

LEGAL ENVIRONMENT OF BUSINESS 32D28000 6 ECTS cr / 4 cr

CASES

CASE 7

INTERNATIONAL MARKETS: LEGAL AND CULTURAL FACTORS AFFECTING THE ENVIRONMENT (ESPECIALLY ASPECTS OF CONTRACTING)

Themes:

- Different legal thinking affecting contracting
 - versions of offer – acceptance –model (CISG; Finnish Contracts Act): non-conforming/ late answers
 - formation of contract terms and liability rules: British entire agreement doctrine – Nordic rules on liabilities based on contractual information

Assignment:

Analyze the following two cases (a) and (b) in respect of the above themes. You can follow the instructions in the file Cases instructions or organize your presentation of the cases by some other model.

a. Conclusion of contract, non-complying answer

In an international business trade relationship, the same as that in cases 3 and 8, the Finnish buyer Jalonojan Juusto Oy sends to the French seller Fromagerie Général Ardennes s.a. a reply to the offer made by the latter, in which it explains its acceptance of the offer. However, instead of the letter of credit mentioned in the offer, the buyer suggests another method of payment, payment by cheque. Please give a reasoned report on whether the agreement is born.

b. Conclusion of contract; entire contract clause

After getting acquainted with the brochures of the seller and with the object of purchase, Finnish Air Rescue Services (ARS) Ltd is buying from Augusto & Well (AW) Ltd, the English manufacturer, a helicopter

which has been used in air shows. The buyer is going to use the helicopter for rescue activity. Prior to the conclusion of the contract the buyer asks the seller whether the helicopter is suitable for the installation of rescue equipment. AW answers that this will be checked and taken care of. In contract negotiations AW suggests that a "normal" Entire Agreement clause be included in the contract, with the wording: "This contract constitutes the entire agreement and understanding between the parties. There are no understandings, agreements, conditions, reservations or representations, oral or written, that are not embodied in this contract or that have not been superseded by this contract."

The helicopter then delivered to the buyer is not suitable for rescue equipment. The seller says that the helicopter is provided according to what has been agreed, but the buyer considers this the seller's breach of its promise of the rescue equipment suitability of the helicopter.

Analyze the situation from a legal standpoint, from the point of view of the seller and the buyer, and try to find a resolution of the dispute.