COMPARATIVE LAW CASEBOOK

STEFAN A. RIESENFELD WALTER J. PAKTER Published and distributed by Transnational Publishers, Inc. 410 Saw Mill River Road Ardsley, NY 10502, USA

Phone: 914-693-5100 Fax: 914-693-4430

E-mail: info@transnationalpubs.com Web: www.transnationalpubs.com

Library of Congress Cataloging-in-Publication Data

Riesenfeld, Stefan Albrecht, 1908-

Casebook on comparative law / by Stefan A. Riesenfeld and Walter J. Pakter.

p. cm.

Includes index.

ISBN 1-57105-220-8

1. Comparative law-Cases. I. Pakter, Walter. II. Title

K558 .R54 2001 340'.2—dc21

2001052028

Copyright © 2001 by Transnational Publishers, Inc.

All rights reserved. This book may not be reproduced, in whole or in part, in any form (beyond that copying permitted by U.S. Copyright Law in Section 107, "fair use" in teaching and research, Section 108, certain library copying, and except in published media by reviewers in limited excerpts), without written permission from the publisher.

Manufactured in the United States of America

COMPARATIVE LAW CASEBOOK

Professor Stefan A. Riesenfeld and Dr. Walter J. Pakter

Preface

Professor Stefan Albrecht Riesenfeld (1908–1999), one of the great jurists of the twentieth century, was at home *inter alia* in bankruptcy, commercial law, international law, legal history and property law, not only from the United States perspective, but from that of Western Europe and South America. His name evokes universal admiration and affection for his up-to-date erudition, his pointed wit and the humanitarian ideals which he instilled in his pupils in many lands. From 1986 until shortly before his death, February 17, 1999, the undersigned assisted Professor Riesenfeld in teaching the Comparative Law Seminar at the School of Law of the University of California, Berkeley (Boalt Hall) and in preparing the materials presented therein.

This Casebook reflects the increasing role of comparative law in modern practice. Despite vast differences in the approaches of various civil law countries, considerable convergence has occurred through legislation and creative decision-making (cf. infra p. 249). Part II, Constitutionalization and Internationalization of Private Rights and Part III, Transactions Securing Performance illustrate this trend. In areas where convergence has been less pronounced, as seen in Part I, Judicial Organization and Part IV, Bona Fide Purchase and Acquisitive Prescription, courts still reveal a profound interest in foreign law. The study of comparative legal institutions not only places our own law in broader perspective, it facilitates communications with foreign scholars and practitioners worldwide.

Case notes indicate sources for further study. All translations are by the authors. Translations preserve the highly stylized drafting techniques of the original legislation and decisional law. Omissions are indicated by three asterisks (* * *). Footnotes have been renumbered consecutively for each chapter. Internal page numbers have been provided for some lengthy decisions in order to facilitate examination of the original text.

The authors are indebted to Thomas H. Reynolds, Librarian for Civil law and the entire staff of the Boalt Hall Law Library for their indefatigable assistance over the years in locating materials, and to Transnational Publishers for its skill in preparing this volume.

Walter J. Pakter, PhD., D.Phil. (Oxon.), LL.M. (Berk.) Attorney at Law

Table of Contents

Preface

	Pre	face		xxi
		PART	I: JUDICIAL ORGANIZATION AND SOURCES OF LAW	
1/Ju	ıdicia	ıl Orga	nization	3
	A.	Fran	ce	3
	1. 2.	The a. b. c.	French Constitution French Judicial System Organization of French Courts other than Administrative Courts 1) Courts of First Instance 2) Appellate Courts 3) The Court of Last Resort: Court of Cassation (a) History (b) Present Organization (c) Plenary Sessions (d) Decisions on the Merits (e) Advisory Jurisdiction (f) Deliberations of the Court of Cassation (g) Cassation under the New Code of Civil Procedure Constitutional Court (Conseil Constitutionnel) Administrative Courts 1) History 2) Present Organization 3) The Council of State Composition and Functions 4) The Litigation Section	3 5 5 6 6 6 7 7 8 9 9 10 11 11 12 13 14
		d.	The Court for the Resolution of Jurisdictional Conflicts (Tribunal des Conflits)	15
	3.	Legi	slation	15
		a.	Code of Judicial Organization [C. Org. jud.]	15
		b.	New Code of Civil Procedure [N.C.pr.civ.]	17

