

Bond Case Briefs

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TELECOM - OHIO

Maple Heights v. Netflix, Inc.

Supreme Court of Ohio - November 30, 2022 - N.E.3d - 2022 WL 17331374 - 2022-Ohi-4174

City filed class action in federal court against video-streaming services, seeking judgment declaring that services were in violation of the Fair Competition in Cable Operations Act by providing video services without authorization from the director of commerce and without paying the requisite fees to city.

The United States District Court certified questions to the Supreme Court.

The Supreme Court held that:

- Services were not “video-service providers” within meaning of the Fair Competition in Cable Operations Act; and
- City did not have implied right of action under the Act to sue services.

Video-streaming services were not “video-service providers” within meaning of the Fair Competition in Cable Operations Act, and therefore, they were not required to obtain a video-service authorization from Director of the Department of Commerce, because services used the public internet to provide content and as such, they did not place their own wires or equipment in public rights-of-way to provide their subscribers with their programming, and equipment used to access their services belonged to their customers, not them.

City did not have implied private right of action under the Fair Competition in Cable Operations to sue video-streaming services to enforce Act’s video-service authorization requirement and pay video-service provider fee to city; city was not within class meant to benefit from Act, and Act granted Director of the Department of Commerce with sole authority to issue authorizations and investigate allegations that a video-service provider was violating or failing to comply with Act’s authorization and service fee requirements, so as to centralize authority and eliminate local governments’ authority.