

# The state relevant law law contract essay

Law



**Introduction:**

Contract is a meeting of mind and legally binding agreement between two parties. There are four elements to form a contract, which is an offer, acceptance of the offer, a fairly consideration and the intention to create legal relations. Contracts are usually enforceable whether or not in a written form or oral, although a written contract protects all the parties. The remedy at law for breach of the contract is normally " damage" or monetary compensation. In equitable remedies, that can be specific expression of the contract or an injunction. Both of the remedies award the casualty the " benefit of the bargain" or expectation damage.

**(a)Issue**

The key issue upon this case is whether Ravi has the right to claim or discharge his contract sign with MicroHard. Ravi engaged MicroHard to perform professional software services for his company software and we look into whether MicroHard had fulfilled the terms in the contract or not, to what extend had MicroHard breached the terms.

**(a)State Relevant Law**

A condition is a term that is very crucial and essential of the contract, it going to the very root of that contract (Poussard v Spiers ). A breach of condition allows the non-breaching party to discharge or either to claim the damages from the contract breaker. Whether a term is itemized as a condition upon many factors such as the initial attention of the party and whether past cases have become the term to be a condition.

**(a) Apply relevant law to facts**

According to Ravi, he wanted to have a professional software support services provided by MicroHard. Therefore Ravi and MicroHard signed a contract and one of the terms is that MicroHard warrants the Services shall be performed in a professional manner in accordance with generally accepted industry standard. But what really happen is that MicroHard employee was incompetent and unable to solve Ravi Software issues on the first occasion. Therefore, MicroHard did not suffice the condition of the contract.

**(a) Conclusion**

Even though it is a condition of the contract, but there is an exemption clauses stand that whatever MicroHard did, the maximum liability for any breach of the term is a refund of the services fees. As a result, Ravi only can claim damages from MicroHard but cannot end the contract.

**(b) State Relevant Law**

Warranties are less important term that doesn't go very root of the contract and less important than condition. Once the party breaches the contract, the injured party cannot discharge the contract but merely allow claiming damages. In the case of Bettini v Gye, the court held the rehearsals as a warranty as it is doesn't touch the root of the contract. As a result, Gye only can claim damages and cannot void the contract.

**(b) Apply Relevant Law to facts**

This case requires the MicroHard employees should be in the Customer's premises within 30 minutes after receiving a service call from Ravi. But in

reality, the MicroHard's employees only arrived at Ravi's office one hour after the call. Therefore, although MicroHard has breached the warranty of the contract, but the breach is a minor breach, 30 minutes late is still better than totally didn't arrived.

### **(b) Conclusion**

MicroHard is liable to Ravi. Ravi can only claim the amount of his damages. In this case, it is difference between arrived in 30 minutes and one hour after the call. But since the MicroHard still provide the service to Ravi, therefore no damages have been incurred and Ravi would receive nothing.

### **(c) State Relevant Law**

An innominate term is a term with no name and it applied when a term doesn't fit into " condition" or " warranty" (Hong Kong Fir Shipping v Kawasaki KK ). The injured party can discharge the contract AND sue for the damage if breached in a serious way. If breached in a trivial way, the innocent party can only sue for damages.

### **(c) Apply Relevant Law to facts**

In this instance, the MicroHard employee made an error in a program's and causes the Ravi CRM program freeze for 5 hours. Assume that within these 5 hours, there was a very important meeting that Ravi needs to use this software to show his customer, but based on the poor performance of MicroHard employee, he lost the opportunity to communicate with this customer and causes a huge lost to the company.

### **(c) Conclusion**

Based on assume, MicroHards' is liable to Ravi for the breach of term (4) in the contract which is services shall be performed in a professional manner.

Damage is obtained for breach of condition and caused monetary loss.

Therefore Ravi is entitled to discharge the contract and claim for damages based on the very poor performance provide by MicroHard.