

[FR] Definitive authorisation for purchase of D8 and D17 by Vivendi and Groupe Canal Plus?

IRIS 2014-5:1/16

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On 2 April 2014, France's competition authority (*Autorité de la Concurrence*) re-authorised the purchase of D8 and D17 by Vivendi and Groupe Canal Plus, subject to a number of conditions. On 23 December 2013, the Conseil d'État had cancelled the Competition Authority's approval, granted in July 2012, of the purchase of the channels D8 and D17 by Groupe Canal Plus (GCP) (see IRIS 2014-2/18). Procedural reasons aside, the administrative judge found that one of the five undertakings Canal Plus had entered into - on acquiring rights in respect of French films - needed to be reinforced to take into account the competitive risk connected with the purchase of the second and third windows for unencrypted broadcasting. The operation was therefore re-referred in January 2014 to the competition authority, which re-examined it in the light of the current competitive situation. Further to a new analysis of competition, given the current situation and the comments made by the audiovisual regulatory body (*Conseil Supérieur de l'Audiovisuel* - CSA) and the electronic communication and postal services regulatory authority (*Autorité de Régulation des Communications Électroniques et des Postes* - ARCEP), the competition authority obtained a substantial improvement in the undertakings proposed regarding entitlement to acquire French films, the remainder of the corrective arrangements being maintained. For new French films, the parties have undertaken to refrain from pre-purchasing in any one calendar year the rights for broadcasting a film in both pay mode and unencrypted mode for more than twenty cinematographic works, and to devote the larger part of their investments to medium-budget ("mid-range") films, without being able to pre-empt the rights for a large number of large-budget films (a maximum of two films with an estimated cost of more than 15 million euros, three with an estimated cost of between 10 and 15 million euros, and five films with an estimated cost of between 7 and 10 million euros). This undertaking is substantially similar to the previous one made to the competition authority, but its scope is extended to all pre-purchases, thereby making it possible to cover all the broadcasting windows sold by the producers when organising the financing of their film. This undertaking also includes possible purchases by Groupe Canal Plus, once films have been produced, of the rights for their unencrypted broadcasting within 72 months of their first screening; this period of time corresponds to the three windows for unencrypted broadcasting. All the other undertakings entered into previously remain unchanged. All these undertakings have been agreed to by the parties for the period up to 23 July 2017. The

authority has announced that it will make sure they are respected.

Autorité de la concurrence, Communiqué de presse, 2 avril 2014

http://www.autoritedelaconcurrence.fr/user/standard.php?id_rub=591&id_article=2332

Competition Authority, Press release, 2 April 2014

