

PRESS RELEASE

The CNMC concludes the infringement proceedings against the main “majors” in film distribution and an audience measurement company

- The companies under investigation have submitted a series of commitments that they are obliged to fulfill for five years.
- This formula, known as “termination by commitments”, enables to avoid the imposition of fines.
- The Commission had been investigating the sharing of commercially sensitive information (on release dates or audience) among the companies.

Madrid, 8 October 2021.- Through a formula known as “termination by commitments”, the CNMC ruled on the infringement proceedings that it was conducting against the main motion picture “majors”: Paramount and Paramount Pictures International Limited S.L.; Sony Pictures and Columbia Pictures Corporation Ltd.; TWDC, the Walt Disney Company Limited and Hispano Foxfilm; Universal Pictures; Wbee and Warner Bros. Entertainment Nederland BV); and an audience measurement company (Rentrak and Rentrak BV). ([S/0001/19: DISTRIBUCIÓN CINEMATOGRÁFICA](#)).

“Termination by commitments” is a formula that allows infringement proceedings to be resolved without the imposition of fines on the companies alleged to have committed violations. The CNMC has thus made binding the commitments that the companies themselves presented for a ruling on the conducts under investigation.

The CNMC became aware of two possible practices prohibited by Article 1 of Law 15/2007 on the Defense of Competition (LDC), as well as by Article 101 of the Treaty on the Functioning of the European Union (TFEU), and initiated ex officio infringement proceedings ([see press release](#)).

Conducts under investigation

On the one hand, the CNMC analyzed the convergent commercial policies by the aforementioned companies and the integrating company Ymagis in the movie theater digitalization process. On the other, the CNMC investigated the sharing of commercially sensitive information (release dates, number of viewers, box office sales, etc.) among large distributors with the collaboration of the audience measurement company Rentrak.

With respect to the first conduct, the Commission has dismissed the case, since the existence of restrictive practices was not proven by the evidence presented, without prejudice to the fact that sufficient evidence of a violation could be provided in future proceedings.

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Regarding the second conduct, the sharing of commercially sensitive information (on release dates, number of viewers, box office sales, etc.) — disaggregated and given in real time — may have restrained competition among the companies (for example, with respect to the strategies of release dates).

Commitments undertaken

Thus, the audience measurement company and the distribution companies have presented to the CNMC commitments through which they will eliminate the sharing of certain non-public information, as well as access to certain data relative to the Spanish film distribution market.

Specifically, film distributors will not provide audience companies (non-public) information about releases (expected premiere dates). For its part, the audience measurement company will not provide film distributors information from other distribution companies on (i) box office revenues disaggregated by screen in real time (they must wait at least two weeks) or at a disaggregated level (aggregate data will be required at the provincial and national level with certain exceptions for data aggregated by theater), or (ii) the number of screens on which a movie is to be shown. The commitments will be mandatory for a period of five years.

An atypical solution

Termination by commitments is provided for in Article 52 of Law 15/2007, of July 3, on the Defense of Competition. This is an atypical way of concluding an administrative procedure given that it makes binding some commitments offered voluntarily by the alleged violator, with no need for a statement to be made on the evidencing of the violation nor, consequently, for a fine to be imposed.

Termination by commitments has a twofold purpose. First, it seeks to quickly restore conditions of competition with commitments that address the issues and safeguard consumers' well-being and the public interest. Second, it allows to fulfill the principle of administrative efficacy by facilitating a reduction in the duration of investigation and infringement procedures.

Recent cases ruled on by the CNMC through termination by commitments:

[S/0006/20 - MAQUINARIA GARRIDO](#)

[S/DC/0605/17: AMARRES PUERTO DE ALGECIRAS](#)

[S/DC/0573/16 - SERVICIOS ODONTOLÓGICOS](#)

[S/0631/18: ADIDAS ESPAÑA](#)

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