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A remedy is the relief provided for an innocent party when the other party has breached the contract. There are two types of remedies; remedies in equity and remedies at law. Remedies in equity are only awarded only if the remedy at law is inadequate. Remedies at law normally award monetary damages Ken, the owner of a famous candy store, and Sweet, Inc. Have entered into a contract, essentially designating Sweet, Inc. s his main supplier of sugar. The interact has designated a specific time in which the sugar should be delivered. The first breach of the contract was made by Sweet, Inc. , whom due to unforeseeable circumstances was unable to deliver Ken his sugar on the agreed upon delivery date. This breach of contract by Sweet, Inc. , has entitled Ken to sue for monetary damages. Damages compensating the non-breaching party for the loss of the bargain are known as compensatory damages.

Compensatory damages compensate the injured party only for damages actually sustained and proved to have arisen directly from he loss of the bargain caused by the breach of the contract. Although Ken argued that Sweet, Inc. Breached their contract when Sweet, Inc. Failed to deliver on time, Ken could have still accepted the order and might have been able to mitigate some of the damages he sustained. In most situations, when a breach of contract occurs, the innocent injured party is held to a duty to mitigate, or reduce, the damages they suffer.

As for the punitive damages being sought by Ken, none can be proven definitively. Punitive damages are only considered in tort affairs. A contract is a civil relationship between parties, so punitive damages have no place in these types of contracts. Also, breaching a contract is not a crime nor does it necessarily harm society. One cannot gauge the effects of how present damages will effect future profits, so the stories of customers promising not to do business with Ken in the future are simply conjecture and hearsay, which cannot be proven by Ken.

In the case of Hadley v. Baseball, where the defendant was unable to procure goods for the plaintiff in a timely manner, the plaintiff was unable to recover consequential damages. To recover any consequential damages, the plaintiff would have to prove that the defendant had reason to know or foresee that a particular loss or injury would occur, such as the loss of profits and loss of customers due to the breach of their contract. In my Judgment, I find Sweet, Inc. To be correct in that Ken is only limited to compensatory damages. By Jonathans