UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF OHIO

CITY OF MAPLE HEIGHTS, OHIO,

CASE NO. 1:20-cv-01872

Plaintiff,

CERTIFICATION ORDER

٧.

NETFLIX, INC. & HULU, LLC,

Defendant.

JAMES S. GWIN, UNITED STATES DISTRICT COURT JUDGE:

Under Ohio Supreme Court Rule of Practice 9.01, this Court certifies two questions of Ohio law to the Ohio Supreme Court. This Court provides the following information:

I. Name of the Case

City of Maple Heights, Ohio v. Netflix, Inc. and Hulu, LLC, Case No. 1:20-cv-01872 (N.D. Ohio).

II. Defendants' Motion to Dismiss and Plaintiff's Responses

Plaintiff City of Maple Heights, Ohio sues Defendants Netflix, Inc. and Hulu, LLC for allegedly providing video services in Ohio—including in Maple Heights—without video service authorizations in violation of the Fair Competition in Cable Operations Act.¹

Maple Heights asks the Court to declare that Netflix and Hulu are video service providers under Ohio law and, therefore, Netflix and Hulu must pay video service provider fees to Maple Heights and other Ohio municipalities.

¹ Ohio Rev. Code §§ 1332.21, et seq.

On October 19, 2021, Netflix and Hulu separately filed motions to dismiss Maple Heights's Complaint. In these motions to dismiss, Netflix and Hulu argue, inter alia, that they do not provide video service under Ohio law because: (1) they do not offer video programming comparable to broadcast television under O.R.C. § 1332.21(l); (2) they offer their content over the public Internet, which they claim is exempt under O.R.C. § 1332.21(l); and (3) they do not own, operate, or use video service networks in public rights-of-way under O.R.C. § 1332.21(l).

Plaintiff Maple Heights disagrees on each of these points and argues that Netflix and Hulu are subject to the requirements of O.R.C. §§ 1332.21, et seq. Plaintiff contends, inter alia: (1) Netflix and Hulu offer the same types of televisions shows, movies, and other video content as broadcast television and, therefore, provide video programming under O.R.C. § 1332.21(l); (2) Netflix and Hulu do not offer their video programming over the public Internet and, even if they did, Netflix and Hulu's video programming is not offered as "part of and via a service that enables users to access content, information, electronic mail, or other services offered over the public internet," as required by O.R.C. § 1332.21(l); and (3) they are video service providers under O.R.C. §§ 1332.21, et seq. even if Netflix and Hulu do not own, operate, or use video service networks.

In its motion to dismiss, Hulu also argues that Maple Heights is an improper party to bring this suit. To support this standing argument, Hulu points to O.R.C. § 1332.24(C), which gives the Director of Commerce authority to seek injunctions against the unauthorized provision of video services, enter into written assurances of voluntary compliance, or assess civil penalties pursuant to an administrative adjudication. According to Hulu, the Ohio

legislature granted the Director of Commerce, not municipalities, the power to bring actions against persons who provide unauthorized video services.

In response, Maple Heights argues it has standing to bring this suit. First, Maple Heights points to O.R.C. § 1332.33, which gives municipalities and townships a private right of action to sue video service providers who underpay their franchise fees based on the results of an audit. Second, Maple Heights asserts that even if this suit falls outside the scope of O.R.C. § 1332.33, the Court should infer that the Ohio legislature intended municipalities and townships to bring enforcement actions against video service providers that provide video service without the Director of Commerce's authorization.²

III. Questions of Law to be Answered

- 1. Whether Netflix and Hulu are video service providers under Ohio law.³
- 2. Whether Maple Heights can sue Netflix and Hulu to enforce Ohio's video service provider provisions.⁴

IV. Name of Each Party

- Plaintiff City of Maple Heights, Ohio
- Defendant Netflix, Inc.
- Defendant Hulu, LLC

V. Names, Addresses, and Telephone Numbers of Counsel for Each Party

Plaintiff City of Maple Heights, Ohio is represented by:

Mark A. DiCello (Ohio Bar No. 0063924) Justin J. Hawal (Ohio Bar No. 0092294) DICELLO LEVITT GUTZLER LLC

² See <u>Cort v. Ash, 422 U.S. 66 (1975)</u>; see also <u>Anderson v. Smith, 196 Ohio App. 3d</u> 540, 544 (Ohio Ct. App. 2011).

