

**DIRECTIVE 97/55/EC OF EUROPEAN PARLIAMENT AND OF THE COUNCIL**

of 6 October 1997

**amending Directive 84/450/EEC concerning misleading advertising so as to include comparative advertising**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 100a thereof,

Having regard to the proposal from the Commission <sup>(1)</sup>,

Having regard to the opinion of the Economic and Social Committee <sup>(2)</sup>,

Acting in accordance with the procedure laid down in Article 189b of the Treaty <sup>(3)</sup>, in the light of the joint text approved by the Conciliation Committee on 25 June 1997,

- (1) Whereas one of the Community's main aims is to complete the internal market; whereas measures must be adopted to ensure the smooth running of the said market; whereas the internal market comprises an area which has no internal frontiers and in which goods, persons, services and capital can move freely;
- (2) Whereas the completion of the internal market will mean an ever wider range of choice; whereas, given that consumers can and must make the best possible use of the internal market, and that advertising is a very important means of creating genuine outlets for all goods and services throughout the Community, the basic provisions governing the form and content of comparative advertising should be uniform and the conditions of the use of comparative advertising in the Member States should be harmonized; whereas if these conditions are met, this will help demonstrate objectively the merits of the various comparable products; whereas comparative advertising can also stimulate competition between suppliers of goods and services to the consumer's advantage;
- (3) Whereas the laws, regulations and administrative provisions of the individual Member States concerning comparative advertising differ widely; whereas

advertising reaches beyond the frontiers and is received on the territory of other Member States; whereas the acceptance or non-acceptance of comparative advertising according to the various national laws may constitute an obstacle to the free movement of goods and services and create distortions of competition; whereas, in particular, firms may be exposed to forms of advertising developed by competitors to which they cannot reply in equal measure; whereas the freedom to provide services relating to comparative advertising should be assured; whereas the Community is called on to remedy the situation;

- (4) Whereas the sixth recital of Council Directive 84/450/EEC of 10 September 1984 relating to the approximation of laws, regulations and administrative provisions of the Member States concerning misleading advertising <sup>(4)</sup> states that, after the harmonization of national provisions against misleading advertising, 'at a second stage . . . , as far as necessary, comparative advertising should be dealt with, on the basis of appropriate Commission proposals';
- (5) Whereas point 3 (d) of the Annex to the Council Resolution of 14 April 1975 on a preliminary programme of the European Economic Community for a consumer protection and information policy <sup>(5)</sup> includes the right to information among the basic rights of consumers; whereas this right is confirmed by the Council Resolution of 19 May 1981 on a second programme of the European Economic Community for a consumer protection and information policy <sup>(6)</sup>, point 40 of the Annex, which deals specifically with consumer information; whereas comparative advertising, when it compares material, relevant, verifiable and representative features and is not misleading, may be a legitimate means of informing consumers of their advantage;
- (6) Whereas it is desirable to provide a broad concept of comparative advertising to cover all modes of comparative advertising;
- (7) Whereas conditions of permitted comparative advertising, as far as the comparison is concerned, should be established in order to determine which practices relating to comparative advertising may distort

<sup>(1)</sup> OJ C 180, 11. 7. 1991, p. 14, and OJ C 136, 19. 5. 1994, p. 4.

<sup>(2)</sup> OJ C 49, 24. 2. 1992, p. 35.

<sup>(3)</sup> Opinion of the European Parliament of 18 November 1992 (OJ C 337, 21. 12. 1992, p. 142), Common Position of the Council of 19 March 1996 (OJ C 219, 27. 7. 1996, p. 14) and Decision of the European Parliament of 23 October 1996 (OJ C 347, 16. 11. 1996, p. 69). Decision of the European Parliament of 16 September 1997 and Decision of the Council of 15 September 1997.

<sup>(4)</sup> OJ L 250, 19. 9. 1984, p. 17.

<sup>(5)</sup> OJ C 92, 25. 4. 1975, p. 1.

<sup>(6)</sup> OJ C 133, 3. 6. 1981, p. 1.

