

JUDGMENT OF THE COURT
14 December 2000 *

In Case C-344/98,

REFERENCE to the Court under Article 177 of the EC Treaty (now Article 234 EC) by the Supreme Court (Ireland) for a preliminary ruling in the proceedings pending before that court between

Masterfoods Ltd

and

HB Ice Cream Ltd
and between
HB Ice Cream Ltd

and

Masterfoods Ltd, trading as 'Mars Ireland',

on the interpretation of Articles 85, 86 and 222 of the EC Treaty (now Articles 81 EC, 82 EC and 295 EC),

* Language of the case: English.

THE COURT,

composed of: G.C. Rodríguez Iglesias, President, C. Gulmann, A. La Pergola, M. Wathelet and V. Skouris (Presidents of Chambers), D.A.O. Edward, J.-P. Puissochet, P. Jann, L. Sevón (Rapporteur), R. Schintgen and F. Macken, Judges,

Advocate General: G. Cosmas,
Registrar: L. Hewlett, Administrator,

after considering the written observations submitted on behalf of:

- Masterfoods Ltd, by D. O'Donnell, SC, instructed by A. Cox and P.G.H. Collins, Solicitors,

- HB Ice Cream Ltd, by M.M. Collins, SC, B. Shipsey, SC, and M. Cush, SC, instructed by Hayes & Sons and by Slaughter & May, Solicitors,

- the French Government, by K. Rispal-Bellanger, Deputy Director in the Legal Affairs Directorate of the Ministry of Foreign Affairs, and R. Loosli-Surrans, Chargé de Mission in the same Directorate, acting as Agents,

- the Italian Government, by Professor U. Leanza, Head of the Legal Service in the Ministry of Foreign Affairs, acting as Agent, and Professor L. Daniele, of the Trieste Bar, an Expert for that Ministry,

- the Swedish Government, by A. Kruse, Departementsråd in the Ministry of Foreign Affairs, acting as Agent,

- the United Kingdom Government, by J.E. Collins, Assistant Treasury Solicitor, acting as Agent, and N. Green, QC,

- the Commission of the European Communities, by B. Doherty and W. Wils, of its Legal Service, acting as Agents,

having regard to the Report for the Hearing,

after hearing the oral observations of Masterfoods Ltd, represented by P.G.H. Collins and D. O'Donnell; of HB Ice Cream Ltd, represented by M.M. Collins and B. Shipsey; of the Swedish Government, represented by A. Kruse; of the United Kingdom Government, represented by J.E. Collins and A. Robertson, Barrister; and of the Commission, represented by B. Doherty and W. Wils, at the hearing on 15 March 2000,

after hearing the Opinion of the Advocate General at the sitting on 16 May 2000,

gives the following

Judgment

- 1 By order of 16 June 1998, received at the Court on 21 September 1998, the Supreme Court referred to the Court of Justice for a preliminary ruling under Article 177 of the EC Treaty (now Article 234 EC) three questions on the interpretation of Articles 85, 86 and 222 of the EC Treaty (now Articles 81 EC, 82 EC and 295 EC).

- 2 Those questions were raised in two sets of proceedings between Masterfoods Ltd ('Masterfoods') and HB Ice Cream Ltd, now Van Den Bergh Foods Ltd ('HB'), in connection with an exclusivity clause contained in agreements for the supply of freezer cabinets concluded between HB and retailers of impulse ice cream.

The disputes in the main proceedings

- 3 HB, a wholly owned subsidiary of the Unilever group, is the leading manufacturer of ice cream in Ireland. For a number of years HB has supplied ice cream retailers with freezer cabinets free of charge or at a nominal rent, while retaining ownership of the cabinets, provided that they are used exclusively for HB products ('the exclusivity clause').

- 4 Masterfoods, a subsidiary of the US corporation Mars Inc., entered the Irish ice cream market in 1989.

