

Precedent

Law

How a past decision binds a later court, and what part actually binds.

The binding element is the legal reasoning essential to the outcome, not everything the judge said.

Ratio decidendi binds · Obiter dicta persuades

Ratio decidendi

Binding.

The reason for the decision

Obiter dicta

Persuasive only.

Said in passing

Distinguishing

Precedent avoided.

Material facts differ

THE COMMON MISTAKE

× **Treating every sentence of a judgment as binding**

✓ **Identifying the ratio**

Judgments contain extensive discussion. Only the reasoning the outcome actually required binds a later court.

Educational reference. Courts bind those below them, and usually themselves, with defined exceptions.