Case 6/64 Costa v ENEL [1964]

Facts: The applicant had to settle an invoice for electricity with ENEL, the state electricity company. He claimed that the law nationalising the electricity sector contradicted EU law.

Held: EU law had created its own legal system which, on the entry into force of the Treaty, became an integral part of the legal systems of the Member States and which their courts were bound to apply. This meant that Member States had limited their sovereign rights, but only within limited fields. For the sake of uniformity, EU law could not vary from one State to another, because this would make Treaty obligations contingent. The binding nature of regulations would be rendered insignificant without this conceptualisation. As such, there is a permanent change to the sovereignty of the Member States.

