

# European Commission: Statement of Objections to the International Confederation of Societies of Authors and Composers and its EEA Members

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The European Commission has opened formal proceedings against the International Confederation of Societies of Authors and Composers (CISAC) and the individual national collecting societies in the EEA that are members of CISAC. They have been sent a Statement of Objections which targets the CISAC model contract and its implementation at bilateral level by CISAC members. Certain restrictive clauses contained in this model agreement lie at the heart of the Commission's concern. These clauses are thought to infringe the EC Treaty's prohibition of restrictive business practices (as laid down in Art. 81) and have triggered an antitrust investigation.

The model contract, and the agreements deriving from it at bilateral level, form the basis of the collective management of copyright for every category of exploitation (the broadcasting of music in a bar, in a night club or on the internet). Only the exploitation of works by way of the more recent platforms, such as the internet, satellite transmission and cable retransmission, are targeted by the Statement of Objections.

The potentially restrictive aspects of the agreements singled out by the Commission are as follows:

- 1.The membership restrictions obliging authors to transfer their rights only to their own national collecting society (whatever the subsequent exploitations of the rights)
- 2.The territorial restrictions obliging commercial users to obtain a license only from the domestic collecting society and limited to the domestic territory
- 3.The fact that interlocking agreements between collecting societies lead to a multiplication of membership and territorial restrictions and guarantee an exclusive position for these societies on their respective markets.

Each collecting society enjoys an exclusive position on its national market and has its own *répertoire* (portfolio of works). Each EEA collecting society also has a reciprocal representation contract with all its fellow EEA societies. This enables each one of them to deliver a multirepertoire licence to commercial users on their

domestic market.

The addressees of a Statement of Objections have two months to present a written defence after which they can also request to present their case orally to the Commission.

***"Competition: Commission sends Statement of Objections to the International Confederation of Societies of Authors and Composers (CISAC) and its EEA members", press release of 7 February 2006, MEMO/06/63***

<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/06/63&format=HTML&aged=1&language=EN&guiLanguage=en>