³ *See* Ohio Rev. Code § 1332.21(M).

⁴ See Ohio Rev. Code §§ 1332.24, 1332.33(D); Cort v. Ash, 422 U.S. 66 (1975).

> 7556 Mentor Avenue Mentor, Ohio 44060 Tel: 440-953-8888 madicello@dicellolevitt.com jhawal@dicellolevitt.com

Adam J. Levitt
Mark S. Hamill
Brittany Hartwig
DICELLO LEVITT GUTZLER LLC

Ten North Dearborn Street, Sixth Floor

Chicago, Illinois 60602
Tel: 312-314-7900
alevitt@dicellolevitt.com
mhamill@dicellolevitt.com
bhartwig@dicellolevitt.com

Michael Angelovich Chad E. Ihrig NIX PATTERSON, LLP 3600 North Capital of Texas Highway Building B, Suite 350 Austin, Texas 78746 Tel: 512-328-5333 atighe@nixlaw.com mangelovich@nixlaw.com

Peter Schneider

Austin Tighe

SCHNEIDER WALLACE COTTRELL KONECKY, LLP

3700 Buffalo Speedway, Ste. 1100 Houston, Texas 77098 Tel: 713-338-2560 pschneider@schneiderwallace.com

Todd M. Schneider
Jason H. Kim
SCHNEIDER WALLACE COTTRELL KONECKY, LLP
2000 Powell Street, Suite 1400
Emeryville, California 94608
Tel: 415-421-7100
tschneider@schneiderwallace.com

jkim@schneiderwallace.com

Defendant Netflix, Inc. is represented by:

Amanda Martinsek (Ohio Bar No. 0058567) Gregory C. Djordjevic (Ohio Bar No. 0095943)

ULMER & BERNE LLP

1660 West 2nd Street, Suite 1100 Cleveland, Ohio 44113-1448

Tel.: 216-583-7000 / Fax: 216-583-7001

amartinsek@ulmer.com gdjordjevic@ulmer.com

Jean A. Pawlow

LATHAM & WATKINS LLP

555 Eleventh Street, NW, Suite 1000 Washington, D.C. 20004-1304

Tel.: 202-637-2200 / Fax: 202-637-2201

jean.pawlow@lw.com

Mary Rose Alexander Robert C. Collins III

LATHAM & WATKINS LLP

330 North Wabash Ave., Suite 2800

Chicago, IL 60611

Tel.: 312-876-7700 / Fax: 312-993-9767

mary.rose.alexander@lw.com

robert.collins@lw.com

Defendant Hulu, LLC is represented by:

Kerri L. Keller (Ohio Bar No. 0075075)

BROUSE McDOWELL

388 S. Main St., Suite 500

Akron, OH 44311-4407

Telephone: (330) 535-5711 Facsimile: (330) 253-8601

kkeller@brouse.com

Victor Jih

Elizabeth R. Gavin

Eric T. Kohan

WILSON SONSINI GOODRICH & ROSATI

Professional Corporation

633 West Fifth Street, Suite 1550

Los Angeles, CA 90071-1650

Telephone: (323) 210-2900 Facsimile: (866) 974-7329

> vjih@wsgr.com bgavin@wsgr.com

ekohan@wsgr.com

VI. Designation of One of the Parties as the Moving Party

None of the parties moved for certification. Because these issues are raised in

Defendants' motions to dismiss, the Court designates Defendants Netflix and Hulu as the

moving parties.⁵

VII. Conclusion

The Court **CERTIFIES** the above questions of law to the Ohio Supreme Court. In

accordance with Rule 9.03(A), the Clerk of the United States District Court for the Northern

District of Ohio is instructed to serve copies of this certification upon all parties or their

counsel and file this certification order under the seal of this Court with the Clerk of the Ohio

Supreme Court.

IT IS SO ORDERED.

Dated: July 1, 2021

s/ James S. Gwin

JAMES S. GWIN

UNITED STATES DISTRICT JUDGE

⁵ Ohio S. Ct. Prac. R. 9.02(E).

- 6 -