

Contents

Foreword	v
Preface	xv
Acknowledgements	xvii
Abbreviations	xxxiii
Table of Cases	xxxv
Table of EU Founding Treaties	lxxvii
Table of International Agreements	lxxxv
Table of Legislation	xci
1 The Political Institutions of the European Union	1
[1.05] Introduction	1
[1.10] Outline of This Chapter	1
[1.15] Basic Policies of the European Union	2
[1.20] Development of the European Union	4
[1.25] Single European Act	6
[1.30] Maastricht Treaty	6
[1.35] Treaty of Amsterdam	7
[1.40] Charter of Fundamental Rights	7
[1.45] Treaty of Nice	8
[1.50] European Constitution	8
[1.55] Treaty of Lisbon	9
[1.60] Relations Between the EU and the United States	10
[1.65] Relations Between the EU and Australia	12
[1.70] Relations Between the EU and Canada	14

[1.75]	Relations Between the EU and New Zealand	15
[1.80]	Relations Between the EU and South Africa	16
[1.81]	Relations Between the EU and Other Common Law Jurisdictions	17
[1.85]	Political Institutions of the European Union	18
[1.90]	Commission	18
[1.95]	Council	20
[1.100]	Parliament	20
[1.105]	European Council	22
[1.110]	EU Courts	22
[1.115]	European Central Bank	23
[1.120]	EU Committees	24
[1.125]	Other Officials	25
[1.130]	Distribution of Powers Between the EU and the Member States	26
[1.135]	Subsidiarity	27
[1.140]	Proportionality	28
[1.145]	Cooperation Between and Secession of Member States	30
[1.150]	EU Legislation	31
[1.155]	Public Availability of EU Legal Acts	33
[1.160]	Conclusion	34
	Further Reading	35
2	Free Movement of Goods	39
[2.05]	Introduction	39
[2.10]	Customs Union	39
[2.15]	Common Customs Tariff	41
[2.20]	Rules of Origin	42
[2.25]	Added Value	43
[2.30]	Elimination of Quantitative Restrictions Between Member States	44
[2.35]	Measures with an Equivalent Effect	45
[2.40]	Import Authorisation	46
[2.45]	Production Quotas	46
[2.50]	Transport Restrictions	46
[2.55]	Maximum Prices	46
[2.60]	Packaging, Labeling and Product Description Rules	47
[2.65]	Indications of Origin	48
[2.70]	Advertising Restrictions	48
[2.75]	Prohibition of Prize Competitions	49
[2.80]	Censorship Classification	49
[2.85]	Sunday Closing Laws	49
[2.90]	Creation of Individual Rights	50

[2.95]	Arts 120 and 121 TFEU	50
[2.100]	Treaty Exceptions to Art 34 TFEU	50
[2.105]	Rule of Reason	55
[2.110]	Permissible Grounds for Limitation of Free Movement of Goods	57
[2.115]	Restriction of Selling Arrangements	59
[2.120]	Necessity Principle	61
[2.125]	Proportionality	63
[2.130]	Private Action Threatening Interstate Trade	65
[2.135]	Harmonisation	66
[2.140]	Technical Standards	67
[2.145]	Mutual Acceptance of Goods	68
[2.150]	European Economic Area (EEA) Agreement	69
[2.155]	Conclusion	70
	Further Reading	71
3	Free Movement of Persons and Services	73
[3.05]	Introduction	73
[3.10]	Freedom of Movement for Workers	73
[3.15]	Application of Art 45 TFEU	74
[3.20]	Concept of “Worker” in Art 45 TFEU	74
[3.25]	“Worker” Is Defined in EU Law Not National Law	75
[3.30]	Workers with Low Incomes	76
[3.35]	Right of Residence	76
[3.40]	Discrimination Based on Nationality of Worker	77
[3.45]	Obstacles to Freedom of Movement	78
[3.50]	Exceptions to Free Movement of Workers	79
[3.55]	Public Policy	79
[3.60]	Public Service Employment	81
[3.65]	Secondary Legislation Regarding Free Movement of Workers	83
[3.70]	Freedom of Establishment	85
[3.75]	Establishment by Professionals	86
[3.80]	Establishment by Companies	88
[3.85]	Establishment of Subsidiaries	88
[3.90]	Removal of Discrimination	90
[3.95]	When the Protection Applies	91
[3.100]	Limitations upon Freedom of Establishment	92
[3.105]	Exercise of Official Authority	92
[3.110]	Public Policy Exception	92
[3.115]	Consumer Protection	93
[3.120]	Prevention of Crime	93
[3.125]	Prevention of Tax Avoidance	94
[3.130]	Collective Action	95