- 5 From the summer of 1989 numerous retailers began to stock and display Masterfoods products in cabinets supplied to them by HB. HB demanded that the exclusivity clause be complied with.
- 6 In March 1990 Masterfoods brought an action before the High Court of Ireland seeking, *inter alia*, a declaration that the exclusivity clause was null and void in domestic law and under Articles 85 and 86 of the EC Treaty. HB brought a separate action for an injunction to restrain Masterfoods from inducing retailers to breach the exclusivity clause. Damages were claimed by both Masterfoods and HB.
- 7 In April 1990 the High Court granted HB an interlocutory injunction.
- 8 On 28 May 1992 the High Court gave judgment in the actions brought by Masterfoods and HB respectively, dismissing Masterfoods' claim and granting HB a permanent injunction restraining Masterfoods from inducing retailers to store its products in freezers belonging to HB. However, HB's claim for damages was dismissed.
- 9 On 4 September 1992 Masterfoods appealed against those judgments to the Supreme Court.
- 10 In parallel with those contentious proceedings, on 18 September 1991 Masterfoods lodged with the Commission of the European Communities a complaint against HB under Article 3 of Council Regulation No 17 of 6 February 1962, First Regulation implementing Articles 85 and 86 of the Treaty (OJ, English

Special Edition 1959-62, p. 87). That complaint concerned the supply by HB, to a large number of retailers, of freezer cabinets to be used exclusively for HB products.

- 11 On 29 July 1993 the Commission, in a statement of objections addressed to HB, concluded that the distribution system operated by it infringed Articles 85 and 86 of the Treaty.

- 12 On 8 March 1995, following discussions with the Commission, HB notified the Commission of proposals for alterations to its distribution arrangements with a view to exemption under Article 85(3) of the Treaty. On 15 August 1995, pursuant to Article 19(3) of Regulation No 17, the Commission announced its intention to take a favourable view of HB's distribution arrangements.

- 13 On 22 January 1997, however, finding that the changes had not achieved the expected results in terms of opened outlets, the Commission sent a new statement of objections to HB.

- 14 By Decision 98/531/EC of 11 March 1998 relating to a proceeding under Articles 85 and 86 of the Treaty (Case Nos IV/34.073, IV/34.395 and IV/35.436 — *Van den Bergh Foods Limited*) (OJ 1998 L 246, p. 1), the Commission ruled that:
 - the exclusivity provision in the freezer-cabinet agreements concluded between HB and retailers in Ireland, for the placement of cabinets in retail outlets which have only one or more freezer cabinets supplied by HB for the stocking of single-wrapped items of impulse ice cream, and not having a freezer

cabinet either procured by themselves or provided by another ice-cream manufacturer constitutes an infringement of Article 85(1) of the Treaty (Article 1 of Decision 98/531)

and that

- HB's inducement to retailers in Ireland to enter into freezer-cabinet agreements subject to a condition of exclusivity by offering to supply them with one or more freezer cabinets for the stocking of single-wrapped items of impulse ice cream and to maintain the cabinets, free of any direct charge, constitutes an infringement of Article 86 of the Treaty (Article 3 of Decision 98/531).
- 15 The Commission also rejected the request for exemption pursuant to Article 85(3) of the Treaty (Article 2 of Decision 98/531) and gave HB notice to cease the infringements found immediately and to refrain from taking any measure having the same object or effect (Article 4 of Decision 98/531). HB was also given notice to inform retailers with whom it had freezer-cabinet agreements constituting infringements as described in Article 1 of Decision 98/531 of the full wording of Articles 1 and 3 of that Decision and to notify them that the exclusivity provisions in question were void (Article 5 of Decision 98/531).
- 16 By application lodged at the Registry of the Court of First Instance of the European Communities on 21 April 1998, which was registered as Case No T-65/98, HB, acting under its present name of Van den Bergh Foods Ltd, brought an action under the fourth paragraph of Article 173 of the EC Treaty (now, after amendment, the fourth paragraph of Article 230 EC) for the annulment of Decision 98/531.

