The CNMC has fined Telefónica and DTS 15.5 million euros in relation to the marketing of football broadcasting rights

On 24/07/2015, The CNMC has fined Telefónica and DTS 15.5 million euros for their agreements and concerted action in acquiring, reselling and using broadcasting rights for the 2012/2013 and 2014/2015 seasons. These agreements constitute an infringement of article 1 of the Competition Protection Act as well as article 101 of the Treaty of the Functioning of the European Union.

More specifically, the sanctions imposed amount to 10 million euros for Telefónica and 5.5 million euros for DTS. The amount of the fines is related to the size of the affected markets and the effect the infringement has had on them, as well as the duration and scope of the sanctioned conduct and the profits obtained. In both cases, the fines are significantly less than 1% of the total turnover of these companies in 2014.

In August 2012, Telefónica and DTS reached agreements for the marketing of Canal+ Liga de Campeones and Canal+ Liga. Both agreements were part of a global concerted action between DTS and Telefónica to act in a coordinated manner to acquire, resell and exploit football broadcasting rights, and favour Telefónica over other pay television operators.

In relation to Canal+ Liga de Campeones, Telefónica was aware before other operators of DTS' strategy to market Champions League rights to one telecommunications operator exclusively. Consequently Telefónica had privileged information, more time than other potential buyers to evaluate the acquisition of some very costly strategic assets and plan its commercial strategy.

Furthermore, DTS' conditions for the tender of Canal+ Liga de Campeones favoured Telefónica and limited competition between pay television operators when it came to submitting tenders.

As for Canal+ Liga, DTS constructed its wholesale offer around Telefónica, and as with the Champions League, Telefónica was aware of DTS' prices and strategy beforehand.

Therefore, DTS favoured Telefónica over other pay television operators in the acquisition of football broadcasting rights, which in turn indirectly bolstered Telefónica's position in the field of telecommunications.

In April 2015, Telefónica acquired exclusive control of DTS by purchasing 56% of the remaining share capital it did not control. The CNMC approved this acquisition subject to conditions.

Further information available here.

Authority:
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