

Contents

Chapter 1. EC Regulation of Unfair Commercial Practices	1
<i>Hugh Collins</i>	
I. The Green Paper	8
II. The Rationale for EC Regulation	13
1. Obstructions to Trade	14
2. Reduction of Obstacles by EC laws	18
3. The Level of Consumer Protection	22
III. The Problem of Regulating Marketing Practices	25
1. General Clauses	25
2. Unfairness Categories	27
3. Examples of Unfair Commercial Practices	28
4. Sector-specific Directives	28
5. Injunctions	29
6. Safe Harbours and Co-regulation.	30
IV. General Contract Law	36
V. Conclusion	40
 Chapter 2. A General Framework Directive on Fair trading	43
<i>Hans-W. Micklitz</i>	
I. Introduction	43
II. A new initiative on an old issue – an EC regulation on fair trading	44
1. The Mandate of the Commission	44
a) The first step – the adoption of a directive on fair trading	45
b) Intermediary steps – piecemeal legislation	46
c) The Green Paper on Consumer Protection, the Proposal for a Regulation on Sales Promotion and the Follow-up Communication	47
2. The Prevailing EC Approach – Chances and Limits of Harmonisation and Country of Origin Principle in Marketing Practices Regulation	49
a) The heterogeneous picture of harmonisation	50
b) The half-hearted implementation of the country of origin principle	53

TABLE OF CONTENTS

c)	Harmonisation and country of origin principle combined	57
3.	The Urgent Need for a New Approach – Beyond Harmonisation and Country of Origin Principle	58
a)	The first option – the legitimating basis of the country of origin principle in commercial communications	58
b)	The second option – the legitimating basis for harmonisation in consumer protection	59
c)	The third option – the feasibility of the new approach on technical standards and regulations in marketing practices regulation	61
III.	A General Clause on Fair Trading – Justification and Proposal for Action	62
1.	General Concepts in the Member States	62
2.	The Added Value of a General Legislative Framework for Consumers	63
3.	Possible Elements of a General Legislative Framework	64
a)	Proposal for a general clause on fair trading	66
a)	Proposal for information duties	67
c)	A possible list of prohibited marketing practices	70
d)	Total vs. minimum harmonisation	74
IV.	Self-regulation, co-regulation and consumers – justification and proposal for action	75
1.	The Situation in the Member States	76
2.	Growing Awareness of Self-Regulation in the European Community	77
3.	A Modified New Approach to Supplement the General Clause?	78
a)	The new approach on technical harmonisation revisited	79
b)	Possible elements of co-regulation in marketing practices	79
c)	Critique on the feasibility of new approach type of regulation	81
V.	The Remaining Issues – Enforcement And Revision	84
1.	Judicial Review and Legal Redress Against Regulatory Actions and Decisions	85

2. Safeguard Committee on Fair Trading Regulations	87
VI. The Appropriate Regulatory Technique	88
Chapter 3. Rules on Competition and Fair Trading	91
<i>Guido Alpa</i>	
I. Freedom to Conduct a Business and the Limits Thereto	91
II. Competition and Fair Trading Among Professionals: in Quest for a General Clause	94 94
III. Competition and Consumer Protection	98
IV. Competition and General Fairness Clauses in the “Principles of Contracts in International Trade” and in the “Principles of European Contract Law”.	103 103 103
V. Techniques of Consumer Protection	103
VI. Unfair Trading Practices	109
Chapter 4. Conflict of Interests and the Fair Dealing Duty	111
<i>Giorgio De Nova</i>	
I. Introduction	111
II. The notion of “conflict of interests”	111
1. Conflict of interests and the conclusion of contracts in the name of a principal	111 111
2. Conflict of interests and fiduciary duties	112
3. Conflict of interests and sale contracts	116
III. Conclusions	117
Chapter 5. Co-regulation’s Role in the Development of European Fair Trading Laws	119
<i>Geraint Howells</i>	
I. Co-regulation	120
II. The New Approach to Technical Harmonisation	121
III. Co-regulation and the Green Paper	122
IV. The Follow-Up Communication	123
V. Critique of Co-regulation in the Fair Trading Context	124
1. Core concepts	124
2. Soft law and an integrated approach	125
3. Codes as stand-alone concepts	126
4. The forum for generating codes	127
VI. Conclusions	129

