

# [DE] Munich District Court Rules on Business Terms of Pay-TV Providers

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In a ruling of 23 February 2006, the *Landgericht München I* (Munich District Court I) declared that certain clauses of a pay-TV provider's general terms of business were invalid and it therefore granted an injunction sought by the *Verbraucherzentrale Bundesverband* (Federation of German Consumer Organisations - vzbv ).

In its terms of business, the pay-TV company concerned, *Premiere* , had reserved the right "to supplement or expand, for the benefit of subscribers", its range of programmes, individual channels, their use and the composition of programme packages. The court considered this to be an invalid means of reserving the right to amend services. Firstly, such a phrase did not take sufficiently into account whether an amendment would be acceptable from the customer's point of view. Secondly, the concept of the "benefit" for customers was not adequately defined. Customers of the pay-TV company concerned opted for a specific package from a wide range of channels and programme packages. Their right to continue receiving the services they had originally chosen was therefore particularly worthy of protection.

In addition, a clause under which prices could be increased annually if production costs rose was prohibited. The provision stated that such a price increase should be announced three months in advance and that customers would be entitled to cancel their subscription if prices rose by more than 5%. According to the court, this clause did not sufficiently meet the conditions of a price rise. Furthermore, customers with an interest in consistent pricing on the grounds that price was a factor in their choice of package would not be able to predict how much they would be charged.

In addition, clauses under which the provider reserved the right to change subscription fees if programme packages were amended or restructured, and rules preventing customers from cancelling their subscription because of a change to the pricing structure following an amendment of the service provided, were also deemed invalid.

According to the ruling, these clauses may no longer be used. The company is also forbidden from referring to them in existing contracts.

