



Faegre Drinker's Collective Redress Directive Team

The Collective Redress Directive aims to ensure access to procedures for enforcing EU consumer protection laws in any of the European Union's Member States, safeguard consumer interests and protect against abusive lawsuits. Each Member State must enable "qualified entities," such as consumer organizations and public bodies, to bring representative cases on behalf of consumers against "traders" for violations of any of the 66+ EU laws outlined in the Directive. On 25 June 2023, enforcement of the Directive by EU Member States must commence.

Why Does It Matter?



FORUM SHOPPING: The Directive does not prevent Member States from adopting or retaining procedural means in force for the protection of the collective interests of consumers at a national level. It's unclear whether actions will be handled across all Member States or in certain Member States more frequently than others.



SETTLEMENT: Settlements may be easier to achieve with robust experience in Member States that demonstrate enforcement and finality. Litigation may differ from Member State to Member State. Therefore settlement expectations may vary from Member State to Member State, or parties may settle only in some but not all Member States.



PUNITIVE DAMAGES: Principles of national procedural autonomy mean that Member States are free to adopt punitive damages (and other potentially abusive measures) or not, as their national laws permit.



THIRD-PARTY FUNDING: Member States can allow or prohibit (i) cross-border and (ii) domestic actions. If allowed, rules in Article 10 of the Directive must be followed, meaning Member States have to try to avoid conflicts of interest, and the actions must stay within their goal: the protection of consumers.



PARALLEL REGULATORY SCHEMES: Regulators and competent authorities in Member States may engage in similar actions against traders related to violations.

Industries Impacted

The 66+ EU laws in the Directive may be divided into:



Banking & Finance



Energy



Food



Pharmaceutical &
Medical Devices



Transportation,
Travel & Entertainment

How Can Faegre Drinker Help?

Anchored by the experience of the firm's nationally recognized product liability and mass torts team, with full-service support from 15+ practice groups across the firm, we offer in-depth support and counsel to the broad spectrum of EU organizations that the Directive may impact. Closely monitoring emerging trends and predictions around the Directive's procedures and enforcement in June 2023, we help you anticipate challenges, mitigate exposure and effectively resolve legal issues related to the EU's new consumer protection laws and procedures. We can:

- ✓ Coordinate important information provisions to all involved counsel across jurisdictions
- ✓ Develop and ensure consistent messaging and arguments across jurisdictions despite differences in national laws
- ✓ Build on our vast experience in class and consumer and mass tort actions
- ✓ Centralize strategy for local jurisdictional disputes with built-in flexibility for other jurisdictions
- ✓ Mitigate increased exposure and potential expenses for clients operating in EU Member States
- ✓ Advise on the Directive's implementation and enforcement in a Member State compared to other Member States or U.S.-based class and consumer action suits, and in coordination with trusted local Member State firms

Contact Us



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