

[FR] Report on the Cinema and the Law on Competition

IRIS 2008-5:1/15

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At the end of the mission entrusted to them in September 2007 on relations between the cinema and the law on competition, Anne Perrot and Jean-Pierre Leclerc have submitted their conclusions to the Ministers for the Economy and for Culture. The purpose of the mission was to respond to specific concerns involving cinema theatres, including: the conditions for films being screened in cinemas; fears of a price war, and the debate over cards for unlimited access; the consequences of the Competition Council's cancellation of part of the good conduct code between operators and distributors; conflicts between cinemas subsidised by municipalities and private cinemas; and questions about the future of the scheme for authorising the opening of multi-screen cinemas.

The rapporteurs had had in-depth discussions with all the professional groups concerned (creators, producers, distributors, operators and experts), and the first part of their report describes how the rules of competition could be combined with the sector regulation that is specific to the cinema. The second part examines more specifically the different forms of competition in the market for exploiting films in cinema theatres and in the various media, and makes a number of proposals for remedying the problems identified. More specifically, the rapporteurs confirm the value of applying the law on competition to the cinema sector although they emphasise the possibility of adopting, if necessary, specific provisions taking into account the specific features of the cinema sector, in the form of decrees on exemption, for example, or by reinforcing the inter-professional agreements. They propose extending the field of action of the Cinema Mediator (by the exercise of a power of conciliation or recommendation on discriminatory or abusive practices in films being shown, commercial relations between distributors and operators, competition between cinema theatres run by local authorities and those run privately, policy on pricing and remuneration for distributors), and increasing the resources at its disposal. The rapporteurs also suggest applying to all multi-screen cinemas the principle of "programming undertakings" which currently only applies to some. The mission also included a thorough study of the whole issue of ticket pricing, and the report proposes a number of solutions, regarding the observing of the law on competition, reconciling attractive pricing policies on the part of cinemas and the objective of ensuring minimum remuneration for rightsholders.

The rapporteurs also call for the window for exploiting video-on-demand services to be determined by means of an inter-professional agreement, in order to

preserve the principle of media chronology. And also, in the case of opening individual negotiations between rightsholders and the service broadcasters to determine the chronology for exploiting each film, for the distribution among the various media of the obligations for financing production and for broadcasting quotas. Lastly, the two rapporteurs suggest continuing the analysis of aid to the cinema and, if necessary, reorienting this aid in accordance with the objectives pursued by the State's policy on culture, in order to ensure the diversity of the films shown in cinemas, to provide more incentives to operators to show certain films, and to support distributors in their efforts to promote films. As soon as the report was submitted, Christine Albanel, the Minister for Culture, and Christine Lagarde, the Minister for the Economy, announced on 28 March 2008 the launch of a public consultation on the conclusions of the mission.

Cinéma et concurrence, rapport remis à Christine Lagarde et Christine Albanel, par Anne Perrot et Jean-Pierre Leclerc

<http://www.culture.gouv.fr/culture/actualites/dossiers/Rapport%20cin%C3%A9ma%20concurrence/Rapportcin%C3%A9maconcurrence.pdf>

'Cinema and competition' report submitted to Christine Lagarde and Christine Albanel by Anne Perrot and Jean-Pierre Leclerc