- competition, be detrimental to competitors and have an adverse effect on consumer choice; whereas such conditions of permitted advertising should include criteria of objective comparison of the features of goods and services;
- (8) Whereas the comparison of the price only of goods and services should be possible if this comparison respects certain conditions, in particular that it shall not be misleading;
- (9) Whereas, in order to prevent comparative advertising being used in an anti-competitive and unfair manner, only comparisons between competing goods and services meeting the same needs or intended for the same purpose should be permitted;
- (10) Whereas the international conventions on copyright as well as the national provisions on contractual and non-contractual liability shall apply when the results of comparative tests carried out by third parties are referred to or reproduced in comparative advertising;
- (11) Whereas the conditions of comparative advertising should be cumulative and respected in their entirety; whereas, in accordance with the Treaty, the choice of forms and methods for the implementation of these conditions shall be left to the Member States, insofar as those forms and methods are not already determined by this Directive;
- (12) Whereas these conditions should include, in particular, consideration of the provisions resulting from Council Regulation (EEC) No 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs<sup>(1)</sup>, and in particular Article 13 thereof, and of the other Community provisions adopted in the agricultural sphere;
- (13) Whereas Article 5 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks<sup>(2)</sup> confers exclusive rights on the proprietor of a registered trade mark, including the right to prevent all third parties from using, in the course of trade, any sign which is identical with, or similar to, the trade mark in relation to identical goods or services or even, where appropriate, other goods;
- (14) Whereas it may, however, be indispensable, in order to make comparative advertising effective, to identify the goods or services of a competitor, making reference to a trade mark or trade name of which the latter is the proprietor;
- (15) Whereas such use of another's trade mark, trade name or other distinguishing marks does not breach this exclusive right in cases where it complies with the conditions laid down by this Directive, the intended target being solely to distinguish between them and thus to highlight differences objectively;
- (16) Whereas provisions should be made for the legal and/or administrative means of redress mentioned in Articles 4 and 5 of Directive 84/450/EEC to be available to control comparative advertising which fails to meet the conditions laid down by this Directive; whereas according to the 16th recital of the Directive, voluntary control by self-regulatory bodies to eliminate misleading advertising may avoid recourse to administrative or juridical action and ought therefore to be encouraged; whereas Article 6 applies to unpermitted comparative advertising in the same way;
- (17) Whereas national self-regulatory bodies may coordinate their work through associations or organizations established at Community level and *inter alia* deal with cross-border complaints;
- (18) Whereas Article 7 of Directive 84/450/EEC allowing Member States to retain or adopt provisions with a view to ensuring more extensive protection for consumers, persons carrying on a trade, business, craft or profession, and the general public, should not apply to comparative advertising, given that the objective of amending the said Directive is to establish conditions under which comparative advertising is permitted;
- (19) Whereas a comparison which presents goods or services as an imitation or a replica of goods or services bearing a protected trade mark or trade name shall not be considered to fulfil the conditions to be met by permitted comparative advertising;
- (20) Whereas this Directive in no way affects Community provisions on advertising for specific products and/or services or restrictions or prohibitions on advertising in particular media;
- (21) Whereas, if a Member State, in compliance with the provisions of the Treaty, prohibits advertising regarding certain goods or services, this ban may, whether it is imposed directly or by a body or organization

<sup>(1)</sup> OJ L 208, 24. 7. 1992, p. 1.

<sup>(2)</sup> OJ L 40, 11. 2. 1989, p. 1. Directive as last amended by Decision 92/10/EEC (OJ L 6, 11. 1. 1992, p. 35).

responsible under the law of that Member State for regulating the exercise of a commercial, industrial, craft or professional activity, be extended to comparative advertising;

- (22) Whereas Member States shall not be obliged to permit comparative advertising for goods or services on which they, in compliance with the provisions of the Treaty, maintain or introduce bans, including bans as regards marketing methods or advertising which targets vulnerable consumer groups; whereas Member States may, in compliance with the provisions of the Treaty, maintain or introduce bans or limitations on the use of comparisons in the advertising of professional services, whether imposed directly or by a body or organization responsible under the law of the Member States for regulating the exercise of a professional activity;
- (23) Whereas regulating comparative advertising is, under the conditions set out in this Directive, necessary for the smooth running of the internal market and whereas action at Community level is therefore required; whereas the adoption of a Directive is the appropriate instrument because it lays down uniform general principles while allowing the Member States to choose the form and appropriate method by which to attain these objectives; whereas it is in accordance with the principle of subsidiarity,

HAVE ADOPTED THIS DIRECTIVE:

#### *Article 1*

Directive 94/450/EEC is hereby amended as follows:

- (1) The title shall be replaced by the following:

'Council Directive of 10 September 1984 concerning misleading and comparative advertising';

- (2) Article 1 shall be replaced by the following:

#### *Article 1*

The purpose of this Directive is to protect consumers, persons carrying on a trade or business or practising a craft or profession and the interests of the public in general against misleading advertising and the unfair consequences thereof and to lay down the conditions under which comparative advertising is permitted.;

- (3) The following point shall be inserted in Article 2:

'2a "comparative advertising" means any advertising which explicitly or by implication identifies a

competitor or goods or services offered by a competitor;'

- (4) The following Article shall be added:

#### *Article 3a*

1. Comparative advertising shall, as far as the comparison is concerned, be permitted when the following conditions are met:

- (a) it is not misleading according to Articles 2 (2), 3 and 7 (1);
- (b) it compares goods or services meeting the same needs or intended for the same purpose;
- (c) it objectively compares one or more material, relevant, verifiable and representative features of those goods and services, which may include price;
- (d) it does not create confusion in the market place between the advertiser and a competitor or between the advertiser's trade marks, trade names, other distinguishing marks, goods or services and those of a competitor;
- (e) it does not discredit or denigrate the trade marks, trade names, other distinguishing marks, goods, services, activities, or circumstances of a competitor;
- (f) for products with designation of origin, it relates in each case to products with the same designation;
- (g) it does not take unfair advantage of the reputation of a trade mark, trade name or other distinguishing marks of a competitor or of the designation of origin of competing products;
- (h) it does not present goods or services as imitations or replicas of goods or services bearing a protected trade mark or trade name.

