

## ICELANDIC LAW

### on Product Liability

No. 25 of 20 March 1991

#### Scope of the Act

##### Article 1

This Act applies to producers' and distributors' liability for damage caused by a defect in a finished product which they have produced or distributed.

#### Damage covered by the act

##### Article 2

This Act prescribes compensation for personal injury and for loss of a provider.

It also prescribes compensation for damage to an item of property, provided it is of a type ordinarily intended for private use or consumption, and was used by the injured person mainly for his private use or consumption. The act does not cover damage to the defective product itself.

## Definition of product

### Article 3

For the purpose of this Act "product" means all movables, including primary agricultural products and game, even though incorporated into another movable or into an immovable. "Product" also includes electricity.

## Producer and supplier

### Article 4

"Producer" means the manufacturer of a finished product, the manufacturer of a component part, the producer of any raw material or primary agricultural products, and any person who, by putting his name, trade mark or other distinguishing feature on the product, presents himself as its producer.

Any person who imports a product for sale, hire, leasing or any form of distribution in the course of his business shall also be deemed to be a producer.

"Supplier" means any person who in the course of his business supplies a product without being identified as its producer.

Where the injured person cannot identify the producer of a product manufactured in this country or the importer of a product, each supplier shall be treated as its producer.

This does not, however, apply if the supplier informs the injured person, within a reasonable time, of the identity of the producer, importer or of the person who supplied him with the product, provided he is liable as a result of this Act and has his venue in this country.

Definition of defectiveness

Article 5

A product is considered "defective" when it does not provide the safety which a person is entitled to, taking all circumstances into account, particularly:

1. the presentation of the product;
2. the use to which it could reasonably be expected that the product would be put;
3. the time when the product was put into circulation.

A product shall not be considered defective although a better product is subsequently put into circulation.

Grounds for liability by producer

## Article 6

A producer shall be liable for damage caused by a defect in a product manufactured or put into circulation by him.

The injured person is required to prove the damage, the defect and causal relationship between defect and damage.

Circumstances exonerating the producer from liability

## Article 7

The producer shall not be liable, as a result of this Act, if he proves:

1. that he did not put the product, which caused the damage, into circulation;
2. that the product had not been manufactured or distributed for economic purpose;
3. that the defect of the product is due to compliance of the product with mandatory regulations issued by the public authorities; or
4. that the state of scientific and technical knowledge at the time when the product was put into circulation was not such as to enable the existence of the defect to be discovered.