vi Contents

4.	Cas	ses and Notes: The French Courts in Operation	17
	a.	Judgment of November 29, 1996 (The Chaumet Jewels)	17
		Appendix	18
		Note	18
	b.	Judgment of May 21, 1990 (Case of Dominique N.)	19
		Notes	27
	c.	Judgment of December 11, 1992 (In the Matter of René X.)	28
		Notes	29
	d.	Judgment of May 4, 1994 (Farhat Saïdi)	32
		Notes	33
	e.	Judgment of November 15, 1993 (Mrs. Aylor)	33
		Notes	35
B.	Ital	у	36
1.	Ital	ian Judicial System	36
	a.	Ordinary Courts	36
		Court of Cassation	36
	b.	Administrative Courts	37
	c.	Constitutional Court	38
	d.	The Constitutional Court and Community Law	39
2.	Leg	islation on Review of Constitutionality	40
	a.	Constitutional Law of February 9, 1948	40
	b.	Law of March 11, 1953, N. 87	41
3.	Cas	es and Notes	42
	a.	Judgment of January 19, 1993 (In re Mujanovic and Hakimi)	42
		Notes	46
	b.	Judgment of April 28, 1994 (In re Potenziani)	47
		Notes	52
	c.	Judgment of January 29, 1996, No. 15 (Samo Pahor)	52
	d.	Judgment of January 23, 1974, No. 13 (Regional Government	
		of Bolzano)	55
		Note	56
C.	Ger	many	56
1.	Intr	oduction	56
2.	Ger	man Court System	57
	a.	Ordinary Courts	57
	b.	Federal Constitutional Court	59
3.	Text	ds	62
	a.	The Basic Law [GG]	63
	b.	Law on the Federal Constitutional Court [BVerfGG]	64
	c.	Law on the Organization of Courts	
		Gerichtsverfassungsgesetz [GVG]	67

	d.	Law for the Preservation of the Uniformity of the Adjudication	s
		of the Supreme Courts of the Federal Republic [RsprEinhG]	68
4.	Illu	strative Cases	69
	a.	Lost use-value Case	69
		Resolution of July 9, 1986 (Compensation for economic loss)	69
	b.	Intervening Excessive Security Case	74
		Notes	83
	c.	Resolution of April 27, 1993 (Delay in the Composition of Reasons)	84
		Notes	87
	d.	Decision of March 3, 1991 (Equality of Sexes)	88
		Notes	96
	e.	Legal Judge and Overstaffed Divisions of Courts	97
	f.	Composition of the Bench and Art. 101 I 2 GG	99
		Notes	102
D.	Rus	sian Federation	103
Law	of Ju	aly 23, 1994 establishing the Constitutional Court	103
Not			115
E.	Rep	public of Hungary	115
l.	Inti	roduction	115
2.	Tex	ts	116
3.	Illu	strative Case	116
F.	Uni	ited Kingdom	117
1.	Org	ganization of the Courts	117
	a.	House of Lords	118
	b.	Court of Appeal	118
	c.	High Court of Justice	119
	d.	County Courts	119
2.	Cas	e: Regina v. Secretary of State for Employment	119
G.	Bra	zil	131
1.	Int	roduction	131
2.	Dir	ect Action for Declaration of Unconstitutionality	
		f Normative Acts [ADIn]: Preliminary Notes	133
3.	Rev	iew of Constitutionality of Norms	133
4.	Cas	es and Notes	135
	a.	Judgment of February 6, 1992 (ADIn 2) National Federation	
		of Teaching Establishments v. President of the Republic	135
		Notes	142

