

1. Read the text and complete it with the missing words from the box. There is an extra word.

clause • contract • damages • knew • party • profit • time

The United Nations Convention on Contracts for the International Sale of Goods covers damages.

Article 74

Damages for breach of contract by one 1..... consist of a sum equal to the loss, including loss of 2....., suffered by the other party as a consequence of the breach. Such 3..... may not exceed the loss which the party in breach foresaw or ought to have foreseen at the 4..... of the conclusion of the contract, in the light of the facts and matters of which he then 5..... or ought to have known, as a possible consequence of the breach of 6.....

2. Match the two parts of the sentences (1-7) and (A-G) to make true sentences.

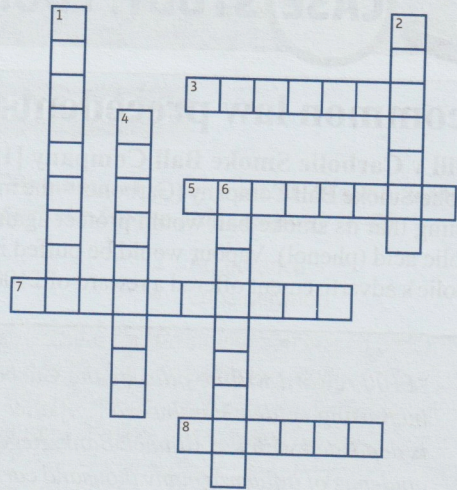
- 1 If a contract is breached the non-breaching party can
- 2 If the required standard of performance has not been met
- 3 Covid-19 has been added to
- 4 If the contract is terminated due to a repudiatory breach,
- 5 For fundamental breach to be found, the injured party
- 6 A non-breaching party can waive their rights
- 7 If a contractual promise is denied,
- A it is called defective performance.
- B to terminate the contract for a minor breach.
- C the innocent party can rely on estoppel and ask for damages
- D claim compensation for damages or losses.
- E the injured party can still sue for damages.
- F must be deprived of a substantial part of the benefit of the contract.
- G the list of *force majeure* events.

1 2 3 4 5 6 7

3. Read the following statements and decide whether they are True (T) or False (F). Correct the false ones using the space provided.

- 1 The UK Consumer Rights Act offers more types of remedies than the common law. T F
- 2 The only remedy for breach of contract is damages. T F
- 3 *Restitutio in integrum* is a token amount called nominal damages awarded by a judge. T F
- 4 Damage is the amount awarded to compensate a party. T F

4. Complete the crossword.




ACROSS

- 3 The monetary amount of damages.
- 5 A principal with prevents a party from denying the existence of facts.
- 7 When damage is caused to a person's reputation.
- 8 A term of a contract is broken.

DOWN

- 1 To end a contract before its term is complete.
- 2 Compensation for loss due to breach of contract.
- 4 A person who starts a legal action in Court.
- 6 A category of rights created by law or Act.

5.  2.0.6 Listen to the audio and complete the text with the missing words.

before • contract • country • commerce • respect • states

The United Nations Convention on Contracts for the International Sale of Goods (CISG) is a multinational treaty applicable to the sale of goods in international 1..... Many countries have ratified and implemented the CISG, but the United Kingdom has not. Unless expressly excluded by the 2....., the CISG is incorporated by default into the domestic laws of ratifying countries with 3..... to a transaction in goods. There are several prerequisites that need to be satisfied 4..... the CISG applies to the contract. For instance, there needs to be a sale of goods in commerce, across two different contracting 5..... and the applicable law and the court of competent jurisdiction be in the 6..... of one of the contracting parties.



A letter to a client

1. Read about Madame Chocolatier's situation, then answer the related questions (a-b) using the space provided.

Madame Chocolatier produces hand-made luxury chocolates in her up-market shop in London. She is leasing premises near Temple. Her regular customers are very prominent barristers who enjoy the finer things in life, and her chocolates are no exception.

The year 2020 started very well. In January, Madame Chocolatier decided to expand her business, doubling production and employing a new shop assistant. She also leased premises next door from her landlord and agreed with a builder to refurbish the entire shop. Madame Chocolatier gave the builder her specifications and paid a deposit. She wanted to be ready for the increased demand in her chocolates and so ordered a large amount of ingredients from her supplier. She agreed to pay for these within 30 days of delivery.

a. Which four people did Madame Chocolatier have contracts with?

- 1..... 3.....
2..... 4.....

On 23 March 2020, the United Kingdom went into lockdown due to the Covid-19 pandemic. Madame Chocolatier was unable to open her business, produce or sell anything. People she had contracts with were threatening her with court proceedings if she did not pay, and worse still, with bankruptcy. They kept talking about acceptance, agreements, breach and other words.

Madame Chocolatier does not speak English very well. She is French and she remembers one of her customers, a Queen's Counsel (a high ranking barrister), telling her that English law uses a French term *force majeure*. She meets with the barrister and asks him to clarify her situation.

b. What do you think the barrister might say about *force majeure*?

.....
.....
.....

2. After their meeting, the barrister prepared a letter for Madame Chocolatier. Read the letter and answer the related question (a) using the space provided.

Dear Madame Chocolatier,
Thank you for coming to see me yesterday.
The words *acceptance*, *agreement* and *breach* are all

typical terms found in Contracts Law. Acceptance occurs when you give unequivocal consent to all the terms and conditions of an offer made by another party. Unequivocal consent means you did not change the terms of the offer. Therefore, by accepting the offer to lease the new premises and for refurbishment, you have binding contracts with the landlord and the builder. The same principles apply to your agreements with your new employees and supplier. You have binding agreements with them too.

Binding agreements are enforceable against you. If you fail to pay your landlord, builder, new employees, and suppliers you will be in breach of contract. A breach occurs when someone has broken a promise in a contract without lawful excuse.

There are different remedies available to the innocent party. The most common is compensatory damages. If you do not pay these damages when ordered by the Court, you may be forced into bankruptcy.

However, as I mentioned, a breach occurs when there is no lawful excuse for your non-performance. The French concept of *force majeure* is applied to contracts, to cover unusual or unforeseen events outside the control of the parties. We also call this type of unforeseeable event an Act of God.

In my view, the COVID-19 situation can be classed as a *force majeure*. This means that you have a lawful excuse for not performing your obligations and the Court is likely to say that you are not liable for breaching the contract.

Please contact me if you require further assistance

Kind regards

Ernest Bartholemew QC

a. What is the alternative term for *force majeure* given by the barrister?

.....

3. Read the barrister's conclusion and complete it with the missing words from the box.

force majeure • lawful • liable • obligations • situation

In the view of the barrister, the Covid-19

1..... can be classed as a 2....., so Madame Chocolatier has a 3..... excuse for not performing her 4..... and is probably not 5..... for breaching the contracts.

