16th Annual Conference on European Tort Law

The Netherlands 2016

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RENFORCE UTRECHT CENTRE FOR REGULATION AND ENFORCEMENT IN EUROPE

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Today's story from the Netherlands

Hoge Raad 8 July 2016, *Rechtspraak van de Week* 2016/950 (TenneT c.s./ABB c.s.)

Which was about:

- The position of the 'passing-on defence' in the law of damages, and
- The criterion for deduction of benefits

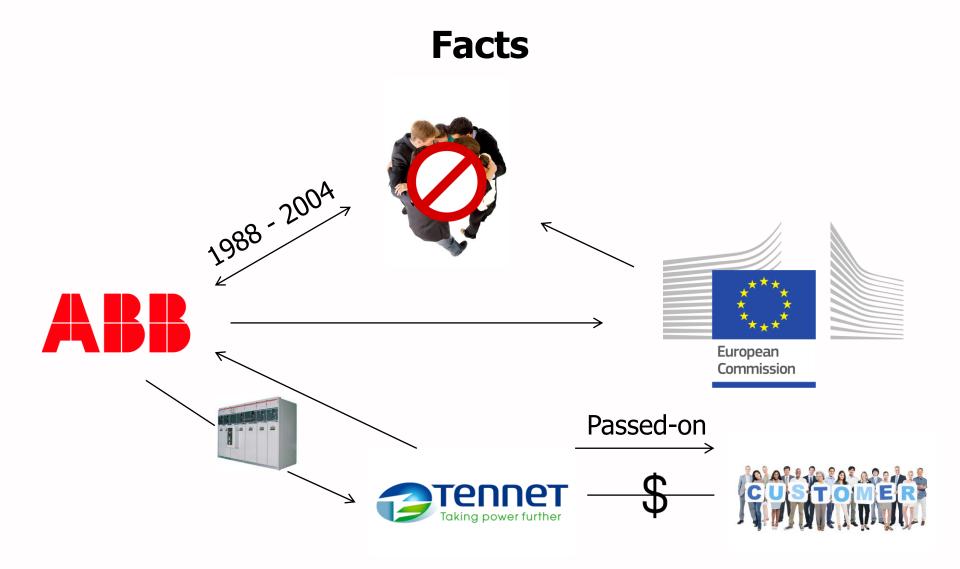
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Context

An unlawful act may cause damage, but it can also provide benefits, for example:

- A financial services provider breaches his duty to provide information, but the financial product is profitable
- Someone pays a too high price because the seller is in a cartel, but he passes the damage on...

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Legal question

The passing-on defence...

- part of the question to what extent did TenneT suffer damage (art. 6:95-97 DCC),
- or a deduction of benefits (art. 6:100 DCC)?

Art. 6:100 DCC:

'Where <u>one and the same event</u> has resulted in both loss for the person who suffered it and benefit, the benefit must, <u>to the extent</u> <u>that this is reasonable</u>, be taken into account in assessing the reparation of the damage to be made.'

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European dimension

- Application of national tort law is restricted by EU law
- National court was allowed to ensure that compensation does not lead to unjust enrichment (*Courage and Crehan*)
- Directive 2014/104/EU prohibits over-compensation
- However, Directive 2014/104/EU was temporarily inapplicable

Hoge Raad: ruling is in conformity with Directive 2014/104/EU

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Judgment

- Both approaches are allowed
- Art. 6:97 DCC allows the judge to ensure that the burden of proof between the two approaches is equal
- With respect to art. 6:100 DCC:

 \diamond `one and the same event' = condicio sine qua non

◇`to the extent this is reasonable' = the same standard as art. 6:98 DCC, which is imputation according to reasonableness

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Final remarks

- A new standard for deduction of benefits
- This case nicely shows how EU law affects national tort law
- Embedding the passing-on defence: inspiration for other Member States?
- The *Hoge Raad* does not include the possible effect of 'passing-on' on volume effects in its judgment