11 December 2007: Running of cinemas

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**The Conseil de la concurrence condemns the GIE Ciné Alpes
for having conditioned the access to certain distributors to areas where it had a monopoly
to the obtaining of exclusivity or priorities in areas where it was in competition with other cinema owners**

>Version française

Following a complaint by Leaurel company, owner of 'L'Eldorado' cinema in Dijon, the Conseil de la concurrence has issued a decision, which condemns to €9,000 the economic interest group (GIE) Ciné Alpes for implementing competition restricting practices against film distributors who refused to grant it exclusivity in certain cities.

The GIE Ciné Alpes is France's number five in the cinema owners ranking. In 2003 the GIE owned 59 cinemas and two multiplexes. The GIE has a strong monopolistic foothold in Northern Alps ski resorts and four medium-sized cities as well as in the running of multiplexes in Clermont Ferrand, Dijon and Brest since May 2005.

The abusive behaviour of GIE Ciné Alpes

The GIE Ciné Alpes exerted pressure on distributors in order to obtain exclusivity on certain films in cities where it was in competition with other cinema owners.

For instance, as regards the film “Gangs of New York”, the GIE conditioned the film running in cities where it had the monopoly to an exclusivity over Clermont-Ferrand, while a film copy was already promised to its competitor 'Le Paris'. Since the SND distributor refused to withdraw its copy from the cinema 'Le Paris', the film has not been released in any cinema of the network.

Another example in March 2001 concerned Ocean Films distributor was refused to release the film " H. S. Hors service " in the overall Ciné Alpes network after a disagreement on the film distribution in Dijon. The GIE Ciné Alpes refused to share with two competing city cinemas the film, which the GIE expected to release in its 'Cap Vert' multiplex.

Faced with the refusal of certain distributors, the GIE Ciné Alpes even boycotted all their films during several months. This was notably the case of Mars Film from January 2001 to June 2002 and SND, which saw about 20 of its films refused from May 2002 to March 2003.

Serious practices

The practices concerned resulted in preventing certain competing cinemas from having access to major films, irrespective of any competitive justification. The impact was all the more important that the requests for exclusivity concerned key films, which generate substantial revenues and which are often essential to the survival of cinemas in competition with Ciné Alpes.

Moreover the practices have also been detrimental to consumers since they prevented the audience from its right to choose between cinemas, sometimes less expensive, closer to home or which would run the film over a longer period.

The practices implemented by the GIE Ciné Alpes are all the more serious that they persisted despite numerous warnings from the cinema mediator.