# Competition Appeal Tribunal Case No 1527/7/7/22 NOTICE OF COLLECTIVE PROCEEDINGS ORDER PURSUANT TO RULE 81 OF THE TRIBUNAL RULES

This is a legal notice that has been issued at the direction of the Competition Appeal Tribunal

# If you are a PlayStation user who between 19 August 2016 and 19 August 2022 made any purchase in the UK of digital games or add-on content via the PlayStation Store, you could benefit from a proposed claim

- A collective opt-out claim is being brought in the Competition Appeal Tribunal (the "**Tribunal**") on behalf of (i) all PlayStation users who, during the **Relevant Period**, made one or more **Relevant Purchases**, or (ii) the personal representatives of such PlayStation users (where applicable) (the "**Class**" or "**Class Members**").
  - The **Relevant Period** means: the period between 19 August 2016 and 19 August 2022.
  - **Relevant Purchases** means: any purchase of digital games or add-on content made from the PlayStation Store for which a PlayStation user in the UK pays a charge to access or download.
  - **PlayStation Store** means: Sony's proprietary digital retail store/storefront which is preinstalled on all PlayStations and allows users to purchase: (i) digital copies of games to play on their console without the need to own any physical media; and (ii) add-on content for particular games.
- The Tribunal granted a Collective Proceedings Order ("CPO") on 19 January 2024.
- All persons who fall within the definition of the Class and who were domiciled in the UK on 21 November 2023 are included in the Class.
- All persons who fall within the definition of the Class and who were **not** domiciled in the UK on 21 November 2023 are permitted to opt into the proceedings.
- Class Members are being represented by Alex Neill Class Representative Limited ("Class Representative"). Alex Neill Class Representative Limited is led by Alex Neill, who is its sole director. Alex is a consumer champion with nearly 20 years' worth of experience leading consumer campaigns and achieving change for UK consumers. Further information about the Class Representative is available on the claims website at <u>www.playstationyouoweus.co.uk</u>.
- The claim is against (1) Sony Interactive Entertainment Europe Limited and (2) Sony Interactive Entertainment Network Europe Limited (the "**Defendants**"), who the Class Representative alleges have breached UK and EU competition law by abusing their dominant position. The Class Representative says that the Defendants have abused their dominant position by imposing unfair terms on developers/publishers of digital PlayStation games and add-on content which has, the Class Representative alleges, meant that consumers are forced to make purchases of these products from the PlayStation Store, where the Defendants are able to charge commissions of 30%. As a result, the Class Representative alleges that Class Members have been overcharged for these products.

Questions? Visit <u>www.playstationyouoweus.co.uk</u> for more information.

• Please read this notice carefully as your decisions about this claim will have legal consequences. To read the Tribunal's full CPO and judgment, which allows the claim to proceed, visit <u>www.playstationyouoweus.co.uk</u> or <u>www.catribunal.org.uk</u>.

YOU MAY:	LEGAL RIGHTS AND CHOICES EXPLAINED	DEADLINE:
STAY IN THE CLAIM	Since this is an opt-out claim, Class Members are not required to do anything for the time being. If the claim results in a distribution to Class Members, it will be necessary for Class Members to identify themselves to the Class Representative and register their claim to a share of any damages which may be ordered. Class Members will be notified how they may do so at a later date.	
OPT-OUT	If you fall within the definition of the Class and were domiciled in the UK on 21 November 2023, you are included in the Class unless you take steps to opt out. The deadline for opting out is 26 April 2024. Please see below for information on how to opt out.	26 April 2024 at 5 pm BST
OPT-IN	If you fall within the definition of the Class and were <b>not</b> domiciled in the UK on 21 November 2023, you are permitted to opt into the proceedings. The deadline for opting in is 26 April 2024. Please see below for information on how to opt in.	26 April 2024 at 5 pm BST

# Your Rights and Options at this Stage:

# **GENERAL INFORMATION**

# 1. Why has this Notice been issued?

The Tribunal has directed that this notice be issued following the CPO made on 19 January 2024 in favour of Alex Neill Class Representative Limited. The CPO allows this claim to proceed as a collective action on behalf of eligible Class Members. To read the full CPO and judgment, visit <u>www.catribunal.org.uk</u>.

Questions? Visit www.playstationyouoweus.co.uk for more information.

This notice has been issued to inform you of the important legal rights you have relating to this claim. Exercising these rights could affect your ability to obtain a payment in the future if and when compensation becomes available. This notice explains the nature of the claim, who is covered by the claim, your rights in relation to the claim, how to exercise these rights and any relevant deadlines.

## 2. What are Collective Proceedings?

Collective Proceedings is an avenue through which a single person, known as a "class representative" may advance proceedings on behalf of a set of individual claimants who qualify as a "class".

In the UK, the Consumer Rights Act 2015 introduced a collective action regime which makes it possible for collective proceedings to be brought in respect of alleged breaches of competition law. Under the Act, a class representative can pursue collective proceedings for an alleged infringement of competition law, bringing together individual claims that raise the same, similar, or related issues of fact or law ("common issues").

