election. Under Section 325(b)(1)(A) of the Communications Act, and Section 76.64(a) of the FCC Rules, if a television station exercises its retransmission consent rights, the MVPD cannot retransmit the station's signal without having first obtained the station's express consent. This consent must come from the FCC-approved licensee of the television broadcast station.

16. Retransmission consent may be granted through a retransmission consent agreement between a television station and an MVPD. These agreements typically have a three-year term, but the term need not align with the FCC's three-year cycle for retransmission consent/must-carry elections. For example, although the FCC may use 2015-2017 and 2018-2020 three-year cycles, the three-year cycle of a retransmission consent agreement may be 2017-2019. The retransmission consent agreement typically requires the MVPD to pay the broadcast station a monthly fee per subscriber for the right to retransmit the station's signal.

17. In some instances, a retransmission consent agreement may be negotiated by an MVPD and a third party acting on the television station licensee's behalf (with the station's explicit consent). Since April 2015, however, federal law has prohibited a certain type of joint or coordinated retransmission consent negotiation, namely a party's negotiation of retransmission consent on behalf of a television station where that party is itself the licensee of another commercial television station in the same DMA. *See* 47 U.S.C. §§ 325(b)(1)(A) and (b)(3)(C)(iv) and 47 C.F.R. § 76.65(b)(1)(viii).

WNAC AND ITS RETRANSMISSION CONSENT RIGHTS

18. WNAC, LLC owns WNAC-TV ("the Station"), a local broadcast station that transmits television programming in the Nielsen-defined Providence, RI-New Bedford, MA Designated Market Area ("the Station's DMA"). The Station broadcasts programming provided by, at least, Fox Broadcasting Company, LLC and affiliated companies, the CW Network, LLC, and Nexstar under the applicable FCC framework and the authority of a 1996 Joint Marketing and Programming Agreement, as amended, between WNAC and Nexstar as a successor in interest (the "local marketing agreement" or "LMA"). For all periods of time relevant to this Complaint, WNAC timely notified Verizon of WNAC's election exercising its retransmission consent rights.

19. Before January 17, 2017, LIN Television Corporation ("LIN") and then Media General, Inc ("Media General") played a substantial role in Station programming, advertising, sales, and other operations under the LMA. LIN merged with Media General in December 2014. Under the terms of the LMA, LIN and Media General lawfully negotiated retransmission consent rights on behalf of WNAC with WNAC's express consent. This practice included negotiating one or more retransmission consent agreements with Verizon.

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