[GB] Competition Authority Decides that Joint Venture for Internet TV Is not a Merger

IRIS 2010-7:1/23

Tony Prosser
University of Bristol Law School

The Office of Fair Trading, the general UK competition authority, has decided that Project Canvas, a proposed joint venture between the BBC, ITV, Channel 4, Five, BT, Talk Talk and Arqiva, does not constitute a merger and so does not qualify for investigation by the competition authorities.

Project Canvas (see IRIS 2010-2: 1/22) is a proposal to build an open Internet-connected television platform with common technical standards. An earlier project ('Project Kangaroo') was blocked as anti-competitive by the Competition Commission in 2009 (IRIS 2009-4: 12/16), as it would provide viewers with access to video-on-demand content from all the partners; the Commission considered that this would be likely to lead to a loss of rivalry between the parties, amounting to a substantial lessening of competition in the supply of such content at the wholesale and retail levels. By contrast, Project Canvas does not involve the contribution of any video-on-demand content or other business by any of the partners and it will have no role in aggregating, marketing or directly retailing any such television content. It is merely concerned with establishing a common technical standard, while the joint venture will have no rights over content.

The Office of Fair Trading decided that none of the partners is contributing a pre-existing business or enterprise to the joint venture nor would any individual partner have any more influence over it than would the others. Therefore it falls outside the merger provisions of the Enterprise Act 2002.

Project Canvas still requires final approval by the BBC Trust and is strongly opposed by other broadcasters as potentially anti-competitive. If approval is given, it is expected to be launched in early 2011.

Office of Fair Trading, 'Project Canvas falls outside UK merger control jurisdiction', Press Release 51/10, 19 May 2010

http://www.oft.gov.uk/OFTwork/mergers/decisions/

© European Audiovisual Observatory (Council of Europe) 2026

© European Audiovisual Observatory (Council of Europe) 2026