



BEATTIE COMMUNICATIONS

THE SCOTSMAN

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## European Commission's Apple policy sounds like music to our ears

THIS week, the European Commission objected to the pricing of music on the UK iTunes website. This is a reaction to consumers in the UK paying between 15 and 20 per cent more than those in some other European countries.

Under European law, there are prohibitions against anti-competitive practices.

The theory is that if businesses are allowed to compete in a fair arena, then they will have the opportunity to thrive and consumers will be the win-

### Platform

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ners with lower prices and greater choice.

The law forbids agreements that affect trade between European Union countries and have the effect of "preventing, restricting or distorting competition". In this case, the objection concerns the agreements Apple has with the recording industry

giants for the provision of music to be downloaded by iTunes customers.

These agreements have resulted in different prices being charged to the users of iTunes' UK website and the iTunes sites of other European countries.

iTunes customers in the UK are only permitted to buy music from the UK iTunes website: other iTunes sites will not accept UK credit cards.

In this way, British consumers are being deprived of the opportunity to reap the

benefit of the lower prices being offered in other EU countries, which is contrary to the rationale behind the creation of the single market.

Apple has previously suggested that difficulties associated with cross-border licensing arrangements are behind the disparity in prices, rather than any anti-competitive agreement.

This doesn't seem to stack up, though. Such licensing problems appear to have been avoided elsewhere, with an

iTunes site that serves consumers across a number of European countries the prime example.

Apple and the music companies now have an opportunity to submit their views on the statement of objections and to request a hearing in advance of the EC making any decision.

If any company is found to have breached competition rules, then they could face a fine of up to 10 per cent of their annual global turnover, which, given the size of some of the

companies involved, could run into hundreds of millions of pounds.

If Brussels does find competition rules have been broken, UK consumers will have more options when it comes to buying music online.

Whatever our views on Europe's legal approach to other fruits - are our bananas too straight or our strawberries too square? - its Apple policy sounds like music to the ears.

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