

In re: Northern District of California "Dalkon Shield" IUD Product Liability Litigation, 521 F.Supp. 1188 (ND Cal. 1981), rev'd, 693 F.2d 847 (9th Cir. 1982), cert. denied, 103 S.Ct. 817 (1983) (Dalkon Shield, Trial court certified nationwide class to plaintiffs. Appellate court reversed).

In re: Asbestos School Litigation, No. 83-0268 (ED Pa. June 1, 1984 and September 2, 1984) (Trial court certifies nationwide mandatory class of school district plaintiffs for asbestos property damage claims against several defendant manufacturers).

REVIEW OF EC COMPANY LAW

The DTI produced during the summer of 1984 one of its periodical reviews on progress toward harmonisation of Company Law within the European Community.

The following are some extracts which may be of interest:-

DRAFT DIRECTIVE ON PROCEDURES FOR INFORMING AND CONSULTING EMPLOYEES ("VREDELING" DIRECTIVE)

Although this draft Directive overlaps with some of the Commission's company law proposals, notably the draft EC Fifth Directive, it does not form part of the company law harmonisation programme, as it applies to other employers as well as companies. This Directive is dealt with by Directorate General V (the Social Affairs Directorate), and not by Directorate General III. In the UK responsibility for handling it lies with the Department of Employment.

The draft Directive was originally published in October 1980. It would require head offices of large companies and other major employers such as leading building societies and large professional partnerships to inform and consult employees of subsidiaries or separate establishments through local management.

The Commission agreed a revised text of the draft Directive in June 1983, following consideration by ECOSOC and the European Parliament and a further round of consultations. The new proposals would apply to organisations employing 1,000 or more workers within the EC. Employee representatives would have to be given, once a year, substantial general information on the group as a whole and specific information on their own subsidiary or establishment. They would be able to approach head office direct in writing should local management fail to communicate this information. Management would also have to consult employee representatives on decisions liable to have "serious consequences" for employees' interests "with a view to attempting to reach agreement". These decisions would include the closure or transfer of a subsidiary or establishment or a major change to its organisation, working practices or production methods.

Negotiations on the Directive have to date taken place in the Social Questions Working Group, which has completed a preliminary scrutiny. A detailed clause-by-clause examination of the Directive is now taking place. The Department of Employment and the Department of Trade and Industry published jointly a consultative document in November 1983. The majority of respondents indicated their opposition to the proposals.

DRAFT FIFTH DIRECTIVE: STRUCTURE AND MANAGEMENT OF PLC'S

The Commission's amended proposals for a Fifth Directive were issued in July 1983 and they are now being given preliminary consideration by a Council Working Group. Discussion of the draft Directive is expected to take several years.

PENNINGTON REPORT: PROPOSAL FOR A DIRECTIVE ON TAKEOVERS

A Commission Working Group of experts completed its preliminary examination of a report by Professor Pennington, which includes a draft Directive on takeovers and other bids, in January

1976. It is understood that the Commission is drafting its own proposals for a Directive on this subject but it is not known when they will be published.

SCHOLTEN REPORT: PROPOSAL FOR A DIRECTIVE ON DISSOLUTION AND LIQUIDATION OF LIMITED COMPANIES

The Commission held meetings of the Working Group in 1977 and 1978 to discuss the Scholten Report which contains a draft Directive on the dissolution and liquidation of limited companies. These discussions essentially completed the first reading. A revised draft will be prepared before the second reading starts. "Dissolution" is here used in the continental rather than in the UK sense, and the subject matter of the Directive is, in effect, members' voluntary winding up.

COMPANY LAW HARMONISATION CONFERENCES

A further two conferences in this series will be held on Tuesday 19th March 1985 in London and on 26th March 1985 in Edinburgh. There will be no charge for admission. Details of its agenda and venue will be circulated later this year. Anyone who is interested in attending and has not previously been involved in such conferences is invited to contact the Department, at the address below.

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