Last Orders for Exclusive Territorial Media Rights?

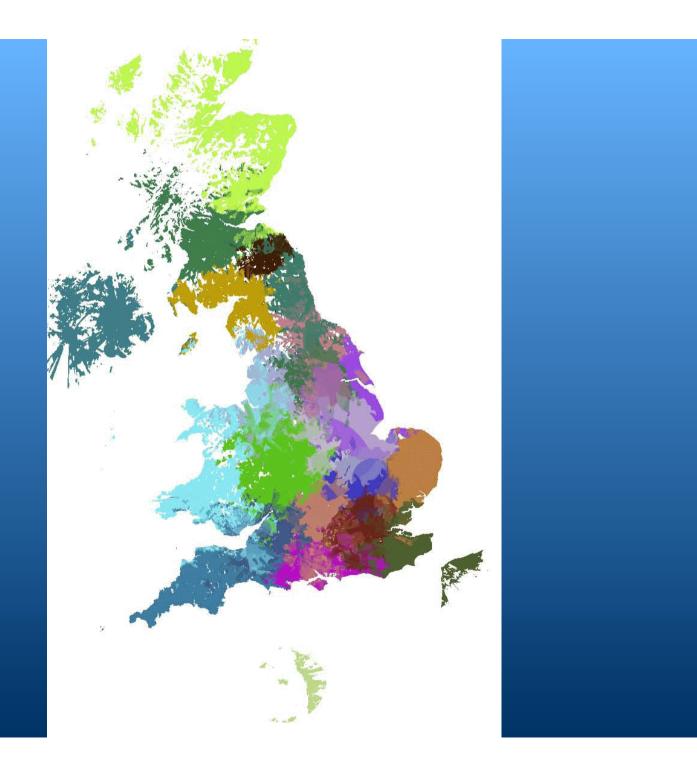
By Martin Howe QC 8 New Square, Lincoln's Inn

British Association for Sport and the Law The Oval, 1st October 2009

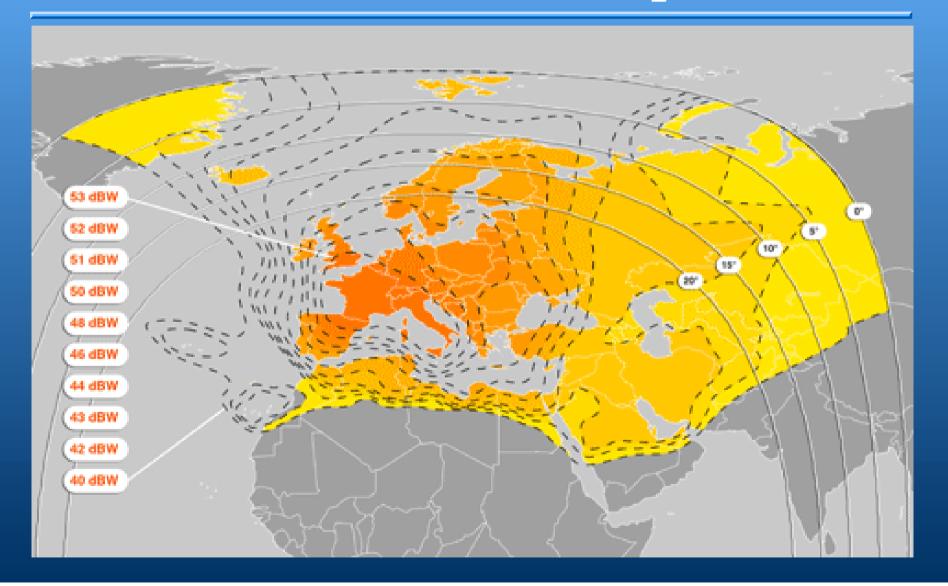
Terrestrial TV



UK ITV Regions Map



Hotbird satellite footprint



EU "single audiovisual area"