- 17 By separate document lodged at the Registry of the Court of First Instance on the same day, HB also applied, pursuant to Article 185 of the EC Treaty (now Article 242 EC), for application of Decision 98/531 to be suspended until the Court of First Instance had given judgment on the substance.
- 18 Under those circumstances the Supreme Court decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

'1. In the light of the judgment and orders of the High Court of Ireland dated 28 May 1992, the decision of the Commission of the European Communities dated 11 March 1998 and the applications by Van den Bergh Foods Ltd pursuant to Articles 173, 185 and 186 of the Treaty establishing the European Economic Community ("EC Treaty") to annul and suspend the latter decision:

- (a) Does the obligation of sincere cooperation with the Commission as expounded by the Court of Justice require the Supreme Court to stay the instant proceedings pending the disposal of the appeal to the Court of First Instance against the aforesaid decision of the Commission and any subsequent appeal to the Court of Justice?
- (b) Does a decision of the Commission which is addressed to an individual party (and which is the subject of an application for annulment and suspension by that party) declaring such party's freezer cabinet agreement to be contrary to Article 85(1) and/or Article 86 of the EC Treaty thereby prevent such party from seeking to uphold a contrary judgment of the national court in that party's favour on the same or similar issues falling under Articles 85 and 86 of the Treaty where that decision of the national court is appealed to the national court of final appeal?

Questions 2 and 3 only arise in the event of a negative answer to Question 1(a).

2. Having regard to the legal and economic context of the cabinet agreements at issue in the market for single-wrapped items of impulse ice cream, does the practice whereby a manufacturer and/or supplier of ice cream provides a freezer to a retailer at no direct charge — or otherwise induces the retailer to accept the freezer — subject to the condition that the retailer stock no ice cream in such freezer other than that supplied by the said manufacturer and/or supplier constitute an infringement of the provisions of Article 85(1) and/or Article 86 of the EC Treaty?

3. Are freezer exclusivity agreements protected from challenge under Articles 85 and 86 of the EC Treaty by reason of the provisions of Article 222 of the EC Treaty?

¹⁹ By order of 7 July 1998 in Case T-65/98 R *Van den Bergh Foods v Commission* [1998] ECR II-2641, the President of the Court of First Instance suspended the operation of Decision 98/531 until the Court of First Instance had given judgment terminating the proceedings in Case T-65/98.

²⁰ By order of 28 April 1999, the President of the Fifth Chamber of the Court of First Instance, pursuant to the third paragraph of Article 47 of the EC Statute of the Court of Justice, stayed proceedings in Case T-65/98 until the Court of Justice has delivered judgment in the present case.

Question 1

Observations of the parties

- 21 Masterfoods begins by observing that a negative reply to Question 1 would mean that it would be open to a national court of final appeal to refer to the Court of Justice questions in relation to the interpretation of Articles 85 and 86 of the Treaty at a time when essentially the same questions were already under consideration in the Court of First Instance in an action brought against a Commission decision adopted pursuant to those articles. The preliminary ruling of the Court of Justice would then be applied by the national court to the dispute before it at the same time as the action against the Commission decision was being heard before the Court of First Instance and, if there was an appeal, before the Court of Justice, and quite possibly before those proceedings against the Commission decision were completed.
- 22 Masterfoods and the French Government, referring to the judgment in Case C-234/89 *Delimitis v Henninger Bräu* [1991] ECR I-935, paragraphs 44 and 45, and to point 4 of Commission Notice 93/C 39/05 on cooperation between national courts and the Commission in applying Articles 85 and 86 of the EEC Treaty (OJ 1993 C 39, p. 6, 'the Cooperation Notice'), observe that the Commission is responsible for the implementation and thrust of European competition policy and must for this purpose act in the public interest, whereas the national courts safeguard the subjective rights of private individuals in their relations with one another.
- 23 Masterfoods contends that the Commission exercises its powers and takes decisions where that is necessary in the Community interest (Case T-24/90 *Automec v Commission* [1992] ECR II-2223, paragraphs 77 and 85 to 87, and point 13 of the Cooperation Notice). It gives priority to cases involving questions

of particular political, economic or legal significance for the Community. Commission decisions are binding in their entirety upon those to whom they are addressed.

