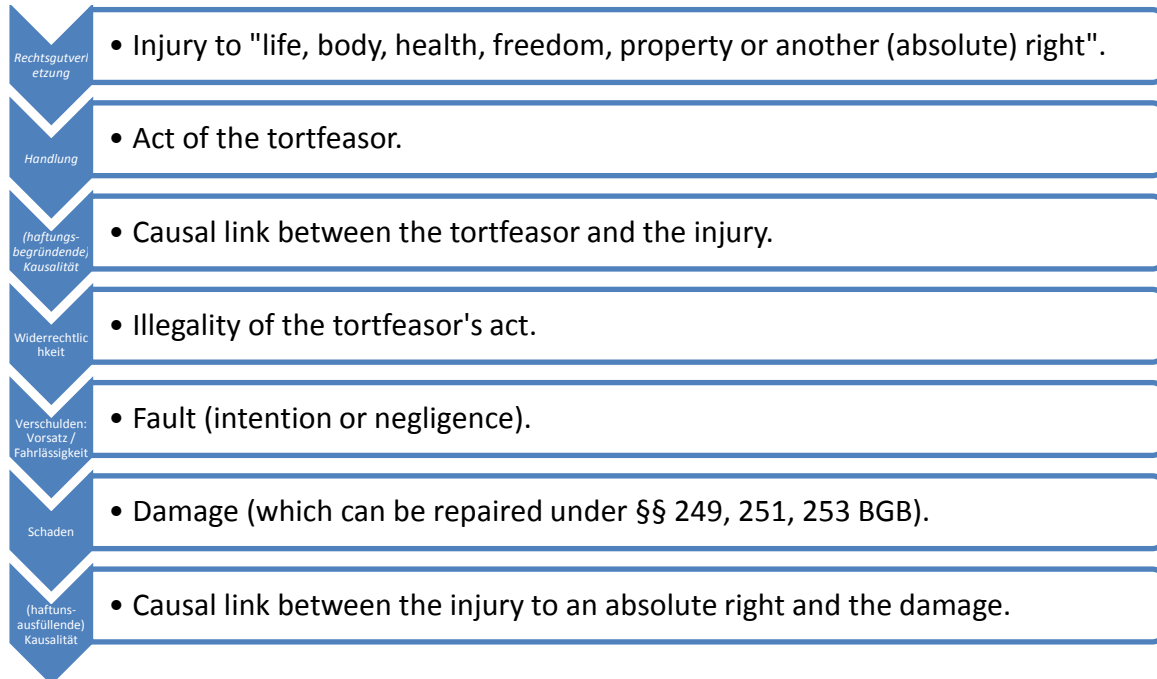


Introduction to German Law

Private Law – Delict (tort)

The structure of liability under § 823 (1) BGB



Cases

1. T drives too fast. Thus, he fails to see V, who is just crossing the road. T runs over V. V is severely injured and is unable to work as a self-employed lawyer for six weeks. V sues T for € 8,000 in lost profits from his law practice and another € 10,000 for his suffering.
2. As in case 1, but the accident is caused not by T driving too fast, but by the fact that the brakes in T's car (designed by E, an employee of DM Ltd.) are defective in design.
3. Hedley Byrne Co. Ltd. runs an advertising firm. It wants to do business with Easypower Ltd. The company asks its bank, National Provincial Bank for a report on Easypower's creditworthiness. The bank turns to Easypower's Bank, Heller & Partners Ltd. Heller & Partners send National Provincial Bank a letter stating that Easypower is "considered good for its ordinary business engagements". National Provincial Bank passes the letter on to Hedley Burn. Based on the letter, Hedley Burn decides to enter into a business relationship with Easypower. Easypower soon becomes insolvent. Hedley Burn is thus unable to recover outstanding debts in excess of € 17,000.