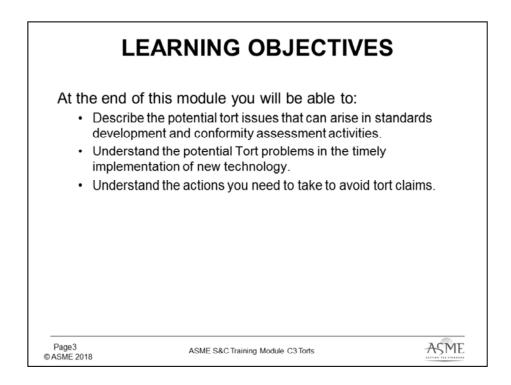


REVISIONS			
Date	Change		
10/24/18	Slides 11 and 12 revised		
01/06/16	Reformatted entirely and revised or added notes throughout. Revised slides 3, 6, 11, 22 and 23		
07/07/08	Revised entirely		
Page2	ASME S&C Training Module C3 Torts ASME		





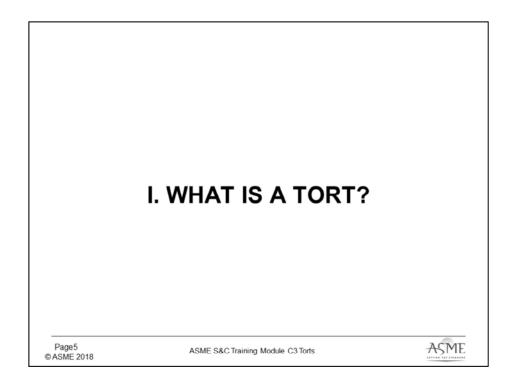
At the end of this module you will be able to:

- Describe the potential tort issues that can arise in standards development and conformity assessment activities.
- Understand the potential Tort problems in the timely implementation of new technology.
- Understand the actions you need to take to avoid tort claims.

MODULE OUTLINE		
II. P III. P IV. P	/hat is a Tort? otential Tort Issues in Standards Development otential Tort Issues in Conformity Assessment otential Tort Issues in the Implementation of N echnology	
Page4 ASME 2018	ASME S&C Training Module C3 Torts	ASME

This Module will Cover the following topics:

- I. What is a Tort?
- II. Potential Tort Issues in Standards Development
- III. Potential Tort Issues in Conformity Assessment
- IV. Potential Tort Issues in the Implementation of New Technology



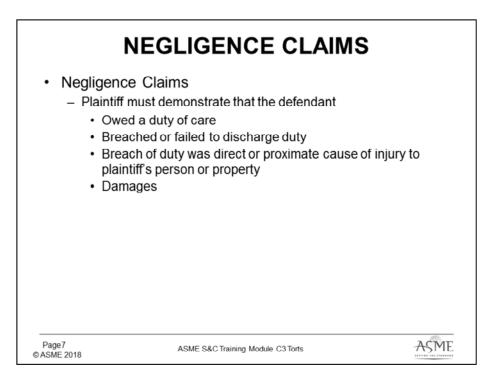
First let us consider the definition of tort.

WHAT IS A TORT?		
• Def	inition	
	Civil wrongs, other than breach of contract, recognized as grounds for a lawsuit filed by an injured party.	
• The	three elements of a tort include:	
1)	Existence of legal duty	
2)	Breach of duty	
3)	Damage as approximate cause of the breach.	
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The definition of tort is civil wrongs, other than breach of contract, recognized as grounds for a lawsuit filed by an injured party. The three elements of a tort include:

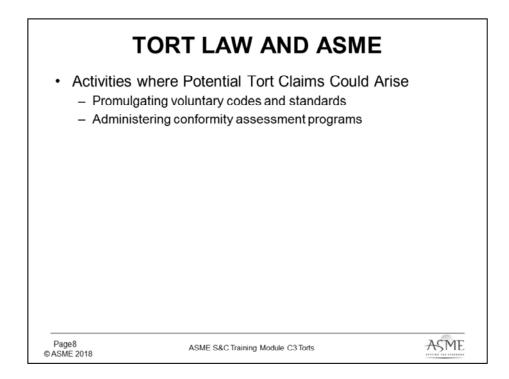
- 1) Existence of legal duty
- 2) Breach of duty
- 3) Damage as approximate cause of the breach.

An example of this would include "Negligence" resulting in harm to persons or property, this will be discussed on the next slide.