- 24 It follows that the Commission is the appropriate body for taking decisions on issues of Community interest.
- 25 With regard to the procedure under Article 177 of the Treaty, Masterfoods argues that, in contrast to the procedure under Article 173 of the Treaty, the Court of Justice has no power to find facts and may rule only on issues of law, leaving the national court to decide the case by applying the ruling of the Court of Justice to the facts as found in the national proceedings.
- 26 Masterfoods claims that there is a significant risk that, in applying a ruling obtained from the Court of Justice, a national court of final appeal could arrive at a decision which was inconsistent with a Commission decision if the latter is upheld by the Court of First Instance and possibly on appeal to the Court of Justice, or inconsistent with the final ruling of the Court of First Instance or Court of Justice in a situation where the Commission decision is not upheld in full. The need to avoid inconsistent decisions of this kind is one element of the duty of cooperation between the national courts and the Community institutions. Such cooperation is designed, in particular, to ensure application of the principle of legal certainty (*Delimitis*, cited above, paragraph 47).
- 27 Both Masterfoods and the French Government consider that the need to avoid conflicting decisions applies also to cooperation between the national courts and the Court of First Instance dealing with an action against a decision of the Commission at first instance. According to the French Government, national courts must stay proceedings if there is a risk of conflict between their forthcoming decision and that of the Court of First Instance or Court of Justice,

in other words, if there is a genuine problem of legal certainty or of sincere cooperation. The need for proceedings to be stayed seems even more clearly justified in the case of a national court giving judgment on final appeal.

- 28 Masterfoods adds that the national court may, by making an appropriate interlocutory order, avoid any injustice caused by the delay consequent upon a stay.
- 29 HB and the Italian and United Kingdom Governments begin by observing that the national courts and the Commission have concurrent competence to apply Articles 85(1) and 86 of the Treaty (*Delimitis*, paragraphs 44 and 45) and that those articles produce direct effects in relations between individuals (Case 127/73 *BRT v SABAM* [1974] ECR 51, '*BRT I*').
- 30 According to HB, in the cases in the main proceedings the conflict between Decision 98/531 and the High Court judgment is contrary to the principle of legal certainty as interpreted by the Court of Justice in paragraph 47 of the *Delimitis* judgment. However, that judgment gives no direct guidance on how to avoid or minimise the danger of conflicting decisions in circumstances where the Commission bears the responsibility for having created the legal uncertainty by intervening in relation to a case which is already the subject of proceedings before the national court.
- 31 HB states that it is clear from the case-law that the duty of sincere cooperation may, in appropriate circumstances, lead a national court, in the exercise of its discretion, to stay its proceedings (*Delimitis* and *Automec v Commission*, cited above). Furthermore, there is no doubt that the national court is entitled to make a reference for a preliminary ruling under Article 177 of the Treaty (point 32 of the Cooperation Notice).

- 32 In view of the fact that Decision 98/531 was adopted in breach of the duty of sincere cooperation, and the fact that the decision has now been suspended pending determination of the action for annulment by the Court of First Instance, and given the principle that the decision does not bind the national court, but at best gives it substantial guidance in reaching a decision (point 20 of the Cooperation Notice), HB considers that a stay of the proceedings before the Supreme Court would not be the most appropriate course of action. On the other hand, a stay of the proceedings before the Court of First Instance until such time as the Court of Justice had given a preliminary ruling and the Supreme Court had applied that ruling would enable the Court of First Instance to take a decision on HB's action for annulment with the benefit of the interpretation by the Court of Justice of the points of law arising in both cases.
- 33 HB adds that a Commission decision does not bind a national court in the same way as a judgment of either of the Community Courts, nor can it deprive a party of the right of argument. The right of access to justice is protected by the European Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950 and is recognised by the constitutions of the Member States, with the result that it can be regarded as a fundamental principle of Community law (see Case 222/84 *Johnston v Chief Constable of the Royal Ulster Constabulary* [1986] ECR 1651, paragraph 18).
- 34 According to the Italian Government, the obligation of cooperation imposed by Article 5 of the EC Treaty (now Article 10 EC) on the Commission and the national courts cannot go so far as to deprive the latter of their specific autonomous jurisdiction.
- 35 It points out in this connection that if the Commission initiates proceedings regarding a particular instance of infringement of Articles 85 and 86 of the Treaty, the national court dealing with the same matter may, but is not required to, stay the proceedings before it while awaiting the outcome of the Commission's action (see *BRT I*, cited above, paragraph 21). Although in the present case the procedure initiated by the Commission concluded with a decision properly so-

called within the meaning of Article 3(1) of Regulation No 17, that decision is not final. It has been challenged before the Court of First Instance on the basis of Article 173 of the Treaty and, what is more important, it has been suspended on the basis of Article 185 of the EC Treaty.

