

Robins Dry Dock & Repair Co. v. Flint, 275 U.S. 303 (1927) landmark decision by the U.S. Supreme Court that established a key principle in tort law regarding economic loss and negligence.

Background:

Robins Dry Dock & Repair Company was contracted to perform maintenance on a steamship. During the repairs, Robins negligently damaged the ship's propeller, which caused a delay in returning the ship to service. The ship had been under a time charter to another company, and the charterers (Flint et al.) sued for damages, claiming they suffered economic losses due to the delay.

Legal Issue:

The key legal question was whether the charterers, who did not own the ship but had an economic interest in its timely operation, could recover damages for economic loss caused by the negligent repair work of Robins Dry Dock.

Supreme Court's Decision:

The Court, in an opinion by Justice Holmes, ruled in favor of Robins Dry Dock, holding that:

No Recovery for Purely Economic Loss: A party cannot recover purely economic losses due to negligence unless there is a direct contractual or property interest involved. Since the charterers had no direct ownership of the ship and Robins did not breach a contract with them, they had no legal standing to claim damages.

Tort Law Limitations: The ruling reinforced the idea that economic harm alone, without physical harm to a plaintiff's property or person, is not generally recoverable in negligence claims.

Indirect but relevant implications for right to repair

1. Economic Loss Rule & Manufacturer Restrictions

Economic loss doctrine - prevents third parties (like repair shops or customers) from suing for purely financial losses caused by a manufacturer's negligence.

In the right to repair context, this principle could be used against consumers and independent repair shops. If a manufacturer restricts access to parts, tools, or software (via DRM or licensing restrictions) and a third party suffers economic harm (e.g., a repair shop losing business), Robins Dry Dock could be cited to argue that the third party has no right to recover damages.

2. Contractual Barriers & Repair Markets

The case reinforces the idea that contractual privity matters—meaning a third party (such as an independent repair shop) may not have standing to challenge a manufacturer's repair restrictions unless there is a direct contractual relationship.

This has been seen in cases where companies like John Deere or Apple limit third-party repairs using software locks, licensing agreements, and proprietary tools. If Robins Dry Dock is cited, a court might rule that independent repair shops or software developers do not have standing to sue over repair restrictions because they are not direct parties to the manufacturer's agreements.

3. Application to Open Source & Software Licensing

Manufacturers use software licensing agreements to prevent third-party modifications and repairs, arguing that breaking such restrictions constitutes an unauthorized use of intellectual property.

While Robins Dry Dock does not directly address software, its principle that "economic loss alone is not grounds for a claim" could support arguments against open-source developers or third-party repairers seeking compensation for business losses caused by closed-source restrictions.

Conclusion

The right to repair movement focuses on legislative solutions (like the Massachusetts Automotive Right to Repair Law and the proposed Fair Repair Act) to override the precedent set by Robins Dry Dock by ensuring independent access to parts, tools, and software. This case law's economic loss rule has been cited in cases that limit third-party claims, which manufacturers might use to justify repair monopolies. It is one of the primary reasons why the right to repair movement works around this by focusing on legislation and consumer rights rather than relying on common law tort claims.