

Amazon, Facebook, Google, Apple, Booking.com – domestic undertakings can also sue foreign ‘giants’ in Hungarian courts

2 December 2020, Budapest – The Court of Justice of the European Union adopted a decision which is significant and favourable for Hungarian undertakings as well: even the largest foreign platforms can be taken to court in the member state of the undertaking with whom they entered into a contract in order to claim compensation for damages arising from competition law infringements.

In recent years it has become a common phenomenon for Hungarian undertakings to enter into contracts with foreign-based companies to provide services in the online space. However, such agreements carry some uncertainty in the event of a dispute since foreign service providers often do not have a physical presence in Hungary.

A [decision recently adopted](#) by the European Court of Justice may strengthen the position of domestic undertakings in such situations. This is because the Court of Justice established that foreign-based companies, including even the largest online platforms (e.g. Amazon, Facebook, Google, Apple iOs) can be sued in Hungarian courts if the damage can be attributed to more than a breach of their contract. This judgement may serve as a precedent in cases where the damage suffered by a business user arises from an infringement of the law, such as a competition law infringement, in addition to the breach of the contract concluded by the platform and its partner.

This decision is good news for Hungarian undertakings since it has confirmed that if they incur damages due to the contractual clauses unilaterally applied or prescribed by large foreign platforms, they may also initiate a proceeding to receive compensation for these damages in a Hungarian court, which substantially reduces the complexity of enforcing such claims.

It should be mentioned that the defendant specified in the judgement of the European Court of Justice, which will be regarded as a precedent for all similar cases in the future, was the accommodation reservation website ‘Booking.com’, against the operator of which the GVH has also conducted a proceeding in the context of consumer protection due to the platform urging its users to make their reservations as soon as possible by exerting aggressive psychological pressure on them. The GVH imposed a [fine of HUF 2.5 billion](#) on the Dutch undertaking for the infringement.

The full text of the judgement is available here: <http://curia.europa.eu/juris/documents.jsf?num=C-59/19>

GVH Press Office