

Dear Sir/Madam,

The European Commission published on 9 June 2021 its preliminary findings following the Internet of Things (IoT) sector inquiry launched in July 2020 **[confidential information]**. **These preliminary conclusions**, subject to consultation until 1 September, **rightly address CANAL+ Group concerns on several aspects.**

Alike the Commission, we consider the Internet of Things for consumers as a relatively new field but which is growing rapidly and becoming more and more established in our daily lives. However, the Commission rightly noted that the cost of investing in technology and the competitive situation are the main obstacles to the expansion of the sector. Indeed, the Commission pointed out a **“particularly important” investment barrier to entry and a difficulty in competing with vertically integrated companies**, such as Amazon (Alexa), Apple (Siri) and Google (Assistant), which *“have built their own ecosystems within and beyond the consumer IoT sector by combining their own and integrating third-party products and services into an offering with a large number of users”*.

In this regard, **CANAL+ Group strongly welcomes the competition concerns shared by the Commission** in its preliminary findings related to:

- The **search for exclusivity** by IoT providers limiting the possibility of using different voice assistants on the same smart device and the **tying/bundling practices** they implement, consisting in conditioning the provision of voice assistants to manufacturers to the use of other of their services.
- Concerns related to the **preponderant role of voice assistants and smart device operating systems** as intermediaries between third-party services and consumers, allowing them to **control relationships with users** but also the **discoverability/visibility of third-party services** in terms of Internet of Things for consumers.
- The fact that suppliers of smart device operating systems and voice assistants have **wide access to the data produced and collected by connected objects**, giving them a great advantage for improving their products and position on the voice assistants market but also extending their influence on adjacent markets.
- The **lack of interoperability** in the Internet of Things sector for consumers due to the prevalence of proprietary technologies from Amazon, Apple and Google which have become *“de facto standards”*, allowing these players to unilaterally control interoperability and integration processes and limit the functionality of third-party smart devices and Internet of Things services compared to their own.

CANAL+ Group fully supports the work of the Commission going towards a regulatory level playing field and a fair competition in the digital and creative sectors, including on the Internet of Things market. Alongside the traditional competition law tools available to the Commission, the final report, expected in 2022, will feed into the **decisive debates on the Digital Markets Act proposal**, currently being examined by the European Parliament and the Council, which CANAL+ Group closely monitors.

[Confidential Information]

We remain at your disposal should you need any complementary observations.

Thank you for your time and consideration.

Sincerely,

[Confidential Information]