

[ES] Row Over Football TV Rights

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Two companies that hold the football television rights of the Spanish *Liga* (League), MediaPro and Audiovisual Sport, are embroiled in a legal battle over who holds the rights to broadcast which games.

Audiovisual Sport is jointly owned by the Catalan public broadcaster TV3 (20%) and the multimedia group Sogecable (80%), which in turn, is partly owned by PRISA (the main radio and press company in Spain), Telefónica and Vivendi/Canal Plus. Sogecable owns Digital +, the main digital pay-TV platform in Spain. Each week, Digital + broadcasts one match on its premium pay-TV channel "Canal Plus", and then offers the rest of the matches via pay-per-view, with the exception of one match per week that, according to Act 21/1997, must be broadcast free-to-air.

Audiovisual Sport previously held all of the football TV rights, and in the past it had an agreement with regional public broadcasters that involved selling them the right to broadcast a free-to-air match per week, as established in the Act 21/1997.

However, in 2006, the Catalan television production company Mediapro was awarded (together with other companies) a TV concession to broadcast a new free-to-air terrestrial TV channel - La Sexta - and it decided to compete for the acquisition of football TV rights. Mediapro was able to secure the rights to 40% of the first division team matches until 2007.

In July 2006, Audiovisual Sport and Mediapro reached an agreement to jointly exploit their rights through Audiovisual Sport, who would manage their commercialisation. MediaPro's "La Sexta" would show one free-to-air match per week, one match would be shown on Canal Plus, and the rest would be offered as pay-per-view programmes on several digital pay-TV platforms, including Digital+.

However, the situation changed when Mediapro was able to obtain more TV rights for 2008 (60% of first division team games) and for 2009 (100% of the current first division teams and 90% of the current second division teams).

Last August, just before the *Liga* started, Mediapro argued that in this new context it was necessary to change the initial conditions of its agreement with Audiovisual Sport (AVS), as the latter no longer held the TV rights mentioned in

their agreement. They also claimed that AVS owed them EUR 30 Million. AVS denied this, insisted on enforcing the July 2006 agreement, and claimed, in turn, that Mediapro owed them EUR 58 Million.

When the *Liga* kicked off, AVS declared it would not provide Mediapro with the TV signal to broadcast any of the matches. Mediapro decided to produce the broadcast itself and, as it considered that AVS was in breach of its contracts and the law, proceeded to broadcast more than one free-to-air match per week, including matches that Digital + was advertising as pay-per-view programmes.

AVS requested, as an interim measure, that the Courts block Mediapro both from entering the stadiums to produce its own coverage of the matches, and from broadcasting them. It also claimed a EUR 200 Million payment from Mediapro in damages. The Court ruling rejected this request: it held that the situation was not clear enough to adopt such an interim measure, and that if taken, it could adversely affect the right of the public to receive a free-to-air match per week, as stated in Act 21/1997. The Court shall now review the case in more detail.

In the meantime, each week there is much uncertainty as to who is going to broadcast which matches and Mediapro is broadcasting, through La Sexta, more than one free-to-air match per week, including matches advertised as pay-per-view by AVS. This row is also affecting the international broadcasts of the *Liga*. The problem has been further complicated by disagreements between partners of the AVS, TV3 (who has accepted an agreement proposal from Mediapro), and Sogecable (who has not accepted it). The governing body of the League, *la Liga de Fútbol Profesional* (the Professional Football League), has recently stated that if no agreement is reached, it will take charge of the production of the coverage of the matches in order to guarantee their transmission.

Auto del Juzgado de Primera Instancia Nº 36 de Madrid, Audiovisual Sport vs Mediapro, 29.08.2007

http://estaticos.elmundo.es/documentos/2007/08/30/medidas_cautelares.pdf

Ruling of the Court of First Instance Nº 36 of Madrid, Audiovisual Sport vs. Mediapro, 29 August 2007