TABLE OF CONTENTS

Chapter 6. EC Competition Rules on Vertical Restrictions and the Realities of a Changing Retail Sector of National Contract Laws	131
<i>Jules Stuyck and Tom Van Dyck</i>	
I. Introduction and Limitations	131
II. The Central Notion of 'The Dynamics of a (Changed or Changing) Retailer-manufacturer Relationship' and the Resulting Notion of 'The Vertical Cooperative Information-based Structure'	134
1. Framework of analysis	134
2. The notion of the 'dynamics of the (changed or changing) relationship between retailers and manufacturers'	140
3. The resulting notion of a 'vertical cooperative information-based structure'	145
III. Set of questions involved	147
IV. The Block Exemption Regulation: its Policies and Effects	148
1. Analysis of the Block Exemption Regulation in its entirety	148
2. Analysis of the 'buying power' provisions of the Block Exemption Regulation	157
V. Assessment of the First Two Questions in the Light of the Preceding Section	162
1. To what extent does the Block Exemption Regulation (including the Guidelines) correctly take into account the 'dynamics of the changed or changing manufacturer-retailer relationship', as this is reflected in buying power?	163
2. How does the Block Exemption Regulation (including the Guidelines) apply to 'vertical cooperative information-based structures', such as category management or slotting allowances?	168
VI. 'Private enforcement' of vertical restraints that are not exempt under the Block Exemption Regulation	170
1. General background	171
(a) Article 81(1) is directly effective	171
(b) Article 81(2): nullity sanction	172
(d) Article 81(1) not containing a 'rule of reason' as a further handicap	174
(e) Intermediary Conclusion: private enforcement is still largely a matter of National law	175

(f) 'Modernization' enhances the role of the national courts	175
(g) But National Courts remain under an Obligation to avoid Decisions that Conflict with Decisions of the Community Institutions	176
(h) It may be argued that there is a Community Law basis for Actions for damages in case of infringements of Articles 81 and 82	177
2. Set of questions	178
3. Tentative answers	183
VII. Concluding Remarks	185
Chapter 7. EC Consumer Protection Law and EC Competition Law: How Related are They? A Law and Economics Perspective	187
<i>Fernando Gomez</i>	
I. Introduction	187
II. The Essential Alignment in Goals of Consumer Protection and Competition Law	188
III. The Different Underlying Economic Problems in Consumer Protection and Competition Law	192
IV. The substantial irrelevance of monopoly power – and inequality of bargaining power- for consumer protection Law	194
V. Consumer Protection Law as a Set of Instruments to Reduce Information Imperfections in Consumer Markets	198
VI. The Weighing of Competitive Gains in Consumer Protection Law	207
Chapter 8. EC Consumer and EC Competition Law: How Related are they? Examining the Existing EC Contract Law Sources	209
<i>Stefan Grundmann</i>	
I. The Common Scope of EC Consumer and EC Competition Law and the Differences	210
II. Some Examples for a Mixing of Antitrust Rules and Information Rules	213
III. Dismantling the Law Against Unfair Competition and Reallocating Different Types of Market Failure	218
IV. Summary	221

TABLE OF CONTENTS

Chapter 9. Contract Law Enforcement of Provisions on Marketing:	
The Solution of the Consumer Sales Directive	223
<i>Thomas Wilhelmsson</i>	
I. Introduction	223
III. Misleading Advertising and Non-Conformity of Goods	229
IV. Extensive Interpretation of the Consumer Sales Directive	231
V. Broadening to Other Types of Contract	235
VI. Conclusions	237
 Chapter 10. Consumer Protection, Fair Dealing in Marketing	
Contracts and European Contract Law – A Uniform Law?	241
<i>Luisa Antonioli</i>	
I. Introduction	241
II. The Green Paper on Consumer Protection, the Internal Market and Competitiveness	242
III. Differences in National Laws as an Obstacle to the Internal Market	243
IV. The Specific and the Mixed Approach	245
V. The Follow-up Communication to the Green Paper	249
VI. The Consumer Policy Strategy 2002-2006	253
VII. The Communication on European Contract Law	255
1. The Options For Intervention	261
2. The reactions to the communication	266
a) The European Council	266
b) The European Parliament	267
c) other stakeholders	270
VIII. EC Legislative Competence and the Relationship Between Community and National Law: The Minimum/maximum Harmonisation Debate	276
IX. The Relationship Between Consumer Contract Law and General Contract Law	282
X. Political Stakes And Technical Aspects In Contract Law	287