[3.135]	Abuse of Freedom of Establishment	96
[3.140]	Establishment of Service Providers	96
[3.145]	EU Company Law	97
[3.150]	Freedom to Provide Services	99
[3.155]	Services Defined.....	100
[3.160]	Broad Interpretation of “Services”	100
[3.165]	Scope of Protection	101
[3.170]	Discrimination Based on Nationality of Service Provider	102
[3.175]	Obstacles to Provision of Services	103
[3.180]	Limitations to Freedom to Provide Services	104
[3.185]	Consumer Protection	105
[3.190]	Protection of Fundamental Rights	106
[3.195]	EU Secondary Legislation Regarding Provision of Services	106
[3.200]	Services in the Internal Market	106
[3.205]	Professional Services	107
[3.210]	Transport Services	108
[3.215]	Rail Transport	109
[3.220]	Air Transport	109
[3.225]	Inland Waterways and Maritime Transport	110
[3.230]	Road Transport.....	111
[3.235]	Electronic Commerce and Communications	111
[3.240]	Postal Services	113
[3.245]	Insurance and Investment Services	113
[3.250]	Payment Services.....	114
[3.255]	Cross-Border Mediation	114
[3.256]	International Commercial Arbitration	115
[3.260]	Provision of Services by Non-EU Citizens	116
[3.265]	Freedom of Movement and Residence for EU Citizens Within the Union	116
[3.270]	Secondary Legislation	117
[3.275]	Right of Entry	117
[3.280]	Right of Residence	118
[3.285]	Restrictions upon Free Movement of EU Citizens	118
[3.290]	Schengen Agreement	120
[3.295]	Non-EU Citizens.....	122
[3.300]	Non-discrimination on the Ground of Nationality	124
[3.305]	Conclusion	125
	Further Reading	127
4	Free Movement of Capital	131
[4.05]	Introduction	131
[4.10]	Movement of Capital Defined	132

[4.15]	Restrictions upon the Movement of Capital	134
[4.20]	Justifications for Restrictive Measures.....	136
[4.25]	Overriding Requirements	137
[4.30]	Proportionality	140
[4.35]	Protective Measures	141
[4.40]	Money Laundering.....	141
[4.45]	Banking	142
[4.50]	Securities	144
[4.55]	Insurance	146
[4.60]	Conclusion	146
	Further Reading	147
5	Commercial Law and Policy	149
[5.05]	Introduction	149
[5.06]	Common Commercial Policy	149
[5.10]	Broad Interpretation of Art 207	150
[5.15]	Treaty-Making by the European Union	151
[5.20]	Scope of the EU's Treaty-Making Power.....	152
[5.25]	Express or Implied Treaty-Making Powers?	153
[5.30]	Implied Powers Recognised	154
[5.31]	Common Rules on Imports and Exports	156
[5.35]	Anti-dumping and Subsidies	157
[5.40]	WTO Obligations	157
[5.45]	Anti-dumping Legislation	159
[5.50]	Dumping	159
[5.55]	Normal Value	160
[5.60]	Constructing the Normal Value.....	160
[5.65]	Constructed Value Includes Sales Costs	161
[5.70]	Constructed Value Includes Profit	162
[5.75]	Constructed Value Where No Sale in the Ordinary Course of Trade	162
[5.80]	Export Price	163
[5.85]	Comparison of the Export Price and Normal Value	164
[5.90]	Dumping Margin.....	164
[5.95]	Subsidies Legislation	165
[5.100]	Subsidy	165
[5.105]	Countervailable Subsidies	166
[5.110]	Amount of the Subsidy	167
[5.115]	Material Injury	167
[5.120]	Injury Calculated as a Whole	167
[5.125]	Each Determination of Injury Is Independent	168
[5.130]	Finding of Injury Gives Rise to a Discretion	169
[5.135]	Threat of Injury	170
[5.140]	Community Industry.....	170