vii

Contents

viii Contents

		b.	Judgment of February 19, 1992	
			Party for the Brazilian Democratic Movement	142
			Note	147
			Sequels	148
	H.	Spa	uin	149
	1.	The	e Spanish Judicial System	149
	2.	Tex	ts	150
		a.	Constitution of December 27, 1978 of Spain	150
		b.	Organic Law on the Constitutional Tribunal October 3, 1979, as amended	152
			Notes	155
	I.	Chi	ile	157
	l.	Inti	roduction	157
	2.	Tex	ts	158
		Pol	itical Constitution of Chile	158
		Not	te	161
	3.	Cas	ees	162
		a.	In the Matter of Cortés Heyermann, M.	162
			Notes	166
		b.	Sociedad Benefactora y Educacional Dignidad	167
			Notes	174
2/S	ource	s of I	.aw	177
A.	Leg	islativ	ve and Executive Sources of Law	177
В.	Law	s of l	Different Status	178
C.	Coc	les ar	nd Codification	179
	Not	es		182
241		1 111.	CD - L - X	105
3/A	pplic	abilit	y of Foreign Law	185
	A.	Gei	rmany	185
	1.	Ple	dge under English Law: The Emerald Necklace Case	185
			te: BGH, Judgment of May 9, 1996.	190
	2.	Rig	ht to Indemnification for Reclaimed Stolen Property	191
	B.	Fra	nce	195
	1.	Cas	selaw	195

PAR		TIONALIZATION
	OF PRIVATE RIGHTS	
4/Digni	ty of Men and Women in the Workplace	199
Introdu	ction	199
A.	United States	200
1.	Legislation	200
	a. U.S. Constitution, Amendment XIV (1865)	200
	b. 78 STAT. 255 (Civil Rights Act of 1964) s. 703	200
	c. 29 Code of Federal Regulations Ch. XIV	
	(Equal Employment Opportunity Commissi	ion) 201
	d. California, Fair Employment and Housing Act	
	(Government Code 12940)	203
2.	Cases	203
	a. Harris v. Forklift Systems, Inc. 114 S.Ct. 367 (19	·
	Notes b. Collins v. Rizkana 652 N.E. 2d 653	206
	b. Collins v. Rizkana 652 N.E. 2d 653	209
В.	European Union	214
Co	ommission Recommendation on the Protection of the d	lignity
1	of women and men at work	214
No	otes	226
C.	United Kingdom	227
1.	Legislation	227
	a. Sex Discrimination Act 1975 (c65)	227
2.	Caselaw	227
	Wadman v. Carpenter Farrer Partnership	227
	Notes	229
D.	France	232
1.	Legislation	232
	a. Labor Code	232
	b. Criminal Code	232
2.	Caselaw	233

Société Heinrich Otto v. Mme Guyon

a. Note ix

195

196

Contents

\boldsymbol{x}	Contents

		a. Judgment of June 30, 1993 Notes	233 233
	E.	Germany	234
	Legi	slation	234
	_	a. Basic Law (amended 1994)	234
		b. Second Law for the Achievement of Equal Rights for Men	
		and Women	234
		Notes	236
	F.	Italy	237
5/Pr	ivacy		239
Intro	oduct	ion	239
	A.	Germany	241
	1.	Resolution of February 14, 1973 (Princess Soraya)	241
		Notes	250
	2.	Resolution of February 24, 1971 (Mephisto)	251
	3.	Notes (Lith) Peoplytion of March 9, 1988 (Publication of Incomparage because	255
	3.	Resolution of March 9, 1988 (Publication of Incompetency because of Alcoholism)	256
	4.	Notable German Cases on the Right of Personality	258
	B.	United States	262
	1.	Introduction	262
	2.	Cases	262
	۷٠	a. Diaz v. Oakland Tribune	263
		Note: Briscoe v. Reader's Digest Ass'n	271
		b. Galella v. Jacqueline Onassis	272
		Notes	277
	C.	Italy	278
	1.	Caselaw	278
		a. Princess Soraya Esfandiari	278
		Notes: Austria Tabakwerke v. Veronesi	283
	D.	France	284
	1.	Legislation on the Right of Personality	284
		Code Civil, Art. 9	284
	2.	Cases	284
		a. Princess Caroline of Monaco	284