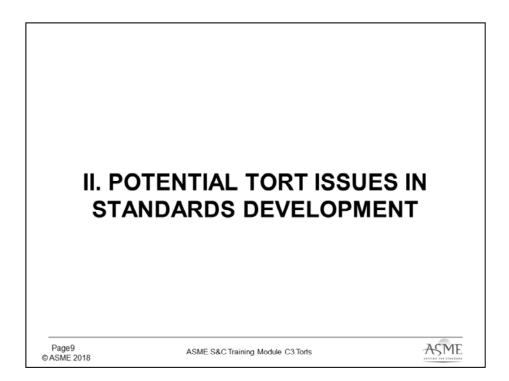


In order to claim Negligence, the Plaintiff must demonstrate that the defendant

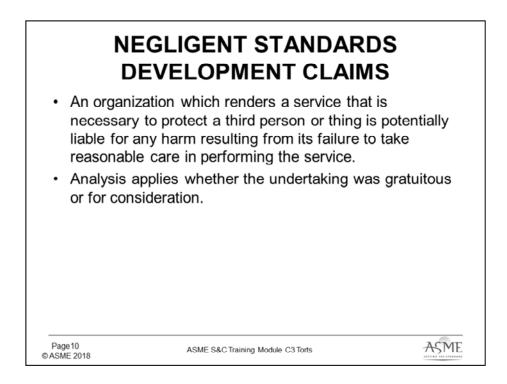
- Owed a duty of care
- Breached or failed to discharge their duty
- That the breach of duty was direct or proximate cause of injury to plaintiff's person or property
- And that damage was done.



Tort claims could arise from both the codes and standards development and administration of conformity assessment programs. The individual issues that may occur in each f these departments will be discussed in the next few slides.

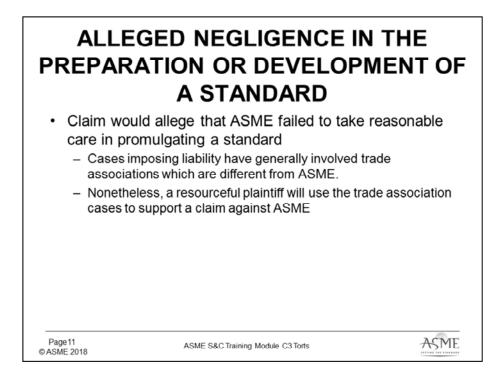


Potential Tort Issues in Standards Development.



Potential negligent standards development claims for:

- An organization which renders a service that is necessary to protect a third person or thing is potentially liable for any harm resulting from its failure to take reasonable care in performing the service.
- Analysis applies whether the undertaking was gratuitous or for consideration.



For example, a negligence claim could allege that ASME failed to take reasonable care in promulgating a standard.

In the past, cases imposing liability have generally involved trade associations which are different from ASME.

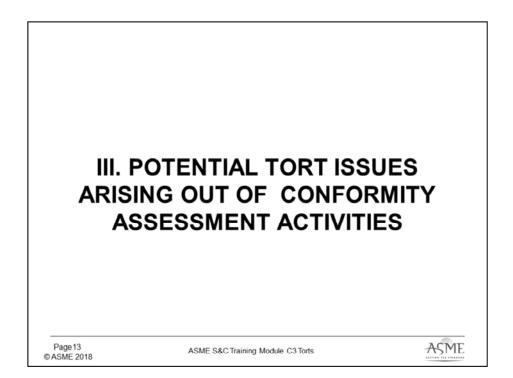
Nonetheless, a resourceful plaintiff will use the trade association cases to support a claim against ASME

AVOIDING CLAIMS			
• C • L – Ther	NeS abers should exercise reasonable care by: Carefully weighing all views Ising their best professional judgment e should always be objective, documented tech he standard or code	nnical basis	
Page12 © ASME 2018	ASME S&C Training Module C3 Torts	ASME	

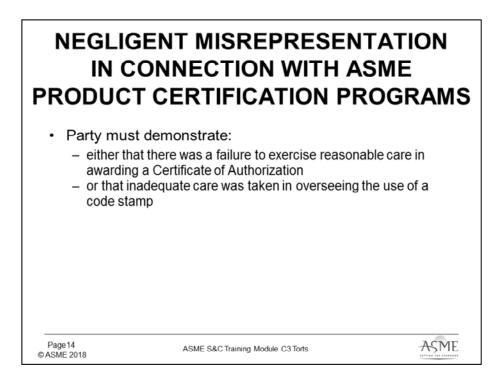
Therefore, to avoid claims, members should exercise reasonable care by:

- Carefully weighing all viewsUsing their best professional judgment

Objective, documented technical basis for the standard should always be used.