[5.145]	Community Interest	171
[5.150]	Investigation of Complaints	172
[5.155]	Termination of the Investigation and the Proceeding	173
[5.160]	Undertakings	174
[5.165]	Anti-dumping and Countervailing Duties	175
[5.170]	Provisional Duty.....	176
[5.175]	Definitive Duty	176
[5.180]	Duty Applies Prospectively	177
[5.185]	Duty Applied Generally	177
[5.190]	Refund of Duty	177
[5.195]	Review by the Council	178
[5.200]	Judicial Review of Findings	178
[5.205]	Conclusion	180
	Further Reading	181
6	Competition Law	183
[6.05]	Introduction	183
[6.10]	Direct Effect of the Competition Rules	184
[6.15]	Art 101 TFEU	184
[6.20]	Voidness of Prohibited Agreements	185
[6.25]	Concept of an “Undertaking”	185
[6.30]	Single Economic Unit	187
[6.35]	Associations of Undertakings.....	187
[6.40]	Undertakings Situated Outside the EU	188
[6.45]	Concept of “Agreement”.....	189
[6.50]	Unilateral Acts	190
[6.55]	Types of Prohibited Agreements	191
[6.60]	Exclusive Purchasing Agreements	192
[6.65]	Object of the Agreement	192
[6.70]	Prevention, Restriction or Distortion	193
[6.75]	Effect upon Trade Between Member States.....	193
[6.80]	De Minimis Effect.....	195
[6.85]	Justification for Limitations.....	196
[6.90]	Declaration of Inapplicability	197
[6.95]	Block Exemptions	197
[6.100]	Concerted Practices	198
[6.105]	Abuse of a Dominant Position	199
[6.110]	Dominant Position	200
[6.115]	Concept of Abuse.....	200
[6.120]	Special Responsibility of Dominant Undertakings	202
[6.125]	Substantial Part of the Internal Market	203
[6.130]	Relevant Market	203
[6.135]	Exercise of Industrial Property Rights	204
[6.140]	Effect upon Trade	205

[6.145]	No Exemptions for Abuses	206
[6.150]	Merger Control Under the TFEU.....	206
[6.155]	Merger Control Under the EU Regulation	207
[6.160]	State Aid	208
[6.165]	Application of the Competition Rules	210
[6.170]	Agriculture	210
[6.175]	Transport.....	211
[6.180]	Undertakings with Exclusive Rights	212
[6.185]	Services of General Economic Interest	212
[6.190]	Enforcement of the Competition Rules	213
[6.195]	Regulation 1/2003	213
[6.200]	Investigation by the Commission	214
[6.205]	Imposition of Fines	214
[6.210]	Limitation Periods	215
[6.215]	Judicial Review of Commission Assessments	216
[6.220]	Researching Commission Documents	216
[6.225]	Enforcement by National Competition Authorities	217
[6.230]	Interaction of EU and National Competition Law	217
[6.235]	Cooperation with Non-member States.....	218
[6.240]	Conclusion	220
	Further Reading	221
7	Removal of Taxation Barriers to Trade	229
[7.05]	Introduction	229
[7.10]	Customs Duties	229
[7.15]	Internal Taxation	230
[7.20]	Customs Duty or an Internal Tax?	231
[7.25]	Indirect Taxation	233
[7.30]	Similar Domestic Products.....	234
[7.35]	Harmonization of Indirect Taxation	236
[7.40]	Value Added Tax (VAT).....	237
[7.45]	Capital Taxation	238
[7.50]	Excise Duties	239
[7.55]	Harmonization of Direct Taxes	240
[7.60]	Mergers Directive	240
[7.65]	Parent/Subsidiary Directive	242
[7.70]	Arbitration Convention	243
[7.75]	Interest and Royalties Directive	244
[7.80]	Taxation of Individuals	244
[7.85]	Conclusion	245
	Further Reading	246
8	Public Procurement	247
[8.05]	Introduction	247

[8.10]	Public Works, Supplies and Services Directive	248
[8.15]	Exclusions from the Directive	248
[8.20]	Contracting Authorities Regulated by the Directive	248
[8.25]	Threshold Amounts	248
[8.30]	Definitions of Public Contracts	249
[8.35]	Requirements Applicable to Annex II A Services	249
[8.40]	Non-discrimination Obligations of Contracting Authorities	249
[8.45]	Requirements as to Technical Specifications	250
[8.50]	Procedures for the Award of Public Contracts	250
[8.55]	Publicity of Contracting Opportunities	251
[8.60]	Award of Public Contracts	251
[8.65]	Requirements Applicable to Annex II B Services	251
[8.70]	Qualification and Disqualification of Bidders	252
[8.75]	Excluded Sectors	252
[8.80]	Enforcement of the Procurement Rules	253
[8.85]	General Provisions of the TFEU	254
[8.90]	Quantitative Restrictions	254
[8.95]	Competition Law Rules	255
[8.100]	WTO Agreement on Public Procurement	256
[8.105]	Conclusion	256
	Further Reading	257
9	Industrial and Commercial Property Rights	259
[9.05]	Introduction	259
[9.10]	Compatibility of National Law with EU Law	259
[9.15]	Industrial and Commercial Property	260
[9.20]	Protection of Packaging	261
[9.25]	Art 36 TFEU Derogates from Free Movement of Goods	262
[9.30]	Exhaustion of Rights: Copyright	262
[9.35]	Exhaustion of Rights: Patents	263
[9.40]	Exhaustion of Patent Rights: Compulsory Licences	264
[9.45]	Exhaustion of Rights: Trade Marks	265
[9.50]	Exhaustion of Other Rights	267
[9.55]	Prevention of Deception of Consumers	267
[9.60]	Relationship with Competition Law	268
[9.65]	Relationship Between Arts 36 and 101 TFEU	268
[9.70]	Exemptions	270
[9.75]	Systems of Property Ownership	271
[9.80]	Harmonisation of Copyright	271
[9.85]	Copyright in the Information Society	272
[9.90]	Copyright in Computer Programs	273
[9.95]	Copyright in Databases	273

