

Creme de Cassis is a blackcurrant liqueur that was at the center of controversy in a 1979 case at the European Court of Justice. As a result of the ECJ's ruling, the principle of mutual recognition of national standards became a prominent component in the free market of the European Union. While not completely disregarding individual domestic differences in standards and regulations, the court established a requirement for "urgent needs" in order for such divergences to be permitted. This case set an important precedent for future non-tariff barriers to trade in regulatory standards of the EU's free movement of goods and services.



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## 2. Description:

When Rowe-Zentral AG, a German importing and exporting company, attempted to market the French Creme de Cassis in its home country, it met crippling restrictions on alcohol characteristics. The liqueur did not meet the high alcohol content requirements for liquor nor the low alcohol content requirements for beer. Specifically, provisions necessitate fruit liqueurs to have a minimum alcohol content of 25%; Creme de Cassis has an alcohol content of only 15-20%. Citing health concerns, the German Federal Monopoly Administration for Spirits prohibited the sale of the Cassis liqueur. The German importing company took the case to the European Court of Justice citing a restriction on the free movement of goods among member states of the European Union.

Within international trade, non-tariff barriers to trade are elusive devices used by member-states of multilateral agreements to protect domestic industries from outside competition. In addition to subsidies and quotas, regional trade divergences can be an instrument for national governments to create an unfair advantage for domestic goods when competing with imports. The free movement of goods is essential to the collectivity of the EU and ECJ rulings reinforce the importance of this concept. The Cassis de Dijon decision built upon the 1974 Dassonville ruling that challenged the validity of national legislation attempting to introduce non-tariff barriers to trade. This case is one of the most famous of the EU rulings and very significant in the development of the single European market.

The EU has grown into a prominent and powerful international regime, creating increasing competition for world power. Through economic and political integration, the EU countries have produced a very influential and prominent union while still celebrating national cultures and diversity. The Cassis de Dijon court ruling demonstrates the regional differences that arise throughout Europe as well as the rest of the international community and how such distinctiveness should be encouraged instead of suppressed.



## II. Legal Clusters

### 5. Disagreement and Complete:

The European Union's policy of mutual recognition is one of the organization's most significant and essential laws in the progress of instituting free trade among the member states. Mutual recognition ensures that reasonable national regulatory standards will be respected by other member states as their own laws. Such guidelines enable all goods and services to compete equally throughout the European Union countries and their markets.

The Cassis de Dijon case was brought before the European Court of Justice by an export-import company, Rowe Zentral AG, that wanted to sell the blackcurrant liqueur in Germany. Having been initially denied the ability to sell Cassis de Dijon in Germany based on discrepancies in alcohol content, Rowe Zentral AG charged that the German government's regulations were an illegal non-tariff barrier to trade. In February 1979, the court decided that the German prohibition on imports was void because the Cassis de Dijon met standards set forth in France, thus establishing the concept of mutual recognition. This ideal dictates that the regulations set forth by individual countries must be recognized by other member countries instead of differing international regulations being used as non-tariff barriers to trade.

The Cassis de Dijon and mutual recognition concept enabled the European Union to improve the harmonization of their free trade policies and allowed for greater economic integration. By breaking down the non-tariff barriers to trade, the single European market was able to further integrate the member states of the European Union and allowed the organization to continue its development. Although the EU has brought together many nations and their varying cultures, every member state has a obligation to respect and honor each other's differences.

The court allowed a few exceptions where national standards were allowed to control imports and their conditionality. "Obstacles to movement within the Community resulting from disparities between the national laws relating to the marketing of the products in question must be accepted in so far as those provisions may be recognized as being necessary in order to satisfy mandatory requirements relating in particular to the effectiveness of fiscal supervision, the protection of public health, the fairness of commercial transactions and the defense of the consumer." Although the German government argued that their alcoholic standards were instituted for health standards pertaining to controlling beverages and their alcoholic contents within the German market.