

## EKSAMEN I JURIDISKE VALGEMNER

HØST 2013

Dato: Torsdag 28. november 2013

Tid: Kl. 10:00 – 14:00

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### JUS5310/JUR1310 – EU Competition Law

**The language of examination for this course is English: students may answer in English ONLY, answers in any other language than English will be given a F (F for fail).**

For several years, the newspapers in the EU Member State Hungary had struggled to obtain a fair profit margin from their web-based news services. In a meeting in the Hungarian Press Organization (HPO) in January 2012, the newspapers Daily Echo, Daily Drip and Daily Post launched the idea of setting up a joint web-based payment service; the "Hungarian News Portal" (HNP). The three newspapers were all wholly owned subsidiaries of IMG (International Media Group), a US based media conglomerate. On the market for Hungarian daily newspapers, the three newspapers' combined market share was 54 %.

The idea was that the news from all the different Hungarian newspapers' websites would be available to readers in Hungary, as well as to the large Hungarian population living in other EU Member States, only through the HNP's payment service. Through the HNP, readers would be able to subscribe for one or several newspapers. The price for a subscription would be equal for each participating newspaper. The profits from the HNP were to be shared among the participating newspapers pursuant to a profit-share-model based on the number of subscriptions sold for each newspaper and the number of clicks on their respective sites. The HNP would result in substantial cost savings because the resources spent on developing and operating the HNP would be shared among the newspapers, instead of each newspaper having to develop and operate individual web-based payment services.

In the meeting, the representative from the newspaper The Hungarian Voice objected and claimed that the proposal was contrary to EU competition law. HPO decided to put the discussion to rest and to obtain legal advice concerning the potential conflict with the EU competition rules.

*Question 1: Write a memo advising HPO on the conformity of the proposed HNP with Article 101 TFEU.*

Having received the memo, HPO decided to discontinue the news portal project.

In the meeting in January 2012, the representative from The Hungarian Voice had informed that it, in any event, was planning to launch its own web-based payment service on 1 January 2013. The Chairman of the HPO had responded by stating that it would be advisable and advantageous for all members if their web-based payment services were launched simultaneously. The representative of The Urban Guardian



explicitly objected to the proposal for a synchronized launch, and decided to leave the meeting immediately after.

1 January 2013, the 7 biggest newspapers launched individual payment services, except for Daily Echo, Daily Drip and Daily Post, who instead launched a joint portal (the HNP), only for their own three newspapers and with the business model described above.

Shortly after, the European Commission initiated investigations against the seven newspapers (including the Urban Guardian), as well as the HPO, accusing them of conspiring to coordinate the establishment of web-based payment services for newspapers.

*Question 2: Discuss whether the HPO, the newspapers (and eventually which of them) have infringed Article 101 TFEU.*

The Urban Guardian also launched a complaint against the IMG and the Daily Echo, Daily Drip and Daily Post for alleged abuse of dominant position. The three newspapers included a feature within the HNP where readers would receive a discount for subscribing to two of the newspapers and an even higher discount for subscribing to all three newspapers.

*Question 3: Discuss whether IMG and the subsidiaries Daily Echo, Daily Drip and Daily Post are abusing a dominant position contrary to Article 102 TFEU.*

Question for MA-students:

The national broadcaster HUBC, which was wholly owned by the Hungarian State, offered online news services for free. The broadcaster was publically financed, and enjoyed an exclusive right to conduct nationwide commercial broadcasting. In the wake of the newspapers' launch of web-based payment services, the HUBC decided to expand its free web-based services, with news feeds, articles etc.

*Question 4: Discuss whether the HUBC is abusing a dominant position, and in case, whether the Hungarian authorities infringes Article 106(1).*

BA-students to answer questions 1-3, MA-students questions 1-4.

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Sensuren faller torsdag 19 desember klokken 15.00. Kontroller på StudWeb eller ta kontakt med Infosenteret på 22 85 95 00.

Kandidatene har rett til en redegjørelse for sensurvedtaket ved henvendelse til sensorene innen en uke etter sensur. Kontaktinformasjon for sensorer finnes på Fakultetets nettsider. Du kan også ta kontakt med infosenteret. Klagefristen er tre uker etter sensur.

*The result of the exams will be announced on Thursday 19 December, at 15.00 hours. You can check the results in the StudWeb, or by contacting the Information Centre, phone 22 85 95 00.*

*After the exam results are announced, candidates have the right to be informed of the grounds for the result as long as a request is made within one week of the announcement. The names and contact information of the examiners can be found on the Faculty's website, or by contacting the Information Centre. The deadline for appeal is three weeks after the announcement of the results*

Oslo, 28.11.2013