[9.100]	International Treaties Relating to Copyright	274
[9.105]	Patents	274
[9.110]	Trade Marks	276
[9.115]	Harmonisation of Trade Marks	277
[9.120]	Graphical Representation	277
[9.125]	Distinctive Character	278
[9.130]	Prohibited Uses of Marks	279
[9.135]	Exhaustion of Trade Marks Rights	280
[9.140]	Violation of a Licensing Agreement	281
[9.145]	Revocation of a Trade Mark	282
[9.150]	Community Trade Marks	282
[9.155]	International Registration of Trade Marks.....	283
[9.160]	Designs.....	283
[9.165]	Plant Variety Rights.....	285
[9.170]	Semi-conductors	285
[9.175]	Geographical Indications	286
[9.180]	Enforcement Measures	288
[9.185]	Counterfeit Goods	289
[9.190]	Conclusion	290
	Further Reading	291
10	Social Dimension of the European Union	295
[10.05]	Introduction	295
[10.10]	Equal Pay for Equal Work.....	295
[10.15]	Equal Pay and the Elimination of Sex Discrimination	296
[10.20]	Defrenne (No 2) Litigation	296
[10.25]	Equal Work Carried Out in the Same Establishment ..	297
[10.30]	Application of Art 157 TFEU to Indirect Discrimination	298
[10.35]	Further Indirect Discrimination Rulings	300
[10.40]	Concept of “Pay”	301
[10.45]	Equal Pay Under EU Directives	302
[10.50]	Job Classification Schemes	303
[10.55]	Concept of “Sex” Discrimination	303
[10.60]	Equal Opportunities Directive	304
[10.65]	Genuine and Determining Occupational Requirements	305
[10.70]	Discrimination in the Supply of Goods and Services ..	305
[10.75]	Discrimination Against Pregnant Workers	306
[10.80]	Maternity Leave	307
[10.85]	Prohibited Forms of Affirmative Action	308
[10.90]	Permissible Forms of Affirmative Action	309
[10.95]	Affirmative Action Under the Current Directive	310

[10.100]	Other Forms of Discrimination	311
[10.105]	Racial Discrimination	312
[10.110]	Age Discrimination	313
[10.115]	Disability Discrimination	314
[10.120]	Sexual Orientation Discrimination.....	314
[10.125]	Other Social Provisions: Arts 151 and 153 TFEU	315
[10.130]	Charter of Fundamental Rights.....	315
[10.135]	Vocational Training	316
[10.140]	Data Protection: Personal Information	316
[10.145]	Transfer of Personal Data to Non-member States	318
[10.150]	Data Protection: Electronic Communications	319
[10.155]	Consumer Protection	321
[10.160]	Unfair Commercial Practices.....	321
[10.165]	Sale of Consumer Goods	322
[10.170]	Advertising Restrictions	324
[10.175]	Unfair Terms	325
[10.180]	Unit Pricing.....	325
[10.185]	Product Labelling.....	325
[10.190]	Distance Contracts	326
[10.195]	Doorstep Selling	327
[10.200]	Consumer Credit	328
[10.205]	Timeshare Contracts	329
[10.210]	Air and Rail Passengers.....	329
[10.215]	Product Liability	329
[10.220]	Product Safety	330
[10.225]	Implementation by Member States.....	331
[10.230]	Conclusion	332
	Further Reading	333
11	Judicial Review and the European Court of Justice	337
[11.05]	Introduction	337
[11.10]	Composition of the Court.....	337
[11.15]	Independence of the Judges.....	338
[11.20]	Judgments of the Court	338
[11.25]	Advocates-General.....	339
[11.30]	Advice of the Advocates-General	339
[11.35]	Role of the Advocate-General	340
[11.40]	General Court.....	341
[11.45]	Methods of Interpretation	341
[11.50]	Literal Interpretation	342
[11.55]	Historical Interpretation.....	342
[11.60]	Contextual Interpretation	343
[11.65]	Teleological Interpretation	344
[11.70]	All Language Versions Considered	345