- 36 The Italian Government submits that the national court must, in its own judgment, take account of the Commission decision, unless it intends to contest the validity thereof by seeking a preliminary ruling under Article 177 of the Treaty. However, that option will not be available where the party contesting the decision had standing to challenge it under the fourth paragraph of Article 173 and failed to do so (Case C-188/92 *TWD Textilwerke Deggendorf* [1994] ECR I-833). On the other hand, where the Commission decision is challenged before the Court of First Instance, the national court, as an alternative to seeking a preliminary ruling on validity, has the right, but not the obligation, to stay the proceedings before it pending the judgment of the Community Courts.
- 37 The United Kingdom Government points out that under Article 189 of the EC Treaty (now Article 249 EC) a Commission decision is binding upon the addressee and takes effect upon notification. It is presumed valid until declared void by the Court of First Instance or the Court of Justice as a result of proceedings under Article 173 or Article 177 of the Treaty.
- 38 It further submits that it follows from the general principle of legal certainty and the duty of cooperation laid down by Article 5 of the Treaty that national courts must exercise their powers so as to avoid any significant risk of conflict, not only in relation to decisions that the Commission has yet to take, but also in respect of decisions formally adopted.
- 39 That risk could be avoided in several ways. First, if national courts consider the Commission decision to be factually incorrect, they can stay the proceedings and invite the Commission to reconsider the decision. Second, they can refer the

validity of the Commission decision to the Court of Justice pursuant to Article 177 of the Treaty. Third, where the Commission decision is being challenged before the Court of First Instance, the national court can stay its own proceedings pending the judgment. It is incumbent on a national court to stay the proceedings in any case where there is a risk that the decision contemplated by it might conflict with an existing or future decision of a Community institution (Case 23/67 *Brasserie de Haecht* [1967] ECR 407; *BRT I*; *Delimitis*; and Case C-250/92 *Gøttrup-Klim v Dansk Lanbrugs Grovvaereselskab* [1994] ECR I-5641). Fourth, since not every risk of conflict will justify national courts delaying their proceedings, a national court must assess the materiality of the risk to the proceedings in issue when it decides upon the course of action to be taken. In addition, if it decides to stay the proceedings, the national court must consider whether to prescribe interim measures.

- 40 The Commission observes that the main proceedings concern a situation where a Commission decision based on Article 3(1) of Regulation No 17 is still open to annulment by the Court of First Instance. That decision remains a binding Community act and only the Community Courts have jurisdiction to annul it.
- 41 In such a situation, in order to avoid the risk of conflicting decisions, the national court should normally stay its proceedings until final judgment is given on the application for annulment of the Commission's decision (*Delimitis*, paragraph 52).
- 42 If the national court considered that it could not wait, it could refer a question to the Court of Justice (*Delimitis*, paragraph 54). In such a case, a national court from whose decision there is no appeal, such as the Supreme Court, is obliged to seek a preliminary ruling under Article 177 of the Treaty. It is not, however,

required to do so immediately, but may await the outcome of the proceedings before the Court of First Instance and any subsequent appeal, and then consider whether there is still scope for reasonable doubt.

- 43 Given that the purpose of attaching the Court of First Instance to the Court of Justice was, first, to improve the judicial protection of individual interests and, second, to maintain the quality and effectiveness of judicial review in the Community legal order (Case C-185/95 P *Baustablgewebe v Commission* [1998] ECR I-8417, paragraph 41), the Commission wonders whether the most appropriate course would not be to wait until final judgment is given on the action for annulment of the Commission's decision.
- 44 Regarding the suspension of the Commission's decision, the Commission states that if the Court of First Instance, and the Court of Justice on appeal, upheld the legality of the decision, the risk of conflict with the decision of a national court would not be entirely removed but merely postponed.

