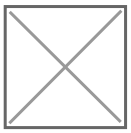
1st October 2009: Marketing rights for the French national football team

Published on October 02, 2009

The Autorité de la concurrence fines the French Football Federation and the company Sportfive
€6.9 million for having colluded in order to eliminate all competition in the awarding of the Federation's marketing rights



> *Version francaise*

After two self-referrals from the Conseil de la Concurrence, the Autorité de la concurrence has today issued a decision in which it fines the French Football Federation and the company Sportfive for having implemented anticompetitive practices.

Very long-term exclusive agreements with no competitive bidding process

For the marketing rights of the French national team and of the French Cup, the FFF and Sportfive entered into very long-term exclusive agreements without competitive bidding.

The combination of exclusivity clauses, automatic renewal clauses and end of contract compensation clauses, as well as extension amendments signed several years before the theoretical expiry of the contracts, is anticompetitive, insofar as, for a very long period - from 1985 to 2002 for some contracts - the awarding of these rights was completely removed from the open play of competition.

The organisation of the 2001 invitation to tender for the awarding of all marketing rights for the FFF indicates that the FFF and Sportfive then colluded in order to eliminate all competition

The FFF finally organised an invitation to tender in 2001.
Concerning this invitation, the Autorité has established that the two parties in question colluded, notably by preventing a competitor (Havas Sports) from obtaining the information needed to quantify its bid, and by negotiating substantial modifications to the initially contract, both before and after the contract was awarded to Sportfive.
These practices distorted the competitive bidding process organised by the FFF, by strengthening the existing operator's exclusive rights and by closing the contract to any external competition.

Fine in line with the severity of the practices

The exclusionary practices implemented within the framework of agreements awarded over a long term without open competition or through an invitation to tender that was diverted from its objective served to limit the play of competition on the market for the awarding and management of sport marketing rights, particularly in a segment much in the public eye: the marketing of football in France, at a time when this activity was particularly attractive, as a result of the successes of the French national team. They also limited the access to this market by other intermediaries and decreased the resources that the FFF could have devoted to its missions, notably in favour of developing amateur football.

By very far the leading sports federation, in terms of licensed members and of marketing and audiovisual receipts, the FFF also gave a poor example to other less wealthy sports federations, to say nothing of the observations of the Cour des comptes (Court of Accounts) that had criticized the absence of a competitive bidding process in the contracts signed with the companies of the Darmon group, that became the company Sportfive.

The FFF did not contest this charge of collusion and has undertaken commitments for the future. It has notably committed to setting up an open competition procedure for contracts relative to the choice of sports equipment provider, to the acquisition of audiovisual rights and for intermediation contracts, with these two latter contracts being limited to four years (or six years, in certain specific cases). In consideration of this, its penalty was reduced by 40%, resulting in a fine of €900,000. The company Sportfive will have to pay a fine of €6

million.