Legislation

Directive 89/552/EEC - "TV Without Frontiers"
 single point of regulation in Member State of origin of broadcast

 Directive 93/83/EEC - satellite broadcast subject to copyright licensing only in Member State of origin of broadcast

Maintaining national zones of reception

Encryption of broadcasts

- Sale of decoder cards restricted to national territory
- Content providers impose contractual terms on broadcasters prohibiting sale of decoders outside territory

Growth of the "grey" market

- Millions of ex-pats living outside country of origin
- Important for minority language speakers
- Travellers on holiday and second home owners
- Broadcasters still get paid per card sold
- Some specialist users <u>need</u> access to foreign TV

The "grey" market (continued) ...

Satellite dishes on the roof of MU training facility



FAPL v QC Leisure

European Court of Justice will decide:-

- Whether "Conditional Access Directive"
 98/84/EC entitles broadcasters to prevent circulation of lawful decoders in single market
- Whether use of copyrights to divide single market into national zones is contrary to "free movement" rules of Treaty of Rome
- Whether clause preventing broadcasters from selling decoder cards outside national territory breaches competition law (Article 81 of Treaty)

FAPL v QC Leisure

Concluding observation of Mr Justice Kitchin:-

"There can be no doubt that recent years have seen a proliferation of encrypted television channels which are accessible only on payment of a fee. Yet the broadcasting organisations responsible for the transmissions are often prohibited from permitting viewers in other Member States to access the encrypted programming; and this is so even when such viewers are prepared to make the requisite payment. This prohibition stems from the desire of rightholders to extract what they perceive to be the fair remuneration to which they are entitled. However, it creates a tension with the concept of a Community audiovisual area and the principles of an internal market without frontiers. ..."

FAPL v QC Leisure

Mr Justice Kitchin (cont ...)

"I believe the issues which I have identified and upon which the assistance of the [European] Court of Justice is sought are so fundamental that they should be considered as a whole by the Court at the earliest opportunity."

ECJ timetable: Judgment late 2010/early 2011?

If ECJ upholds defendants' case:

Possible reactions by rights owners

- Migration of sports broadcasts towards more specialist Europe-wide channels
- Increased use of 'pay-per-view' and 'pay per decoder card in issue' licensing
- Possible cross-border consolidation of broadcasting industry

Impact of technology on national boundaries:-



EU's failing struggle against parallel imports of goods ...

Levi Strauss v Tesco (Case C-414/99)

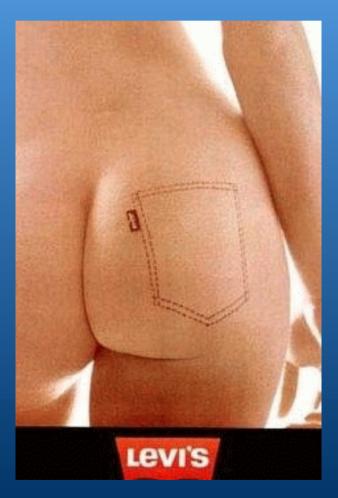
Lawful if marketed in EU



Infringing if marketed in USA

Which is more entitled to the trademarks?

An iconic Levi Strauss trademark ...



Internet trading



Internet streaming ...

"Watch live online TV channels on the internet"



Click here to watch 3000+ TV Channels



WWITV: World Wide Internet TV Your Portal to watch live and on demand online TV broadcasts. Required bandwidth: From 28.8Kb/s to 2000Kb/s Advised Software: Realplayer - Media Player - Quicktime - Winamp

Vatch live online TV channels broadcasting on the Internet. wwiTV offers a Huge collection of free Live internet TV stations streaming on the internet. Available TV channel categories: All TV channels | Educational | Entertainment | Government | Lifestyle | Music | News (live) News (vod) | Religious | Sports | Weather | Teletext / Videotext | P2P TV | Webcams

The End

Thank you for your attention -Questions please?