Findings of the Court

- 45 First of all, the principles governing the division of powers between the Commission and the national courts in the application of the Community competition rules should be borne in mind.
- 46 The Commission, entrusted by Article 89(1) of the EC Treaty (now, after amendment, Article 85(1) EC) with the task of ensuring application of the principles laid down in Articles 85 and 86 of the Treaty, is responsible for defining and implementing the orientation of Community competition policy. It is for the Commission to adopt, subject to review by the Court of First Instance and the Court of Justice, individual decisions in accordance with the procedural rules

in force and to adopt exemption regulations. In order effectively to perform that task, which necessarily entails complex economic assessments, it is entitled to give differing degrees of priority to the complaints brought before it (*Delimitis*, paragraph 44, and Case C-119/97 P *Ufex and Others v Commission* [1999] ECR I-1341, paragraph 88).

47 The Commission has exclusive competence to adopt decisions in implementation of Article 85(3) of the Treaty, pursuant to Article 9(1) of Regulation No 17 (*Delimitis*, paragraph 44). However, it shares competence to apply Articles 85(1) and 86 of the Treaty with the national courts ((*Delimitis*, paragraph 45). The latter provisions produce direct effects in relations between individuals and create direct rights in respect of the individuals concerned which national courts must safeguard (*BRT I*, paragraph 16). The national courts thus continue to have jurisdiction to apply the provisions of Articles 85(1) and 86 of the Treaty even after the Commission has initiated a procedure in application of Articles 2, 3 or 6 of Regulation No 17 (*BRT I*, paragraphs 17 to 20).

48 Despite that division of powers, and in order to fulfil the role assigned to it by the Treaty, the Commission cannot be bound by a decision given by a national court in application of Articles 85(1) and 86 of the Treaty. The Commission is therefore entitled to adopt at any time individual decisions under Articles 85 and 86 of the Treaty, even where an agreement or practice has already been the subject of a decision by a national court and the decision contemplated by the Commission conflicts with that national court's decision.

49 It is also clear from the case-law of the Court that the Member States' duty under Article 5 of the EC Treaty to take all appropriate measures, whether general or particular, to ensure fulfilment of the obligations arising from Community law and to abstain from any measure which could jeopardise the attainment of the objectives of the Treaty is binding on all the authorities of Member States including, for matters within their jurisdiction, the courts (see, to that effect, Case C-2/97 *IP v Borsana* [1998] ECR I-8597, paragraph 26).

- 50 Under the fourth paragraph of Article 189 of the Treaty, a decision adopted by the Commission implementing Articles 85(1), 85(3) or 86 of the Treaty is to be binding in its entirety upon those to whom it is addressed.
- 51 The Court has held, in paragraph 47 of *Delimitis*, that in order not to breach the general principle of legal certainty, national courts must, when ruling on agreements or practices which may subsequently be the subject of a decision by the Commission, avoid giving decisions which would conflict with a decision contemplated by the Commission in the implementation of Articles 85(1) and 86 and Article 85(3) of the Treaty.
- 52 It is even more important that when national courts rule on agreements or practices which are already the subject of a Commission decision they cannot take decisions running counter to that of the Commission, even if the latter's decision conflicts with a decision given by a national court of first instance.
- 53 In that connection, the fact that the President of the Court of First Instance suspended the application of Decision 98/531 until the Court of First Instance has given judgment terminating the proceedings before it is irrelevant. Acts of the Community institutions are in principle presumed to be lawful until such time as they are annulled or withdrawn (Case C-137/92 P *Commission v BASF and Others* [1994] ECR I-2555, paragraph 48). The decision of the judge hearing an application to order the suspension of the operation of the contested act, pursuant to Article 185 of the Treaty, has only provisional effect. It must not prejudice the points of law or fact in issue or neutralise in advance the effects of the decision subsequently to be given in the main action (order in Case C-149/95 P(R) *Commission v Atlantic Container Line and Others* [1995] ECR I-2165, paragraph 22).
- 54 Moreover, if a national court has doubts as to the validity or interpretation of an act of a Community institution it may, or must, in accordance with the second

and third paragraphs of Article 177 of the Treaty, refer a question to the Court of Justice for a preliminary ruling.

