Table of Contents

Preface iii
Table of Cases xi

Chapter 1 **Introduction to Pure Economic Loss** 1
1. Introduction 1
2. Pure Economic Loss Distinguished from Physical Damage 7
3. Of Categories and Categorization 15

Chapter 2 **Negligent Misrepresentation** 27
1. Introduction 27
2. Historical Development 29
3. The Duty of Care 36
   (a) Introduction 36
   (b) The Justification for a Special or Restrictive Duty of Care 39
   (c) The Existence of Duty: When Does the Law Recognize a Duty of Care in Speech? 43
      (i) The Special Relationship 47
      (ii) Foreseeable Reasonable Reliance 50
      (iii) Voluntary Assumption of Responsibility 57
      (iv) Disclamatory Language 62
      (v) Common Indicators of Duty 73
      (vi) Other Considerations for Duty of Care 86
   (d) Summary and Conclusions 89
4. Misrepresentations Between Contracting Parties 90
   (a) Introduction 90
   (b) Post-Contractual Misrepresentation 90
   (c) Pre-Contractual Representations 96
5. Liability to Whom and for What Loss? 104
   (a) Introduction 104
   (b) The End and Aim Rule 106
   (c) Exceptional Profession-specific Approach 110
   (d) Beyond the Problem of Indeterminate Amount 114
   (e) Summary 122
6. Contributory Negligence 122
7. Quantification of Damages 125

Chapter 3 **Negligent Performance of a Service** 129
1. Introduction 129
2. Direct Undertakings to Perform a Specific Service 130

3. Indirect Undertakings to Perform a Specific Service 136
(a) Third Party Beneficiary or End and Aim 137
(b) Incidental Beneficiaries 147
4. Imposition of Additional Duties Derived from the Defendant's Contract with a Third Party 154
5. Imposition of Duties of Affirmative Action 160

Chapter 4 **Owners' Claims for Damages Relating to Defective Products or Building Structures** 173
1. Introduction 173
2. The Majority Position: No Recovery in Tort 180
3. Dangerous Defects 185
4. Shoddy Products: Those Which Neither Cause, Nor Pose a Risk of Causing, Physical Harm 194
5. The Duty to Warn 204
6. Summary and Conclusions 207

Chapter 5 **Relational Economic Loss** 209
1. Introduction 209
2. In Support of the Exclusionary Rule 216
(a) A General Justification for the Exclusionary Rule 217
(b) Possible Alternatives to a Firm Exclusionary Rule ... 227
(i) Specific Exceptions 228
(ii) Specific Limiting Formulas 229
(iii) General Guidelines and Judicial Discretion 230
3. Pure Economic Loss Consequent on Property Damage 235
(a) Non-Contractual Relational Loss 235
(b) Contractual Relational Loss 241
(i) The Utility Cases 242
(ii) Other Contractual Relational Claims 246
(c) The Exceptions 251
(i) General Average 252
(ii) Possessory Interest 254
(iii) Joint Fishing Ventures 257
(iv) The Joint Venture Exceptions 258
(v) Transferred Loss 261
(vi) Economic Loss Consequent on Damage to a Public Resource 267
4. Pure Economic Loss Consequent on Personal Injury 273
5. Summary 276

Chapter 6 **The Liability of Statutory Public Authorities** 279
1. Introduction 279
2. The Immunity Principle and Statutory Powers 290
(a) *Anns v. London Borough of Merton* 290
(b) The Substantive Rationale for Immunity 292

(c) Policy v. Operational: Drawing the Line 296
3. Negligence and Mandatory Public Duties 312
(a) Nonfeasance 312
(b) Misfeasance of a Mandatory Public Duty 313
4. Proximity: An Alternate Approach to the Same End 315
5. Limits to Immunity: Liability for the Improper Exercise of Discretion 329

Index 339