

Brussels, 11 March 2011

## **Antitrust: Commission welcomes steps taken by collective rights management bodies in Hungary and Romania to improve competition**

*The European Commission has closed a preliminary investigation into alleged anti-competitive practices by SCAPR, the international association of national performers' collective management organisations, and the national collective rights management organisations EJI (Hungary) and CREDIDAM (Romania). The Commission had concerns that these organisations may have implemented a restrictive membership policy, in violation of Article 101 of the Treaty on the Functioning of the European Union, which prohibits restrictive business practices. The Commission welcomes the steps taken by these organisations to amend their practices.*

Commission Vice-President in charge of competition policy, Joaquín Almunia, commented: "I welcome the changes brought about by the companies concerned to their membership policy which will enable singers to become members of national societies, either directly or indirectly through an agent, to be remunerated for the use of their songs. The Commission will continue to monitor the sector to ensure that the collective management of rights complies with EU antitrust rules and allows for the development of a single market in this field, including for online rights management."

The changes followed a preliminary investigation by the Commission to ascertain whether alleged membership restrictions by Societies' Council for the Collective Management of Performers' Rights (SCAPR), EJI and CREDIDAM restricted competition in the EU, and in particular in Hungary and Romania.

The Commission acted following a complaint by the UK company Rights Agency that the SCAPR "Policy and Guidelines" included membership restrictions and that EJI and CREDIDAM imposed discriminative administrative requirements for registering foreign performers to become members of the respective organisations.

Following discussions with the Commission, SCAPR amended its recommendations on membership policy. It has also taken active steps to encourage its members to adopt the new model agreement. Furthermore, CREDIDAM and EJI have made amendments to their administrative practices and their requirements for the registration of Rights Agency's clients. Following these changes Rights Agency has withdrawn its complaint and the Commission will close its investigation

SCAPR is an international association of national performers' collective management organisations (PMOs) that aims at improving the co-operation between PMOs worldwide in order to manage performers' rights. It also enacts recommendations (so-called "Policy and Guidelines") to member PMOs and proposes model bilateral representation agreements for these organisations. Előadóművészi Jogvédő Iroda (EJI) and CREDIDAM are both members of SCAPR.

EJI and CREDIDAM manage and collect, in their respective territory, the performers' (artists) rights on their behalf. This includes collecting the remuneration due to their members, as well as the remuneration of performers' that are members of sister PMOs in line with the conditions set out in the bilateral representation agreements between the different PMOs.

Rights Agency is a company that represents and registers international artists directly with various PMOs around the world. This allows Rights Agency to collect, on behalf of its clients remunerations directly from the PMOs so that its artists do not have to rely on the international co-operation between the different PMOs.

The Commission has previously intervened against membership clauses that prevent an author from choosing or moving to another collecting society. See [IP/08/1165](#) and [MEMO/08/511](#)) on CISAC decision. SCAPR is the equivalent to CISAC but for performers' collecting societies.

The Commission's decision to close the investigation in this case is without prejudice to potential future Commission investigations in this area.