[11.75]	Jurisdiction of the Court	346
[11.80]	Causes of Actions.....	346
[11.85]	Action for Annulment	347
[11.90]	Characteristic of a Reviewable Act.....	349
[11.95]	Substance Not Form	349
[11.100]	Review Is Not Limited to Regulations, Decisions or Directives	349
[11.105]	Reviewability of “Acts” of the Institutions and Other Bodies	350
[11.106]	Grounds of Review	351
[11.110]	Action for Failure to Act	351
[11.115]	Action for Failure to Fulfil a Treaty Obligation	352
[11.120]	Indirect Actions	353
[11.125]	Preliminary Rulings.....	354
[11.130]	Concept of “Court or Tribunal” in Art 267 TFEU	357
[11.135]	Scope of Art 267 TFEU	359
[11.140]	Obligatory References.....	361
[11.145]	Acts of the Institutions	362
[11.150]	Judicial Policy-Making and Retroactivity	363
[11.155]	Blaizot Case	364
[11.160]	Conclusion	365
	Further Reading	366
12	The Effect of EU Law upon National Law	367
[12.05]	Introduction	367
[12.10]	van Gend en Loos Case	367
[12.15]	Test for Direct Effect	369
[12.20]	When Are Treaty Provisions Directly Effective?	370
[12.25]	Vertical and Horizontal Direct Effect	370
[12.30]	Direct Applicability Versus Direct Effect	371
[12.35]	Direct Effect of Regulations	372
[12.40]	Direct Effect of Directives	373
[12.45]	Vertical Versus Horizontal Direct Effect of Directives	375
[12.50]	Indirect Effect of Directives	376
[12.55]	Direct Effect of Decisions	378
[12.60]	Compensation for Breaches of EU Law	378
[12.65]	Supremacy of EU Law Over National Law	381
[12.70]	Supremacy Over National Constitutional Law.....	382
[12.75]	Reassertion of the Supremacy of EU Law	384
[12.80]	Duty of the National Authorities	384
[12.85]	Factortame Litigation	385
[12.90]	Fundamental Rights as General Principles of EU Law	386
[12.95]	Protection of Fundamental Rights Expanded	387

[12.100]	Broad Range of Fundamental Rights Protected	389
[12.105]	Textual Basis for Fundamental Rights Protection	390
[12.110]	Relationship with the European Convention on Human Rights	391
[12.115]	Conclusion	393
	Further Reading	394
13	The European Union and the World Trading System	397
[13.05]	Introduction	397
[13.10]	Three-Track Trading System	397
[13.15]	Multilateral Approach: GATT 1994.....	398
[13.20]	Dispute Resolution System	398
[13.25]	Most-Favoured Nation	399
[13.30]	Non-discrimination	399
[13.35]	Gradual Reduction of Tariff Barriers	400
[13.40]	Elimination of Import Quotas	400
[13.45]	Safeguards	400
[13.50]	Uniform Administration of Customs	400
[13.55]	Protection of Health	401
[13.60]	The EU and GATT	401
[13.65]	GATT and Preliminary Rulings	403
[13.70]	Position of GATT Under EU Law.....	403
[13.75]	Position of the WTO Agreement Under EU Law.....	404
[13.80]	WTO Agreement	405
[13.85]	Agricultural Products	405
[13.90]	Sanitary Measures	406
[13.95]	Technical Barriers	406
[13.100]	Preshipment Inspection	407
[13.105]	Rules of Origin	407
[13.110]	Import Licensing	407
[13.115]	Services	408
[13.120]	Intellectual Property	408
[13.125]	Continuing Negotiations Through the WTO	409
[13.130]	Regional Free Trade Agreements	409
[13.135]	Bilateral Free Trade Agreements.....	411
[13.140]	International Sale of Goods	413
[13.145]	Domestic Implementation	414
[13.150]	Application of the CISG	416
[13.155]	Formation of the Contract	417
[13.160]	Performance of the Contract	417
[13.165]	Breach of Contract and Remedies	418
[13.170]	Conclusion	419
	Further Reading	419

Contents	xxx
Appendix A Problem Questions	423
Appendix B Table of Equivalence: EEC Treaty Version – Treaty of Amsterdam Version	439
Appendix C Table of Equivalence: Treaty of Amsterdam Version – Treaty of Lisbon Version	455
Index	475