- 55 If, as here in the main proceedings, the addressee of a Commission decision has, within the period prescribed in the fifth paragraph of Article 173 of the Treaty, brought an action for annulment of that decision pursuant to that article, it is for the national court to decide whether to stay proceedings until a definitive decision has been given in the action for annulment or in order to refer a question to the Court for a preliminary ruling.
- 56 It should be borne in mind in that connection that application of the Community competition rules is based on an obligation of sincere cooperation between the national courts, on the one hand, and the Commission and the Community Courts, on the other, in the context of which each acts on the basis of the role assigned to it by the Treaty.
- 57 When the outcome of the dispute before the national court depends on the validity of the Commission decision, it follows from the obligation of sincere cooperation that the national court should, in order to avoid reaching a decision that runs counter to that of the Commission, stay its proceedings pending final judgment in the action for annulment by the Community Courts, unless it considers that, in the circumstances of the case, a reference to the Court of Justice for a preliminary ruling on the validity of the Commission decision is warranted.
- 58 If a national court stays proceedings, it is incumbent on it to examine whether it is necessary to order interim measures in order to safeguard the interests of the parties pending final judgment.

- 59 In this case it appears from the order for reference that the maintenance in force of the permanent injunction granted by the High Court restraining Masterfoods from inducing retailers to store its products in freezers belonging to HB depends on the validity of Decision 98/531. It therefore follows from the obligation of sincere cooperation that the national court should stay proceedings pending final judgment in the action for annulment by the Community Courts unless it considers that, in the circumstances of the case, a reference to the Court of Justice for a preliminary ruling on the validity of the Commission decision is warranted.
- 60 The answer to Question 1 must therefore be that, where a national court is ruling on an agreement or practice the compatibility of which with Articles 85(1) and 86 of the Treaty is already the subject of a Commission decision, it cannot take a decision running counter to that of the Commission, even if the latter's decision conflicts with a decision given by a national court of first instance. If the addressee of the Commission decision has, within the period prescribed in the fifth paragraph of Article 173 of the Treaty, brought an action for annulment of that decision, it is for the national court to decide whether to stay proceedings pending final judgment in that action for annulment or in order to refer a question to the Court for a preliminary ruling.

Questions 2 and 3

- 61 Questions 2 and 3 were raised only in the event that Question 1 should be answered in the negative. In the light of the reply to Question 1, there is no need to answer the other questions.

Costs

- 62 The costs incurred by the French, Italian, Swedish and United Kingdom Governments and by the Commission, which have submitted observations to the Court, are not recoverable. Since these proceedings are, for the parties to the main proceedings, a step in the proceedings pending before the national court, the decision on costs is a matter for that court.

On those grounds,

THE COURT,

in answer to the questions referred to it by the Supreme Court by order of 16 June 1998, hereby rules:

Where a national court is ruling on an agreement or practice the compatibility of which with Articles 85(1) and 86 of the EC Treaty (now Articles 81(1) EC and Article 82 EC) is already the subject of a Commission decision, it cannot take a decision running counter to that of the Commission, even if the latter's decision conflicts with a decision given by a national court of first instance. If the

addressee of the Commission decision has, within the period prescribed in the fifth paragraph of Article 173 of the EC Treaty (now, after amendment, the fifth paragraph of Article 230 EC), brought an action for annulment of that decision, it is for the national court to decide whether to stay proceedings pending final judgment in that action for annulment or in order to refer a question to the Court for a preliminary ruling.

Rodríguez Iglesias	Gulmann	La Pergola
Wathelet	Skouris	Edward
Puissochet	Jann	Sevón
Schintgen	Macken	

Delivered in open court in Luxembourg on 14 December 2000.

R. Grass

G.C. Rodríguez Iglesias

Registrar

President