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Press and Information

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Judgment of the Court of Justice in Joined Cases C-295/04 to C-298/04

Vincenzo Manfredi and Others v. Lloyd Adriatico Assicurazioni SpA and Others

**AN ARRANGEMENT WHICH INFRINGES NATIONAL COMPETITION LAW
MAY INFRINGE COMMUNITY LAW AT THE SAME TIME**

*Any individual can rely on Community law to claim compensation for harm suffered under
the rules laid down by the Member States*

In July 2000, the Italian national competition authority declared that the insurance companies Lloyd Adriatico Assicurazioni SpA, Fondiaria Sai SpA and Assitalia SpA had implemented an unlawful agreement for the purpose of exchanging information on the insurance sector. That agreement facilitated the increase in premiums for compulsory civil liability insurance relating to accidents caused by motor vehicles, vessels and mopeds not justified by market conditions.

Mr Manfredi and others brought actions before the Giudice di pace di Bitonto (Italy) to obtain orders against the insurance companies for restitution of the increase in the premiums paid by reason of the arrangement declared unlawful.

The Italian court referred several questions to the Court of Justice of the European Communities for a preliminary ruling concerning Community competition law (Article 81 EC), as to whether that agreement infringed not only Italian law on the protection of competition but also the EC Treaty, in so far as insurance companies of other Member States also carrying on their activities in Italy also took part in the agreement ruled unlawful, whether third parties might claim damages for harm caused by the prohibited agreement, and whether national rules such as those at issue in the main proceedings on the designation of the courts and tribunals having jurisdiction, the limitation period for bringing actions for damages, and the amount of damages to be paid were compatible with Article 81 EC.

The Court held that **an arrangement such as that at issue may also¹ infringe the EC Treaty** if, in the light of the characteristics of the national market, there is a sufficient degree of probability that that arrangement may have an influence on the sale of the insurance policies at issue in the relevant Member State by operators established in other Member States and that that influence is not insignificant.

Next, the Court noted that Article 81 EC produces direct effects in relations between individuals. Accordingly, **any individual can rely on it to claim invalidity of an arrangement or practice** prohibited under Article 81 EC and **claim compensation for the harm suffered** where there is a causal relationship between that harm and an arrangement or practice prohibited under that article.

Finally, the Court held that in the absence of Community rules governing the matter, it is for the Member States:

– **to designate the courts and tribunals having jurisdiction and to prescribe the detailed procedural rules governing actions** for safeguarding rights which individuals derive directly from Community law, provided that such rules are not less favourable than those governing similar domestic actions (**principle of equivalence**) and that they do not render practically impossible or excessively difficult the exercise of rights conferred by Community law (**principle of effectiveness**);

– to prescribe **the limitation period** for seeking compensation for harm caused by an arrangement or practice prohibited under Article 81 EC and to set the criteria for determining **the extent of the damages**, provided that the principles of equivalence and effectiveness are observed.

It is for the national court to determine whether a national rule which provides that **the limitation period for seeking compensation begins to run from the day on which the prohibited arrangement or practice was adopted**, particularly where it also imposes a short limitation period that cannot be suspended, renders it practically impossible or excessively difficult to exercise the right to seek compensation.

As to the extent of the damages, the Court stated, first, that if it is possible to award **particular damages**, such as exemplary or punitive damages, in domestic actions similar to actions founded on the Community competition rules, it must also be possible to award them in actions founded on Community rules. Secondly, injured persons must be able to seek compensation not only for **actual loss** but also for **loss of profit plus interest**.

¹ The Court held that an arrangement such as that at issue which constitutes an infringement of national competition rules may also infringe the EC Treaty.

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Languages available: FR CS DE EN ES HU IT NL PL SK SL

The full text of the judgment may be found on the Court's internet site
<http://curia.eu.int/jurisp/cgi-bin/form.pl?lang=EN&Submit=rechercher&numaff=C-295/04>

It can usually be consulted after midday (CET) on the day judgment is delivered.

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