

U.S. Product Liability for German Companies – Risks and Solutions

Many German companies overestimate the product-liability risk in the United States and decide not to invest there. Other German companies underestimate product liability, exposing themselves to uncontrollable product liability. Both groups lose because they believe in myths about U.S. product liability. Take this “test,” and see if you know the truth.

We don’t want to invest in the United States because we’ll lose millions in product-liability suits.

German companies already have over 3,000 affiliates and subsidiaries in the United States. Companies who know the product-liability secrets will survive.

Our product is perfect and very safe, therefore we cannot be sued for product liability.

No product is perfect, and judges and juries will decide if a product is safe, not manufacturers or industry experts. In addition, products may be nondefectively designed but defectively manufactured. Further, a manufacturer is liable for reasonable, foreseeable misuse. Finally, product warnings or instructions may be faulty.

Our product meets all German industry standards, therefore it’s safe and can be sold anywhere in the world.

Products must comply at least with the applicable industry standards. This means that if a product is sold in the United States, it must meet U.S., not just German or EU industry standards. German and EU standards are different from U.S. standards. Products should also meet German or EU standards if these standards require a higher safety level than the respective U.S. standards. A product may, however, still be held defective, even if in compliance with all applicable standards.

Our product is very simple to use, so we don’t need instructions, warnings or training. Manufacturers often assume that consumers and end producers know the product as well as they do. This is, however, almost never the case, and manufacturers are liable for reasonable, foreseeable misuse. A product-liability expert must review instructions, warnings and even advertisements and revise them periodically.

On the whole, product liability cannot be completely eliminated, but knowing the truth about product liability, conducting a product-liability audit and creating a professional risk-management program can greatly reduce the risks and maximize business success in the United States.

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