	gomenis.	<i>.</i>
	Note	285
	b. Le Grand Secret	285
	Notes	287
	c. Société de press "Jours de France" c. Farah Diba	288
	Notes	290
	d. Soc. Mail Newspaper PLC et al. c. Prince Karim Aga Khan et al.	290
	Notes	292
E.	Switzerland	293
1.	Legislation	293
2.	Case	294
	a. Association of Swiss Journalists v. Canton of Aargau.	294
	Notes	296
	DART III. CECURITY FOR REPRODUCE	
	PART III: SECURITY FOR PERFORMANCE	
	PART IIIA: ATYPICAL TRANSACTIONS	
	SECURING PERFORMANCE	299
ndb	y Letters of Credit Guaranties on First Demand	299
Inti	roduction	299
A.	England	301
1.	Cases	301
	a. HongKong and Shanghai Banking Corp. v. Kloeckner & Co. A. G. Queen's Bench Division, 1989 [1990] 2 QB 514;	
	[1990] 2 WLR 634.	301
	Note	309
	b. United City Merchants v. Royal Bank of Canada	
	House of Lords, 1982 [1982] 2 WLR 1039.	310
	Notes	318
B.	Germany	318
1.	Cases	318
	a. Interpretation of the Scope of the Undertaking. Judgment	
	of April 26, 1994, BGH, 15 ZIP 857 (1994),	
	48 WM 1063 (1994).	318
	Notes: Guarantees on First Demand	322
	b. Pleading Required for Claim on Suretyship on First Demand.	
	Judgment of October 28, 1993, BGH, 55 KTS 215 (1994).	323

xii Contents

	c.	Restitution of Payments Made by a Bank as Surety on First Demand. Judgment of March 9, 1989 BGH 42 NJW 1606 (1989), 43 WM 709 (1989).	225
		Notes	327 330
	d.	Prerequisites of an Injunction against Payment Judgment of June 14, 1990 Hanseatic Court of Appeals,	330
		Bremen 44 WM 1369 (1990).	331
		Notes	334
C.	Un	ited States	334
I.	Ca		334
	a.	Rockwell International v. Citibank 719 F. 2d 583. Notes	334
	Ь.	Mellon Bank v. General Electric Credit 724 F.Supp. 360	341
	U.	Notes	342 349
	c.	Matter of Compton Corp. 831 F.2d 586	351
	d.	In re Slamans 69 F. 3d 468	360
D.	Fra	nce	366
1.	Cas	ses	366
	a.	Banque française du commerce extérieur (BFCE) c. S.A.	
		Rhône-Mérieux Judgment of June 7, 1994	366
	b.	Spouses Billet et al. c. Caisse Régionale de Crédit Agricole	
		du Gers Judgment of May 10, 1994 Notes	367
	c.		368
	С.	Société de droit européen Tengor Inc. et al. c. Société Melair Prestige et al. Judgment of November 6, 1990	260
	d.	Konutbank c. Banque Byblos-France	369
		Judgment of February 19, 1991	373
		Notes	375
	e.	Rafidain Bank c. S.A. Crédit Industriel et Commercial (C.I.C.)	
		et autre Judgment of January 24, 1989	376
		Notes	377
	f.	Société Le Couviour internationale c. Banque Indosuez Judgment of February 19, 1991	277
		Note	377 378
E.	Swi	tzerland	379
	CP	. v. L.SA Judgment of August 20, 1991 ATF 117 III 76	
	Not		379 383
F.	Ital		
			384
1.	Cas	elaw	384

