



The Competition Authority has launched an investigation against two marketing undertakings that may have allocated the market

23 September 2020, Budapest – The Hungarian Competition Authority (GVH) has initiated a proceeding against Star Network MCN Szolgáltató Kft. and 4KIDS Meseportál Kft. due to concerns that the undertakings have been engaging in restrictive practices. It is presumed that the two undertakings, which are involved in online content management and marketing activities, have allocated their customer base.

The GVH initiated a competition supervision proceeding against Star Network MCN Szolgáltató Kft. (Star Network) and 4KIDS Meseportál Kft. (4KIDS). The undertakings which, among other things, deal with Youtube campaigns and influencer marketing are presumed to have allocated the market on the basis of certain provisions in their co-operation agreement. This behaviour, if verified, constitutes a particularly serious infringement of competition law. It is also possible that the undertakings are exchanging information with one another and that this may eliminate or significantly reduce the uncertainty arising from the independent behaviour of competitors, which is a key driver of market competition.

Co-operation agreements between competitors may also have significant social benefits, as they can also be a means of saving costs, increasing investment, pooling know-how, improving product quality and choice and accelerating innovation. Collaboration between competitors may help advertisers gain more focused access to content for different ages and increasingly dynamic types of media. Furthermore, co-operation may also enable undertakings to provide several services to their customers, thus facilitating the spread of direct marketing activities in the online space. However, at the same time, co-operation between competitors must not lead to competition problems such as market allocation. Agreements that lead to significant distortions of competition may, in the long run, have disadvantages for consumers that go beyond the benefits they seek to achieve.

The initiation of the competition proceeding does not mean that the undertakings involved in the proceeding have committed the alleged infringement. The proceeding seeks to clarify the facts and to prove that the presumed infringement has been committed. The time allowed for the proceeding is six months, which may be extended twice, if justified, by a maximum of six months on each occasion.

The official registration number of the case is: **VJ/27/2020.**

GVH Press Office