2. Any comparison referring to a special offer shall indicate in a clear and unequivocal way the date on which the offer ends or, where appropriate, that the special offer is subject to the availability of the goods and services, and, where the special offer has not yet begun, the date of the start of the period during which the special price or other specific conditions shall apply.;

- (5) The first and second subparagraphs of Article 4 (1) shall be replaced by the following:

'1. Member States shall ensure that adequate and effective means exist to combat misleading advertising and for the compliance with the provisions on comparative advertising in the interests of consumers as well as competitors and the general public.

Such means shall include legal provisions under which persons or organizations regarded under national law as having a legitimate interest in prohibiting misleading advertising or regulating comparative advertising may:

- (a) take legal action against such advertising; and/or
- (b) bring such advertising before an administrative authority competent either to decide on complaints or to initiate appropriate legal proceedings;'

(6) Article 4 (2) is hereby amended as follows:

- (a) the indents in the first subparagraph shall be replaced by the following:

— to order the cessation of, or to institute appropriate legal proceedings for an order for the cessation of, misleading advertising or unpermitted comparative advertising, or

— if the misleading advertising or unpermitted comparative advertising has not yet been published but publication is imminent, to order the prohibition of, or to institute appropriate legal proceedings for an order for the prohibition of, such publication;'

- (b) the introductory wording to the third subparagraph shall be replaced by the following:

'Furthermore, Member States may confer upon the courts or administrative authorities powers enabling them, with a view to eliminating the continuing effects of misleading advertising or unpermitted comparative advertising, the cessation of which has been ordered by a final decision;'

(7) Article 5 shall be replaced by the following:

#### *Article 5*

This Directive does not exclude the voluntary control, which Member States may encourage, of misleading or comparative advertising by self-regulatory bodies and recourse before such bodies are in addition to the court of administrative proceedings referred to in that Article;'

(8) Article 6 (a) shall be replaced by the following:

- (a) to require the advertiser to furnish evidence as to the accuracy of factual claims in advertising if, taking into account the legitimate interest of the advertiser and any other party to the proceedings, such a requirement appears appropriate on the basis of the circumstances of the particular case and in the case of comparative advertising to require the advertiser to furnish such evidence in a short period of time; and;'

(9) Article 7 shall be replaced by the following:

#### *Article 7*

1. This Directive shall not preclude Member States from retaining or adopting provisions with a view to ensuring more extensive protection, with regard to misleading advertising, for consumers, persons carrying on a trade, business, craft or profession, and the general public.

2. Paragraph 1 shall not apply to comparative advertising as far as the comparison is concerned.

3. The provisions of this Directive shall apply without prejudice to Community provisions on advertising for specific products and/or services or to restrictions or prohibitions on advertising in particular media.

4. The provisions of this Directive concerning comparative advertising shall not oblige Member States which, in compliance with the provisions of the Treaty, maintain or introduce advertising bans regarding certain goods or services, whether imposed directly or by a body or organization responsible, under the law of the Member States, for regulating the exercise of a commercial, industrial, craft or professional activity, to permit comparative advertising regarding those goods or services. Where these bans are limited to particular media, the Directive shall apply to the media not covered by these bans.

5. Nothing in this Directive shall prevent Member States from, in compliance with the provisions of the Treaty, maintaining or introducing bans or limitations on the use of comparisons in the advertising of professional services, whether imposed directly or by a body or organization responsible, under the law of the Member States, for regulating the exercise of a professional activity.'

#### *Article 2*

### **Complaints systems**

The Commission shall study the feasibility of establishing effective means to deal with cross-border complaints in respect of comparative advertising. Within two years after the entry into force of this Directive the Commission shall submit a report to the European Parliament and the Council on the results of the studies, accompanied if appropriate by proposals.

#### *Article 3*

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive at the latest 30 months after its publication in the *Official Journal of the European Communities*. They shall forthwith inform the Commission thereof.

2. When Member States adopt these measures, they shall contain a reference to this Directive or shall be accompanied by such reference on the occasion of their official publication. The methods of making such reference shall be laid down by Member States.

3. Member States shall communicate to the Commission the text of the main provisions of domestic law which they adopt in the field governed by this Directive.

*Article 4*

This Directive is addressed to the Member States.

Done at Brussels, 6 October 1997.

*For the European Parliament*

*The President*

J.M. GIL-ROBLES

*For the Council*

*The President*

J. POOS

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