



European Commission  
DG Competition  
Media

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# **Bottlenecks in Digital Broadcasting**



**The use of EC competition law to enforce access to  
sport media rights**

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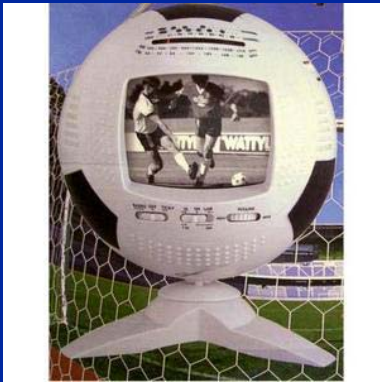


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# Summary



- **Importance of sport media rights**
- **Market definitions**
- **Enforcement principles (joint selling)**
- **Latest competition developments**



## The Economic Importance of Sport Media Rights I

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- **Sport rights are “vital input” for broadcasters (e.g., pay-TV, free-TV)**
- **“Rollout” of new media services or technologies (mobile services, HDTV)**
- **Increasing purchase price (FAPL, Real Madrid)**



## The Economic Importance of Sport Media Rights II

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- **Purchase price not only indicator**
- **Other “side effects”**
- **Examples: Salaries, transfer fees, financial investment in clubs, sponsorship deals**
- **“Social” importance**



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## High value due to limited availability



- **Rights are concentrated in the hands of few sport federations / leagues**
- **Live rights are most valuable when exclusive**
- **Contracts often cover long time periods and are concluded on an exclusive basis**
- **Rights are often sold in bundles covering an entire event and all modes of exploitation**



## **Joint Selling – Enforcement Principles**

- **What is joint selling?**
- **Three decisions (UEFA, BL, FAPL)**
- **Restrictions caused by joint selling**
- **Efficiencies of joint selling arrangements**

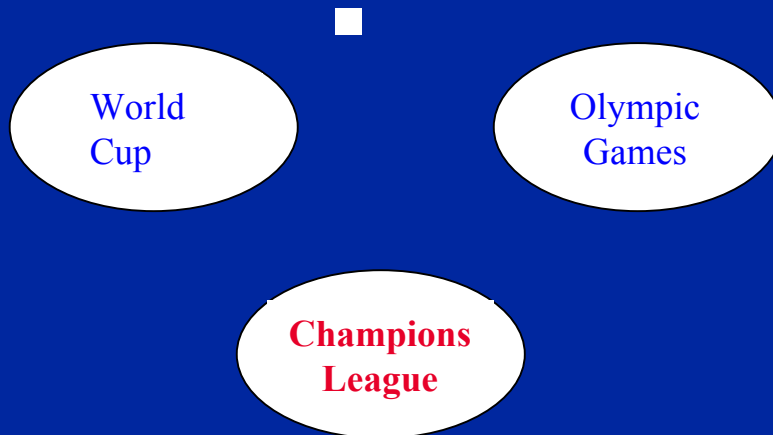


## Market definitions – Upstream (acquisition)

- “Football events played regularly throughout the year“ (national leagues, CL)
- “Major sport events” (OG, WC) (maybe)
- “Major motor sport events” (F1, Moto GP) for IT and ES (maybe)
- Market-specific analysis



## Foreclosure (No access)



## No Foreclosure (Access)





## Market definitions – Downstream (broadcasting)

- **Pay-TV**
- **Free-TV**
- **New media (e.g., internet, mobile services)**
- **Technological developments**



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## Joint selling - Concerns under Article 81(1) EC



- Prevents clubs from negotiating individually and getting a better deal
- One seller instead of 20 sellers
- One buyer instead of many buyers
- One uniform price (price-fixing)
- Output restrictions



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## **Joint selling - Efficiencies under Article 81(3) EC**



- **Single point of sale**
- **Improved branding**
- **Creation of a league product**



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## Joint Selling – Standard Remedies



- **Tender procedures**
- **Limitation of duration (3 years)**
- **Limitation of scope – unbundling**
- **Fall back of unsold rights**



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## Joint Selling – Intensified Remedies



- **Remedies to date not exhaustive**
- **Case-by-case approach**
- **Example: No single buyer obligation**



## FA Premier League Decision

- - **Last Commission case on joint selling?**
  - **Specific issues:**
    - **No-single buyer rule (not in BL)**
    - **Monitoring trustee**
    - **No conditional bidding (no premium)**



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## Convergence – A case comparison I

- **DFB – German Bundesliga**
- **The English Premier League**



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## Convergence – A case comparison II



- **BL: Separate package for internet rights**
- **FAPL: “technology neutral basis” (TV+internet)**



## FAQs

- - **Does the Commission favour joint selling?**
  - **Who owns the media rights?**
  - **Does financial solidarity justify joint selling?**



## 2006 Developments



- - *FA Premier League Antitrust Decision*
  - *CVC / SLEC Merger Decision*
  - **Launch of Commission White Paper on Sport**
  - **Law introducing joint selling in Italy**
  - **Article 82 Decision by Italian NCA**



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## Conclusions

- **NCAs to deal with national cases**
- **Case law provides guidance**
- **New issues to come – convergence**
- **Objectives**
  - **Ensure access to sport rights for media operators**
  - **Support the development of new media markets**
  - **Ensure wide coverage for consumers**



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**Thank you!**

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