

International business law essay sample

Law



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“ Convention on International Sale of Goods, 1980” more popularly known as the Vienna Convention, in force since 1988, is the basic international law dealing with International Sales Contracts with a view to ensure harmonized international trade.

- Article 1 of the Vienna Convention deals with the applicability of the Convention. It states that the Convention applies to those contracts entered into by two parties running their respective businesses in different States and the said two States are contracting States to the Vienna Convention and that both the parties are aware that they run businesses in different States and the same has been disclosed to all concerned either before or at the time of entering into the contract and the same can be ascertained from the contract or the dealings or the information disclosed (*Indira Carr, 2005: 62-63*).
- In the present case, it can be seen that both the buyer and seller have their respective businesses in different States, i. e., Germany and Australia. On going through the Status of Ratification published by the UNCITRAL it can be seen that both the States have ratified the Convention and can thus be said to be Contracting States for the purposes of this Convention (*Status: 1980, United Nations Convention on Contracts for International Sale of Goods*) .
- Finally, the facts of the case reveal that both parties were aware that they were from different States. Further Article 2 of the Convention states the cases where the Convention is not applicable and the facts of this present case does not fall under any of the cases mentioned in

the said Article. From the discussion above it can be safely said that the Vienna Convention is applicable to the present contract.

Article 30 of the Vienna Convention deals with the obligations of the Seller wherein it specifically states that it is the obligation of the Seller to deliver the goods, hand over documents, if any and also transfer the property in the goods to the buyer. Articles 31 to 37 deal with the detailing of the basic obligations of the seller in terms of how and when of delivery of goods and also its conformity to the terms of the contract. In the present case, the buyer Fred has specified the time of delivery of goods, the place of delivery and also the specifications in terms of quantity and quality of goods that he needed. (*International Legal Materials, XIX, 1980: 671-699*)

The obligations of the buyer on the other hand include that the buyer must pay the price of the goods and also take delivery of the goods in the manner mentioned in the Contract. The buyer is obliged to see that he fulfils everything that is necessary to enable the seller to make his delivery and must pay the price of the goods on the date and place mentioned in the Contract. In absence of any specific time and place the buyer must pay the seller at the seller's place of business or at the time of taking delivery of the goods and at a time determinable from the contract. (*International Legal Materials, supra*)

- Articles 46-52 and 74-77 of the Convention deal with the remedies available to the buyer in case the seller fails to perform his obligations. In the present case, there is a fundamental breach of contract by the seller wherein he has not delivered the goods in the manner and time

that was specified in the contract thereby causing detriment to the buyer.

- On application of the provisions of the Convention, it can be seen that the kangaroos mentioned in the contract arrived two weeks before the due date of delivery wherein the buyer Fred can either take or refuse to take delivery of the goods. As regards the key rings, they do not conform to the specifications mentioned by the buyer in the contract, Fred has the remedy of asking for substitute goods provided he does so within reasonable time after acquiring knowledge of the non conformity of goods and he may fix an additional time limit for delivery of the same.
- However, with regard to the flags that did not arrive until after the match, the buyer can claim fundamental breach of contract and claim avoidance of contract as remedy. However, the buyer must have informed the seller of the non-delivery of the goods within reasonable time and the seller despite such information has not performed his obligations. Finally, Fred has the remedy of claim damages from the seller as per Articles 74-77 of the Vienna Convention.

Bibliography

Carr, Indira 2005. Convention on International Sale of Goods, 1980: The Vienna Convention: Sphere of Application. (*International Trade Law*. Great Britain: Cavendish Publishing Ltd. p 62-63)

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