		Contents	XIII
	a.	S.A. Unione di Banche Svizzere c. Maxfin spa e Banca d'America	ı
		e d'Italia Judgment of October 6, 1989	384
	No		386
	Bib	liography	387
7/Secur	ity of	Performance by Comfort Letters	391
In	trodu	ction	391
A.	Gei	rmany	391
1.	Cas	ses	000
	a.	Judgment of January 30, 1992	391
	F	3GH, 53 KTS 275 (1992); 13 ZIP 338 (1992); 46 WM 501 (1992).	391
	No		396
В.	Eng	gland	396
1.	Cas	ρ	396
••	a,	Kleinwort Benson v. Malaysia Mining	390
		QB Court of Appeal (1989), [1989] 1 WLR 379 = [1988]	
		All ER 714.	396
	Not	e	405
C.	Fra	nce	405
1.	Cas	es	405
	a.	Court of Cassation (com.) Judgment of March 19, 1991,	100
		Compagnie générale de travaux et d'installations électriques c.	
		Banque atlantique de Côte-d'Ivoire, Judgment of March 19, 19	991,
		Cass. com. 1991 Bull. Civ. IV 77; D. 53, 54 (1992).	405
		Notes	406
	Ь.	Compagnie générale de banque Citibank c. S.A. Le Crédit	
		d'équipement des petites et moyennes entreprises	
		et autres Court of Cassation (com.)	
		Judgment of October 23, 1990, 1990 Bull. civ. IV 256; = 65 J.C.P. (éd. E.) II 154 (1991), (n. Larroumet) =	
		65 J.C.P. (éd. G.) II 21684 (1991).	407
		Notes	407
	c.	SNE Sitraco c. Société Curtainwalls Unlimited Inc. Court	400
	-	of Cassation (com.) Judgment of March 19, 1991	
		D. Jur. 54 (1992)	409
		Note	410
	d.	Soc. anon. Viuda de José Tolra v. Société régionale	
		de développment du Languedoc-Rousillon (SODLER)	

xiv Contents

	Court of Cassation (com.) Judgment of Dec. 21, 1987, Rec. D/S Jur. 112 (1989); 62 J.C.P. II 2113 (1988)	
	(with conclusions of avocat général Michel Montonier).	410
	Notes	412
D	. Italy	412
1.		412
	a. Cassa di Risparmio v. Selle Aquila Note	412
17		414
E.		414
	Note on Hester Int'l Corp. v. Fed. Rep. of Nigeria, 681 F. Supp. 371 (N.D. Miss. 1988).	414
F.	Belgium	415
	Note	415
G	. Denmark	415
	Note	415
Н	. Australia	415
	Notes	415
I.	Ivory Coast	416
Bibliography		416
	PART III/B: TYPICAL TRANSACTIONS	
	SECURING PERFORMANCE	419
g/Retai	ned and Granted Security Interests	410
o, ictai	ned and Granted Security Interests	419
A.	General Survey Security Interests in Tangible and Intangible Movable Property (Chattels and Choses-in-action)	419
В.	Germany	420
1.	Introduction	420
2.	Cases	422
	a. Recognition of the enlarged and extended retention-of-title clause: Firm W. v. Bank for W. & A., BGH, Judgment	
	of February 16, 1957, 26 BGHZ 185 (1958).	422

