

**UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION**

**COMMISSIONERS: Timothy J. Muris, Chairman  
Sheila F. Anthony  
Mozelle W. Thompson  
Orson Swindle  
Thomas B. Leary**

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<b>In the Matter of</b>	)	
	)	
<b>POLYGRAM HOLDING, INC.,</b>	)	
<b>a corporation,</b>	)	
	)	
<b>DECCA MUSIC GROUP LIMITED,</b>	)	
<b>a corporation,</b>	)	
	)	
<b>UMG RECORDINGS, INC.,</b>	)	<b>Docket No. 9298</b>
<b>a corporation,</b>	)	
	)	
<b>and</b>	)	
	)	
<b>UNIVERSAL MUSIC &amp; VIDEO</b>	)	
<b>DISTRIBUTION CORP.,</b>	)	
<b>a corporation.</b>	)	

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**FINAL ORDER**

The Commission has heard this matter on Respondents' appeal from the Initial Decision and on briefs and oral argument in support of and in opposition to the appeal. For the reasons stated in the accompanying Opinion of the Commission, the Commission has determined to affirm the Initial Decision and enter the following order. Accordingly,

**I.**

IT IS ORDERED that, as used in this order, the following definitions shall apply:

1. “PolyGram Holding” means PolyGram Holding, Inc., its directors, officers, employees, agents, representatives, successors, and





its procompetitive benefits.

C. It shall not, of itself, constitute a violation of Paragraph II.A. of this Order for a Respondent and a Seller to enter into, attempt to enter into, or comply with a written agreement to set the prices or price levels for any Audio Product or Video Product that is Jointly Produced by such Respondent and such Seller.

D. It shall not, of itself, constitute a violation of Paragraph II.B. of this Order for a Respondent and a Seller to enter into, attempt to enter into, or comply with a written agreement that regulates or restricts the advertising or promotion for any Audio Product or Video Product that is Jointly Produced by such Respondent and such Seller.

E. It shall not, of itself, constitute a violation of Paragraph II.B. of this Order for a Respondent to enter into, attempt to enter into, or comply with a written agreement, industry code, or industry ethical standard that is: (1) intended to prevent or discourage the advertising, marketing, promotion, or sale to children of Audio Products or Video Products labeled or rated with a parental advisory or cautionary statement as to content, and (2) reasonably tailored to such objective.

F. In any action by the Commission alleging violations of this Order, each Respondent shall bear the burden of proof in demonstrating that its conduct satisfies the conditions of Paragraph(s) III.A., III.B., III.C., III.D. and III.E. of this Order.

#### **IV.**

**IT IS FURTHER ORDERED that:**

A. Within sixty (60) days after the date this Order becomes final, each Respondent shall submit to the Commission a verified written report setting forth in detail the manner and form in which the Respondent has complied and is complying with this Order.

B. One (1) year after the date this Order becomes final, annually for the next four (4) years on the anniversary of the date this Order becomes final, and at other times as the Commission may require, each Respondent shall file with the

Commission a verified written report:

- (1) Setting forth in detail the manner and form in which it has complied and is complying with this Order; and
- (2) Identifying the title, date, parties, term, and subject matter of each agreement between any Respondent and any Seller, entered into or amended on or after the date this Order becomes final, that: (a) fixes, raises, or stabilizes prices or price levels in connection with the sale in or into the United States of any Audio Product or Video Product, or (b) prohibits, restricts, regulates, or otherwise places any limitation on any truthful, non-deceptive advertising or promotion in the United States for any Audio Product or any Video Product, other than those Audio Products and Video Products that are Jointly Produced.

PROVIDED, HOWEVER, that Respondents shall not be required to identify in their reports to the Commission any agreement that: (i) was previously identified to the Commission pursuant to Paragraph IV.B.2., and (ii) was not amended following such previous identification.

C. Each Respondent shall retain copies of all written agreements identified pursuant to Paragraph IV.B.2. above; and shall file with the Commission, within ten (10) days' notice to the Respondent, any such written agreements as the Commission may require.

## V.

IT IS FURTHER ORDERED that each Respondent shall notify the Commission at least thirty (30) days prior to any proposed change in the Respondent such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or any other change in ownership, control, or management, sale or

**VI.**

IT IS F

**VIII.**

IT IS FURTHER ORDERED that this Order shall terminate twenty (20) years after the date on which the Order becomes final.

By the Commission.

Donald S. Clark  
Secretary

SEAL

ISSUED: July 24, 2003

ATTACHMENT: OPINION OF THE COMMISSION