

European Commission: Investigation into Alleged Anti-Competition Practices by Collective Rights Management Organisations Closed

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On 11 March 2011, the European Commission announced that it has closed its preliminary probe into anti-competitive practices by collective rights management organisations (CMOs) in Hungary and Romania.

The Commission feared that SCAPR, the international association of national performers' collective management organisations, EJI, the national CMO in Hungary, and CREDIDAM, the national CMO in Romania, had been pursuing an anti-competitive policy regarding the membership of the organisations. Leading to restricted competition in the European Union and especially in Hungary and Romania, this would infringe Article 101 of the Treaty on the Functioning of the European Union.

The investigation followed a complaint by the UK company Rights Agency, which stated that SCAPR's "Policy and Guidelines" contained membership barriers. Also, according to Rights Agency, CREDIDAM and EJI inflicted discriminative administrative requirements on foreign performers wishing to register to become members of the aforementioned organisations.

However, following the Commission's investigation, the above-mentioned organisations made changes to their membership policy. After discussions with the Commission, SCAPR changed its recommendations on membership policy and now actively promotes the adoption of the new model agreement by its members. CREDIDAM and EJI amended their administrative policies and their requirements for Rights Agency's clients wishing to register. Subsequent to these changes, Rights Agency withdrew its complaint and the Commission closed its investigation.

The Commission Vice-President in charge of competition policy, Joaquin Almunia, welcomed the changes, although he stated that the Commission would continue to keep an eye on the sector in order to make sure that the antitrust provisions of the European Union are followed and the development of a single market in the field concerned is ensured.

"Antitrust: Commission welcomes steps taken by collective rights management bodies in Hungary and Romania to improve competition", IP/11/284, Brussels, 11

March 2011

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