Contents

Preface Acknowledgements List of abbreviations Table of cases Table of legislation

ix Х

XI

X1V

...

1

XV111

Introduction

Background 1

Paucity of actions for damages for competition infringements 1 The need for collective redress in competition law enforcement 3

Reflection on the term 'collective redress' 4

Issues relating to the design of a collective redress action 6 Judicial v non-judicial means of collective redress 6 Elements of collective redress actions 9 Methodology 12

Structure 14

The notion of and need for collective redress actions 2

Introduction 17

The concept and function of collective redress procedures 17 A short summary of evolution and policy rationale 17 The purpose of the procedure 20 Setting the scene for EU collective redress actions 24 The recognition and exercise of the right to damages 24 The need for collective redress actions for consumers 28 The role of collective redress actions 34 Concluding remarks 36

vi Contents

3 Commission initiatives on collective redress actions

Introduction 38

Two distinct initiatives in competition and consumer law 38 Commission efforts in competition law 38 Commission efforts in consumer law 43 Combining the two: a horizontal approach toward collective redress actions 44

Overview of the reasons leading to horizontal approach 44 The proposals under the horizontal approach 46 Impact of the horizontal approach on collective redress 49 Distinctive approach toward collective redress actions 51 Potential shortcomings of the horizontal approach 51 The case for a distinctive competition law approach 55 Concluding remarks 60

4 Objectives of collective redress actions in EU competition enforcement

Introduction 62 Determining the objectives and their significance 62 Objectives of actions for damages 66 The approach of the EU courts 66 The approach of the Commission 67 Compensation and deterrence objectives for collective redress actions 71

The unique competition law enforcement goal and its implications for collective redress actions 71 Objectives of collective redress actions 74 Collective redress actions for consumers: do the objectives pursued differ? 77

81

Concluding remarks 78

5 Consumer damages claims in EU competition cases

Introduction 81

Damages caused by competition infringements 81
The types of competition infringements 81
The types of harm resulting from competition infringements 84
Potential damages of competition infringements 86
The overcharge as a measure of damages in consumer cases 89
Overcharge in collusion cases 89
Overcharge in abuse of dominance cases 93

The ways in which consumers are harmed 98 Direct consumers 98 Indirect consumers 99 Deadweight loss consumers 105 Umbrella consumers 107 Concluding remarks 109

6 Grouping collective claims: Opt-in v opt-out

Introduction 112 Establishing the group membership 112 Opt-in actions 112 Mandatory actions 116 Opt-out actions 116 112

151

170

The proposed approach 126 Grouping the claims 137

The ways in which the group is defined 137 Two necessary elements of group definition 140 Towards an adequate group definition: what matters? 142 The proposed approach: grouping consumer claims 146 *Concluding remarks 148*

7 Designing collective redress actions: Representative party and funding rules

Introduction 151 Determining the representative party 151 Lead plaintiff 151 Ideological claimant 153 Funding 156 Liability for costs 156

Possible options for funding 159 Contingency fees as one of the options 163 The proposed approach 165 Concluding remarks 168

8 Calculation and distribution of damages in collective actions for consumers

Introduction 170 Possible ways of awarding damages to a group 170 Aggregate v individual damages assessment 170

viii Contents

Aggregate damages assessment and the compensation objective 172 Calculation of damages to consumers 174 Allocation of damages 179 Distribution of damages to group members 179 Possible alternatives for undistributed damages and the proposed approach 182 Concluding remarks 187

9 Conclusions

Concluding remarks 189

189

198

224

Bibliography Index