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Judgment of the Court of Justice in Case C-605/21 | Heureka Group (Online price comparison services)

Infringements of EU competition law: the former Czech rules on limitation are incompatible with EU law

Those rules make it practically impossible or excessively difficult to claim damages for continuous anticompetitive practices

The limitation period applicable to actions for damages for an infringement of EU competition law cannot begin to run unless that infringement has come to an end and the injured party knows of the fact that the behaviour concerned constitutes such an infringement. Having that knowledge generally coincides with the publication in the *Official Journal of the European Union* of the summary of the Commission's decision finding that infringement. EU law also requires the suspension or interruption of the limitation period for the duration of a Commission investigation. In addition, since the entry into force of a directive on the matter, such a suspension or interruption may come to an end at the earliest one year after the date on which the decision finding the infringement becomes final.

Heureka, a Czech company, operates a sales price comparison portal. It claims that Google's search engine systematically favoured, on its general search results pages, Google's own price comparison service. As a consequence, Heureka's service was consulted less. Heureka therefore submits that it has been harmed by Google and in that context relies on a decision (not yet final) ¹ of the European Commission finding that Google abused its dominant position.

The Czech court, hearing an action for damages brought by Heureka, questioned whether the old limitation period under Czech law, which still applies to that action, is compatible with EU law ². That three-year period begins to run, for each partial occurrence of harm, from the moment when the injured party knew of the fact that it had suffered such harm and the identity of the infringer. However, the national rules do not require knowledge of the fact that the behaviour concerned constitutes an infringement or that the infringement has come to an end for the limitation period to start to run. Nor do those rules provide that that period must be suspended or interrupted during the Commission's investigation until one year after the date when the Commission's decision finding that infringement becomes final.

In its judgment, the Court holds that **EU law precludes the Czech legislation applicable until the late transposition of Directive 2014/14.** In that regard, the Court considers that, even before the expiry of the time limit for transposing that directive, EU law ³ required that, in order for **the limitation period to start to run, the infringement to competition law must have come to an end and the injured party must have known** the information necessary for bringing its action for damages and, in particular, **the fact that the behaviour concerned constitutes such an infringement**. Those two conditions are necessary to enable the injured party to be effectively able to exercise its right to claim full compensation for the harm suffered as a result of an infringement of competition law.

The Court makes it clear that, in principle, **knowledge of the information necessary for bringing an action coincides with the date of publication in the Official Journal of the summary of the Commission's decision** finding the infringement, **irrespective of whether that decision has not yet become final**. Moreover, the injured party may rely on such a non-final decision to support its action for damages.

In that context, the Court notes that EU law also requires that it be possible to **suspend or interrupt the limitation period during the Commission's investigation** in order to prevent the limitation period from elapsing even before that investigation is closed. Given that it is generally difficult for the injured party to adduce evidence of an infringement of competition law in the absence of a decision of the Commission or a national authority, it must be possible for the latter to await the outcome of such an investigation, in order to be able to rely, where appropriate, on such a decision in a subsequent action for damages.

In addition, Directive 2014/104 now provides that the limitation period must be suspended, at the very least, until one year after the date on which the Commission's decision finding the infringement concerned becomes final.

As a result, the Court considers that **the former Czech rules on limitation are incompatible with EU law**. They make the exercise of the right to claim compensation for the harm suffered as a result of an infringement of competition law practically impossible or excessively difficult.

NOTE: A reference for a preliminary ruling allows the courts and tribunals of the Member States, in disputes which have been brought before them, to refer questions to the Court of Justice about the interpretation of European Union law or the validity of a European Union act. The Court of Justice does not decide the dispute itself. It is for the national court or tribunal to dispose of the case in accordance with the Court's decision, which is similarly binding on other national courts or tribunals before which a similar issue is raised.

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The <u>full text and, as the case may be, an abstract</u> of the judgment is published on the CURIA website on the day of delivery.

Press contact: Jacques René Zammit ⊘ (+352) 4303 3355.

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¹ Decision C(2017) 4444 final, relating to a proceeding under Article 102 [TFEU] and Article 54 of the EEA Agreement (Case AT.39740 – Google Search (Shopping)) (see also Commission press release <u>IP/17/1784</u>). In its judgment of 10 November 2021, *Google and Alphabet v Commission (Google*

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Shopping), <u>T-612/17</u> (see also press release No <u>197/21</u>), the General Court, in essence, dismissed the action brought by Google and Alphabet against decision C(2017) 4444 final. The appeal against that judgment of the General Court is pending before the Court of Justice (see Case <u>C-48/22 P</u>).

² In particular, Article 102 TFEU and/or Article 10 of <u>Directive 2014/104/EU</u> of the European Parliament and of the Council of 26 November 2014 on certain rules governing actions for damages under national law for infringements of the competition law provisions of the Member States and of the European Union.

³ That is to say, Article 102 TFEU and the principle of effectiveness.