

NEW PRODUCT LIABILITY DIRECTIVE

EUROPE FIT FOR THE
DIGITAL AGE

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#SingleMarket
#DigitalEU

Since 1985, the Product Liability Directive has provided a safety net that ensures people can claim compensation when they suffer damage caused by a product.

The new Product Liability Directive modernises the rules so they work better for emerging digital technologies, the circular economy and global value chains. Products like software, AI systems or product-related digital services are now explicitly covered by liability rules. This ensures that consumers continue to be effectively protected when products cause harm. Harmonised liability rules across the EU help to cut the cost of doing business and give businesses the certainty they need to invest in innovative products.

Features of the new Product Liability Directive

- ◆ The new Directive covers all products and adapts the rules to the digital age and circular economy:



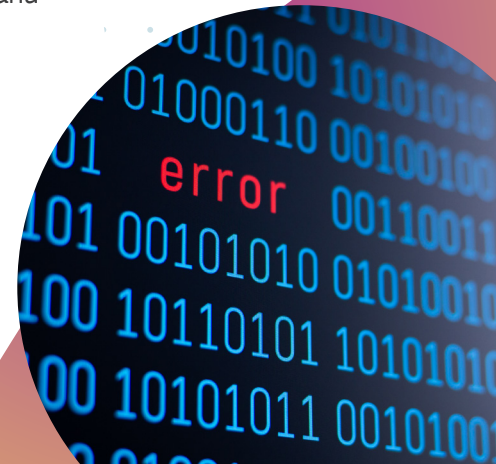
Digital products are covered, including any software and AI systems.



Rules are adapted to work for new technologies, by covering cyber vulnerabilities, digital services necessary for products to function and the updates and upgrades of software and AI systems.



Products in the circular economy are covered, such as remanufactured and refurbished machinery or equipment.



◆ Liability for products manufactured outside the Union



New rules protect consumers no matter whether the defective product was made inside or outside the EU, creating a level playing field for EU and non-EU manufacturers. Online marketplaces that intermediate sales could also be liable if they act like sellers but can avoid liability by informing the injured person who the manufacturer's EU representative is.

◆ New measures to bolster victims' rights to compensation



Consumer will be allowed to access relevant information for their claims with safeguards for confidential information.



Consumers will have a fair chance of getting compensation in complex cases and non-compliance with safety legislations (e.g. Artificial Intelligence Act (AI Act), General product safety regulation, Cyber Resilience Act and others)



Consumers will be able to get full compensation, thanks to the removal of arbitrary thresholds that limited what damage could be claimed for under the existing Directive

The Product Liability Directive provides a clear legal framework for all product sectors

Product liability rules allow victims of harm caused by virtually any product to claim compensation anywhere in the EU. In the period 2000-2016, victims used the Directive most to claim compensation for damage caused by raw materials, pharmaceutical vehicles and machinery.

