

European Commission: Statement of Objections to UK broadcaster and major films studios

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On 23 July 2015, the European Commission sent a Statement of Objections to Sky UK and a number of film studios, setting out the Commission's preliminary view that the parties have anti-competitive agreements in place, in violation of EU competition law. A statement of objections is a formal step in an investigation into possible violations of EU law, and while the statement does not prejudge the outcome of an investigation, it contains the Commission's preliminary position. The film studios involved include Disney, NBCUniversal, Paramount Pictures, Sony, Twentieth Century Fox and Warner Bros.

The Commission's preliminary view is that the broadcaster and film studios have "bilaterally agreed to put in place contractual restrictions that prevent Sky UK from allowing EU consumers located elsewhere to access, via satellite or online, pay-TV services available in the UK and Ireland". This follows from the Commission's investigation started in January 2014, which "identified clauses in licensing agreements between the six film studios and Sky UK which require Sky UK to block access to films through its online pay-TV services (so-called "geo-blocking") or through its satellite pay-TV services to consumers outside its licensed territory (UK and Ireland)".

The Commission considers that these clauses "restrict Sky UK's ability to accept unsolicited requests for its pay-TV services from consumers located abroad, i.e. from consumers located in Member States where Sky UK is not actively promoting or advertising its services". Thus, the Commission's preliminary conclusion is that "in the absence of convincing justification, the clauses would constitute a serious violation of EU rules that prohibit anticompetitive agreements (Article 101 of the Treaty on the Functioning of the European Union)".

The parties will now examine the statement of objections, may reply, and may request an oral hearing to present their comments before representatives of the European Commission and national competition authorities. The European Commission takes a final decision only after the parties have exercised their rights of defence.

European Commission, "Press Release - Antitrust: Commission sends Statement of Objections on cross-border provision of pay-TV services available in UK and

Ireland”, 23 July 2015

http://europa.eu/rapid/press-release_IP-15-5432_en.htm

European Commission, Press Release: “Antitrust: Commission investigates restrictions affecting cross border provision of pay TV services”, 13 January 2014

http://europa.eu/rapid/press-release_IP-14-15_en.htm