The first step in bringing collective proceedings is to apply for authorisation from the Tribunal. This is achieved by filing an application for a collective proceedings order. If the Tribunal grants the order, the class representative is then authorised to act on behalf of the class and individual claims are certified for inclusion in the collective proceedings.

Collective proceedings are categorised as "opt-in" or "opt-out", according to the way in which claimants are admitted to the class(es). Opt-in collective proceedings require class members to sign up to participate in the claim, while opt-out proceedings include everyone who falls within the class definition approved by the Tribunal in the claim, allowing individuals who prefer not to be included in the proceedings to opt out.

This claim is brought on an opt-out basis.

## 3. Who is the claim against?

This claim is against (1) Sony Interactive Entertainment Europe Limited and (2) Sony Interactive Entertainment Network Europe Limited (together the "Defendants").

The two Defendants are members of the Sony corporate group. Sony is a large electronics manufacturer, distributor and technology platform operator.

The Defendants are each involved in and/or responsible for the operation of PlayStation.com, the PlayStation Network and the PlayStation Store in the UK. They are also responsible for developing and publishing PlayStation-related products and services (including games), and the marketing and distribution of PlayStation products (including video game hardware and software) in the UK.

## 4. What is the claim about?

The claim is a collective action against the Defendants who the Class Representative alleges have breached UK and EU competition law by abusing their dominant position. The Class Representative says that the Defendants have abused their dominant position by imposing unfair terms on developers/publishers of digital PlayStation games and add-on content which has, the Class Representative alleges, meant that consumers are forced to make purchases of these products from the PlayStation Store, where the Defendants are able to charge commissions of 30%. As a result, the Class Representative alleges, Class

Members have been overcharged for these products. The claim alleges that this conduct constituted an anti-competitive practice prohibited by competition law.

# 5. Who is the Class Representative?

The Class Representative is Alex Neill Class Representative Limited, which is a private company limited by guarantee incorporated in England (company number 14206838). The company has been established especially for the purpose of bringing these proceedings.

The sole director of Alex Neill Class Representative Limited is Alex Neill, who is a consumer champion with nearly 20 years' worth of experience leading consumer campaigns and achieving change for UK consumers. She is passionate about helping consumers to make the right choices, access support when things go wrong and get redress when things can't be fixed.

Alex is a co-founder of Consumer Voice, which seeks to promote consumer awareness of and engagement with group legal claims in the UK. Before co-founding Consumer Voice in January 2023, Alex served as the CEO of Resolver Group from December 2019 until October 2022, leading the UK's largest consumer complaints website and providing around a million consumers with free help. Prior to Resolver Alex spent more than a decade at consumer champion Which? in senior roles such as Managing Director of Home Products and Services and Director of Policy, Campaigns and Communications.

She has held leadership roles in consumer-focused businesses and has expertise in understanding consumers and building strong, purpose-driven brands, products and services that deliver the right resolutions for all.

Ms Neill has full control of the decisions and conduct of Alex Neill Class Representative Limited. For more information visit <u>www.playstationyouoweus.co.uk</u>.

## 6. Who is the class in this claim?

The Class consists of (i) all PlayStation users who, between 19 August 2016 and 19 August 2022, made a purchase in the UK of digital games or add-on content from the PlayStation Store, or (ii) the personal representatives of such PlayStation users (where applicable).

All persons who fall within the definition of the Class and who are domiciled in the UK on 21 November 2023 are included in the Class.

Those who fall within this definition but were domiciled outside the UK on 21 November 2023 and wish to participate in the claim will have the opportunity to opt-in to the claim.

# 7. Who is excluded from the class?

- (a) Officers, directors or employees of the Defendants at any time.
- (b) Officers, directors, or employees of Alex Neill Class Representative Limited.
- (c) All members of the Defendants' and Class Representative's legal teams and all experts or professional advisors instructed by them in these proceedings.
- (d) All employees/directors of the Class Representative's litigation funder.

(e) All members of the Tribunal panel assigned to these proceedings and any judge hearing any appeal in these proceedings.

#### 8. Do I need to do anything to be part of the claim?

Since this is an opt-out claim, Class Members are not required to do anything for the time being. If the claim results in a distribution to Class Members, it will be necessary for Class Members to identify themselves to Alex Neill Class Representative Limited and register their claim to a share of damages.

You may register your interest on the Claims Website, <u>www.playstationyouoweus.co.uk</u>, to receive regular updates regarding the progress of this claim.

#### 9. How is this Collective Action being paid for?

The Class Representative has secured litigation funding from Woodsford Litigation Funding 15 LLP ("Woodsford"). In addition, members of the legal team are working on conditional fee agreements ("CFAs"), which means only part of their standard fee is paid (by Woodsford), the remaining fee being subject to the success of the claim. This is common where class representatives are not able to fund a claim of this size and public importance on their own. Furthermore, to protect against the risk of having to pay the Defendants' costs (if the claim is not successful), After-the-Event ("ATE") insurance (up to a limit of £15 million (at this stage)) has been procured to fortify an indemnity against the Defendants' costs that has been provided by Woodsford.