POTENTIAL TORT ISSUES ARISING OUT OF CONFORMITY ASSESSMENT ACTIVITIES



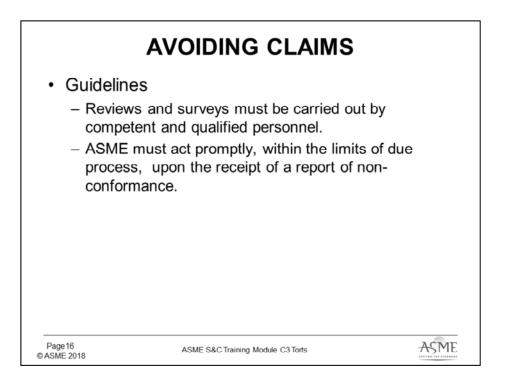
In administration of product certification programs, negligent misrepresentation could be claimed.

Party must demonstrate either that there was a failure to exercise reasonable care in awarding a Certificate of Authorization or that inadequate care was taken in overseeing the use of a code stamp.

NEGLIGENT MISREPRESENTATION IN CONNECTION WITH ASME PRODUCT CERTIFICATION PROGRAMS			
 Issue 	s		
AS	e presence of an ASME symbol may be misinterpreted ME's representation that the stamped item meets the A undard.		
	e actual certification of a product's compliance is made ME-certified manufacturer.	by the	
	sinterpretation is likely where others rely on the stamp a surance of compliance with the standard.	s an	
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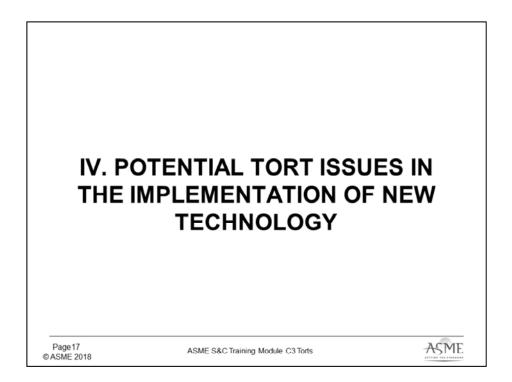
The issues are that

- The presence of an ASME symbol may be misinterpreted as ASME's representation that the stamped item meets the ASME standard.
- The actual certification of a product's compliance is made by the ASME-certified manufacturer.
- Misinterpretation is likely where others rely on the stamp as an assurance of compliance with the standard.

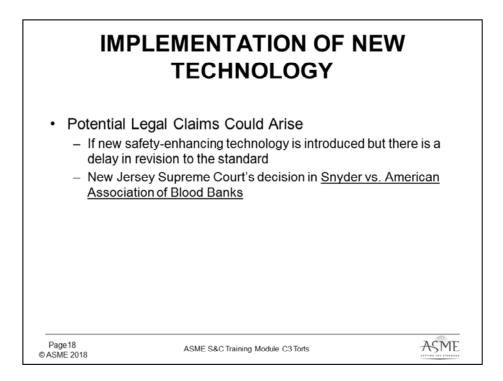


Therefore, to avoid claims, the following guidelines shall be followed:

- Reviews and surveys must be carried out by competent and qualified personnel.
- ASME must act promptly, within the limits of due process, upon the receipt of a report of non-conformance. Actions could include
 - Withdrawal of suspension of certification
 - Require certificate holder to bring item in question into standard compliance or remove ASME markings.

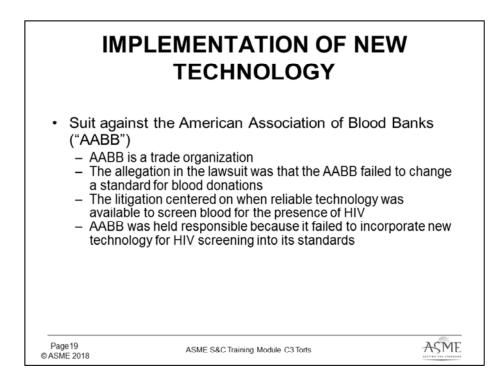


POTENTIAL TORT ISSUES IN THE IMPLEMENTATION OF NEW TECHNOLOGY



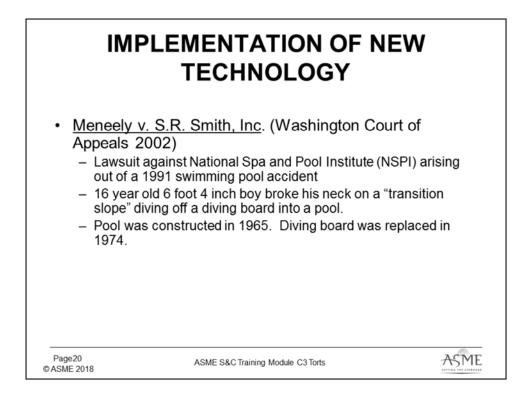
Finally, there are potential Tort claims that could arise if new safety-enhancing technology is introduced but there is a delay in revision to the standard.

