

# EU to probe US film licensing to pay-TV firms

BRUSSELS, BELGIUM: The HAS EU launched a probe into licensing arrangements by the major US film studios which may prevent European pay-TV operators from showing their movies in more than one country.



The Espace Leopold, the seat of the European Parliament in Brussels. (Image: Oscar Franzén, via Wikimedia Commons)

The European Commission, the EU's executive arm, said it will investigate whether this means the operators have to refuse "potential subscribers from other member states or (block) cross-border access to their services."

The Commission cited agreements between several major US film studios, Twentieth Century Fox, Warner Bros, Sony Pictures, NBCUniversal and Paramount Pictures, and the largest European pay-TV broadcasters such as Britain's BSkyB, France's Canal Plus, Sky Italia of Italy, Sky Deutschland and DTS of Spain.

US films are licensed to pay-TV companies "on an exclusive and territorial basis, i.e. typically to a single pay-TV broadcaster in each member state" or collectively to those sharing a common language, the Commission said.

## Absolute territorial protection

This "absolute territorial protection" provision, however, means the US films are shown exclusively in the member state concerned and cannot be broadcast outside its borders.

On that basis and after a fact-finding investigation in 2012, the Commission will examine whether such a provision amounts to an anti-competitive agreement which is barred under EU rules, it said.

EU Competition Commissioner Joaquin Almunia said he wanted to be very clear that the right to award contracts on a territorial basis was not at stake.

The aim instead was to address problems arising when a customer in one country goes to another but is then not able to

access his or her home pay-TV providers because they are not allowed to broadcast their service abroad, he said.

Almunia also gave the example of a customer living in Belgium who wants to subscribe to a Spanish pay-TV service but could not get access.

The Commission noted that the European Court of Justice had ruled in 2011 that a similar absolute territorial arrangement on the pay-TV broadcasting of British Premier League soccer games was at fault.

The "opening of proceedings in no way prejudices the outcome of the investigation; it only means that the Commission will treat the case as a matter of priority," it added.

Source: AFP, via I-Net Bridge

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