ATE insurance is a type of insurance which protects against the risk of the Class Representative having to pay the Defendants' reasonably incurred legal costs.

As is common in all cases funded by third-party funders and via CFAs, subject to the approval of the Tribunal, Woodsford and the legal team will receive a fee or uplift in exchange for taking on the risk of funding the claim. The fee is calculated depending on the stage the case reaches and how much the Class Representative has spent. If the claim is not successful, Woodsford will not receive anything and the legal team will only receive their discounted fees as paid by Woodsford. The Tribunal has powers to order payment of the fees, uplift or other legal expenses or disbursements (to the extent these are not recovered from the Defendants) to be taken from any award of damages, either prior to or following distribution to Class Members.

Given that Woodsford, the legal team, any ATE insurers, and any other similar 'stakeholder' with a financial interest in the outcome of the proceedings, are all dependent on the Tribunal exercising these powers to receive a return on their respective investments, the Class Representative has agreed, in return for the funding to be provided to it, to apply for an Order from the Tribunal, at appropriate juncture(s) in the proceedings, that the costs, fees and disbursements of the proceedings be 'defrayed' (or deducted) from any aggregate damages award or settlement sum before the balance is distributed to Class Members. The Class Representative considers that this is consistent with the best interests of Class Members, as the funding has enabled the claim to be brought and means that certain stakeholders' return would be lower if paid prior to (rather than after) distribution of the balance to Class Members. The granting of any such order would be, in any event, wholly in the discretion of the Tribunal.

Class Members do not need to pay anything even if the claim is unsuccessful.

If Class Members would like to see copies of the non-confidential funding documents they can request these via email to <u>info@playstationyouoweus.co.uk</u>.

Questions? Visit <u>www.playstationyouoweus.co.uk</u> for more information.

## 10. What is the Competition Appeal Tribunal?

The Tribunal is a specialist court created by Section 12 and Schedule 2 to the Enterprise Act 2002 which came into force on 1 April 2003. It specialises in resolving competition law disputes and has a purposebuilt framework for collective actions. The Tribunal publishes its Rules and Guidance, together with information about what it does, on its website <u>www.catribunal.org.uk.</u> A summary of this claim can be found on the Tribunal's website.

# HOW TO OPT OUT

# 11. How may a Class Member opt out of the claim?

If you wish to file opt out of the claim, you may do so by sending a letter to the following address:

Alex Neill Class Representative Limited

PO Box 5551

Radstock

BA3 9DL

Your opt out letter must explicitly state, "*I*, [*Name of person*] wish to opt out of the collective claim against Sony UK, Case No. [X]", along with your full name, postal address, e-mail address, telephone number, signature, and date.

A template opt-out letter is available at <u>www.playstationyouoweus.co.uk</u>.

To be considered, your opt out letter must be received or postmarked by **26 April 2024**. Once your opt out letter is received and processed, you will receive an acknowledgement by email if you have provided an email address, or by post if not.

## **Alternatively**

You may opt out by sending an email to the Class Representative at <u>optout@playstationyouoweus.co.uk</u>. Your email must include the same statement and information listed above.

You may also submit your opt out via a webform located on the Claims Website, <u>www.playstationyouoweus.co.uk</u>.

Class Members should also specify the method they wish to receive confirmation of their opt out.

By opting out, you will not be eligible to receive a payment from this claim if money becomes available. However, you may be able to bring your own separate claim against the Defendants relating to the same issues. If you fall within the Class, were domiciled in the UK on 21 November 2023, and do not opt-out, you will be eligible to receive a payment from any judgment in this claim.

You do not have to give a reason for opting out.

# DEADLINE FOR OPTING OUT: 26 April 2024 at 5 pm BST.

# HOW TO OPT IN

## 12. How may a Class Member opt into the claim?

If you fall within the definition of the Class but were not domiciled in the UK on 21 November 2023, you are permitted to opt into the proceedings. You may opt in by visiting <u>www.playstationyouoweus.co.uk</u>

Questions? Visit www.playstationyouoweus.co.uk for more information.

and completing the online opt-in form. You will need to provide your name, postal address, email address and the name of the individual authorised to opt the Class Member into the Class.

# DEADLINE FOR OPTING IN: 26 April 2024 at 5 pm BST.

## 13. How can I stay updated on the progress of the claim?

You can visit <u>www.playstationyouoweus.co.uk</u> for periodic updates and to register your interest.

### 14. How can I get more information?

This notice summarises the CPO granted by the Tribunal. To read other information about the claim, visit <u>www.playstationyouoweus.co.uk</u>. You may also read more about this case at the Tribunal's website at <u>https://www.catribunal.org.uk/cases/15277722-alex-neill-class-representative-limited</u> where key official documents are regularly published regarding the proceedings and the decisions in this case.