		Contents	xv
		Notes	427
	b.	Invalidity of anticipatory blanket assignment for security	12,
		of all future claims against subpurchasers under extended	
		retention-of-title clauses, Judgment of March 9, 1977, BGH,	
		31 WM 480 (1977)	432
		Note	435
	c.	True factoring and elongated reservation of title.	435
		U. GmbH v. G. KG Judgment of September 19, 1977,	
		69 BGHZ 254 (1978)	435
		Note	439
C.	Un	ited Kingdom	439
1. S	tatute	25:	439
	a.	The Companies Act (1989)	439
	b.	Law of Property Act (1925)	441
	c.	Sale of Goods Act (1979)	441
2.	Cas	·	442
	a.	Armour v. Thyssen Edelstahlwerke A.G.	442
		Notes	448
	b.	E. Pfeiffer Weinkellerei-Weineinkauf GmbH & Co. v	
		Arbuthnot Factors Ltd.	449
		Note	461
	c.	Re Curtain Dream plc	462
		Note	477
D.	Fra	maa	
D.	гга	nce	477
1.	Intr	roduction	477
2.	Stat	utes	478
	a.	Bankruptcy Act	478
		Note	480
	b.	Loi Dailly (1981) as amended	480
		Notes	482
3.	Dog	cument: Example of a <i>Bordereau</i>	483
4.	Cas		485
	a.	Société Radiola c. Société Kerlann équipment	
		Judgment of November 2, 1993.	485
		Note	487
	b.	Établissements Gallé c. Msrs. Pavec et Philippot,	
		as trustees in bankruptcy of the Société des chargeurs agricoles	
		Agroshipping, and another Judgment of January 9, 1990.	488
	c.	Société Pogic et autre c. Société Astral	
		Judgment of January 9, 1990.	489

xvi Contents

	Notes	490
	d. Société Soufflet et Cie c. Société Lesieur et autres	
	Judgment of January 9, 1990.	491
	Note	492
	e. Banque Nationale de Paris c. Société Micro-informatique	
	et de Télécommunications et autres Judgment of June 20, 1989	. 492
	Note	494
	f. Société Heinrich Otto c. Mme Guyon	
	Judgment of January 8, 1991.	494
	Note	494
E.	Security Interests in Italy	495
1.	Introduction	495
2.	Statutes	495
	Notes	497
F.	United States: Security Interests in Personal Property	498
1.	Introduction Uniform Commercial Code	498
2.	Statutes: U.C.C.	499
	1-201	499
	9-102	500
	9-103	501
	9-109	506
	9-201	507
	9-203	507
	9-204	508
	9-301	508
	9-302	509
	9-303	510
	9-304	510
	9-306	510
	9-312	511
9/Factor	ring	513
Introduc	ction	513
A.	France	514
1.	Cases	514
	a. Sofinter c. Latimier et M. Hadengue	514
	b. Société française de Factoring International Factors France c.	
	Société Polysius Polygon	515

		Contents	xvii
		c. Société Française de Factoring International Factors France (SFF) c. Société des Transports Debeaux	516
	D	•	
		·	
	1.	Statutes	517
c. Société Française de Factoring International Factors France (SFF) c. Société des Transports Debeaux B. Italy 1. Statutes PART IV: ACQUISITION OF PROPERTY RIGHTS IN MOVABLES OTHER THAN BY TRANSFER FROM THE OWNER: BONA FIDE PURCHASE AND ACQUISITIVE PRESCRIPTION 10/Protection of Bona Fide Purchasers of Tangible Movable Property Lintroduction 52 A. England and Wales 52: 1. Statutes a. Factors Act 1889 b. Sale of Goods Act 1979 Notes 52: 2. Cases a. Pacific Motors Notes b. National Employers' Mutual Insurance, Ltd. v. Jones Notes 53: B. France 1. Statutes 2. Cases a. Établissements Gallé c. Msrs. Pavec et Philippot Notes b. Compagnie d'assurance Groupe Drouot c. M. Ottiger et al. Notes c. Sté Blue Bay Steamship c. Galerie Schmit C. Germany 1. Statutes 2. Case a. Firm M.Z. GmbH v. Land Schleswig-Holstein 544 D. Italy 545			
		Introduction	521
	A.	England and Wales	523
	2.	 a. Factors Act 1889 b. Sale of Goods Act 1979 Notes Cases a. Pacific Motors Notes b. National Employers' Mutual Insurance, Ltd. v. Jones Notes 	523 524 525 525 525 530 531 538
		Cases a. Établissements Gallé c. Msrs. Pavec et Philippot Notes b. Compagnie d'assurance Groupe Drouot c. M. Ottiger et al. Notes	540 540 540 542 543
	C.	Germany	545
		Case	545 546 546
	D.	Italy	546
	1.	Statutes Cases	546 547