The example of New Jersey Supreme Court's decision in <u>Snyder vs. American</u> <u>Association of Blood Banks</u> will be discussed in the next slide.



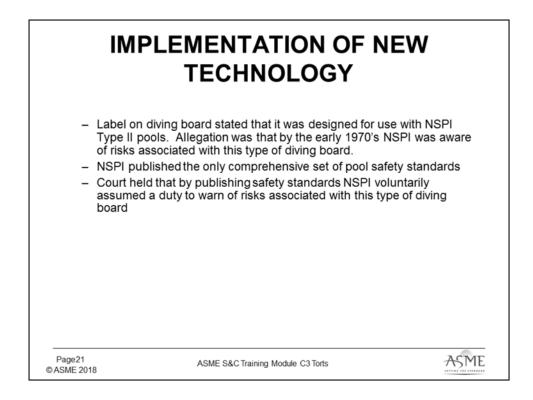
The case of <u>Snyder vs. American Association of Blood Banks</u> involved a suit against the American Association of Blood Banks ("AABB")

- AABB is a trade organization
- The allegation in the lawsuit was that the AABB failed to change a standard for blood donations
- The litigation centered on when reliable technology was available to screen blood for the presence of HIV
- AABB was held responsible because it failed to incorporate new technology for HIV screening into its standards



Another example where Tort claims could arise if new safety-enhancing technology is introduced but there is a delay in revision to the standard is <u>Meneely v. S.R. Smith,</u> <u>Inc</u>.

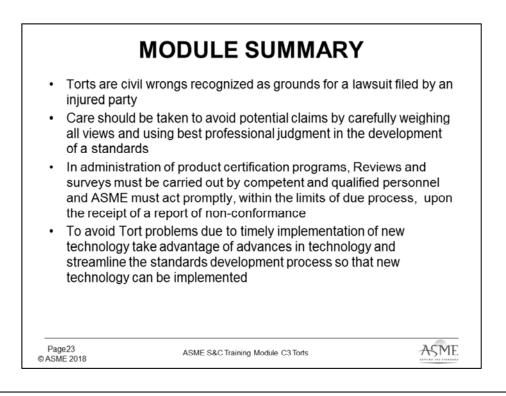
- Lawsuit against National Spa and Pool Institute (NSPI) arising out of a 1991 swimming pool accident
- 16 year old 6 foot 4 inch boy broke his neck on a "transition slope" diving off a diving board into a pool.
- Pool was constructed in 1965. Diving board was replaced in 1974.



- Label on diving board stated that it was designed for use with NSPI Type II pools. Allegation was that by the early 1970's NSPI was aware of risks associated with this type of diving board.
- NSPI published the only comprehensive set of pool safety standards.
- Court held that by publishing safety standards NSPI voluntarily assumed a duty to warn of risks associated with this type of diving board.

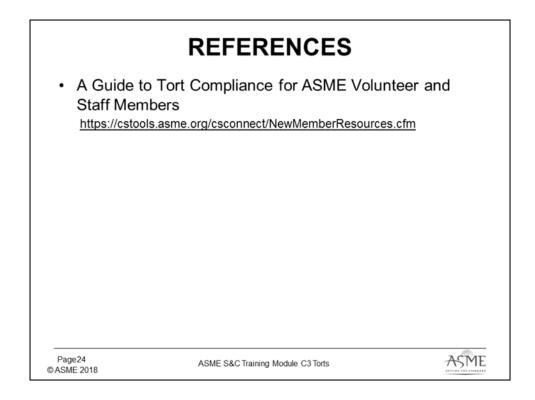
AVOIDING CLAIMS			
 Streamli 	vantage of advances in technology ne the standards development or code cas technology can be implemented	se process so	
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Claims could be avoided by standards committees taking advantage of advances in technology and streamlining the standards development or code case process so that new technology can be implemented.



In Summary:

- Torts are civil wrongs recognized as grounds for a lawsuit filed by an injured party
- Care should be taken to avoid potential claims by carefully weighing all views and using best professional judgment in the development of a standards.
- In administration of product certification programs, Reviews and surveys must be carried out by competent and qualified personnel and ASME must act promptly, within the limits of due process, upon the receipt of a report of non-conformance
- To avoid Tort problems due to timely implementation of new technology take advantage of advances in technology and streamline the standards development process so that new technology can be implemented



ASME policies are available online through the attached link under Policies and Procedures, Item 1 Legal Implications of Standards and Certification Activities, page 71.