

Contracts in English

Bugg

5. Auflage 2023
ISBN 978-3-406-78716-4
C.H.BECK

schnell und portofrei erhältlich bei
beck-shop.de

Die Online-Fachbuchhandlung beck-shop.de steht für Kompetenz aus Tradition. Sie gründet auf über 250 Jahre juristische Fachbuch-Erfahrung durch die Verlage C.H.BECK und Franz Vahlen.

beck-shop.de hält Fachinformationen in allen gängigen Medienformaten bereit: über 12 Millionen Bücher, eBooks, Loseblattwerke, Zeitschriften, DVDs, Online-Datenbanken und Seminare. Besonders geschätzt wird beck-shop.de für sein umfassendes Spezialsortiment im Bereich Recht, Steuern und Wirtschaft mit rund 700.000 lieferbaren Fachbuchtiteln.

Stuart G. Bugg

Contracts in English

beck-shop.de
DIE FACHBUCHHANDLUNG

beck-shop.de
DIE FACHBUCHHANDLUNG

Contracts in English

**An introductory guide
to understanding, using and developing
'Anglo-American' style contracts**

by

Stuart G. Bugg

B.A., LL.B. (Hons), M.Jur. (Dist)

Rechtsanwalt (Germany)

Solicitor (England & Wales)

beck-shop.de
DIE FACHBUCHHANDLUNG

Fifth Edition

2023



About the Author

Stuart G. Bugg B.A., LL.B. (Hons), M. Jur. (Dist)

Stuart Bugg is currently practising as a solicitor of the Senior Courts of England and Wales, as well as a *Rechtsanwalt* in Germany. Stuart was born in England but grew up and trained as a lawyer in New Zealand. For much of his professional life he has been based in Germany. He is a partner in the law firm of Augustin & Bugg in Nuremberg. He works as a consultant in commercial and contract law and regularly gives lectures and seminars on various aspects of commercial and contract law as well as Legal English.



ISBN 978 3 406 78716 4 (C.H.Beck)

ISBN 978 3 7190 4619 0 (Helbing Lichtenhahn)

© 2023 Verlag C.H.Beck oHG

Wilhelmstraße 9, 80801 München

Druck: Beltz Grafische Betriebe GmbH

Am Fliegerhorst 8, 99947 Bad Langensalza

Satz: Druckerei C.H.Beck Nördlingen

Umschlaggestaltung: Druckerei C.H.Beck Nördlingen



Gedruckt auf säurefreiem, alterungsbeständigem Papier
(hergestellt aus chlorfrei gebleichtem Zellstoff)

Alle urheberrechtlichen Nutzungsrechte bleiben vorbehalten.

Der Verlag behält sich auch das Recht vor, Vervielfältigungen dieses Werkes
zum Zwecke des Text and Data Mining vorzunehmen.

Foreword to First Edition

I would like to thank all the people who have contributed to the making of this book. This includes all the members of my family, who lost me for several weeks and months (although they did not seem to mind) whilst the book was being produced.

Renate Augustin was of irreplaceable assistance for her constructive suggestions throughout the book as well as for her input. It should also not go unmentioned that my son Alex was able to more than surpass my one-finger typing attempts with the high-speed ten-digit skills of a person born in the computer age.

I would also like to express my gratitude to all those colleagues and participants at my professional training seminars who, often unknowingly, tested much of this material for comprehensibility, relevance and practical application.

And finally, I must thank the publishers, C.H. Beck Verlag and in particular, Susanne Hauptmann for a great deal of support, advice and above all, patience.

Nürnberg, im Januar 2010

Stuart Bugg

Foreword to Second Edition

Thank you again to all those involved in this second edition and a special note of gratitude goes to readers and colleagues for their feedback and suggestions such the addition of template contracts to this edition (Appendix IV).

Nürnberg, im Februar 2013

Stuart Bugg

Foreword to Third Edition

This edition has been revised and updated wherever possible to cover recent developments in the law and contract drafting.

In addition to changes in the main text, the range of template documents and contracts in Appendix III (Templates) has also been extended so that those working with contracts will have easier access to the phrases and language used in such standard types of clauses. In addition, the General Glossary of Terminology in Appendix IV has been revised and expanded.

As in previous years, I would like to again thank all the people who tirelessly helped with this new edition as well as the numerous colleagues who provided their suggestions and advice.

Nürnberg, im April 2016

Stuart Bugg

Foreword to Fourth Edition

Contract law never sleeps and despite these uncertain times in terms of the legal and constitutional relationship between the (still) UK and the EU, we have attempted to keep this edition as up to date as possible. The relevant U.K. statutes have been revised to take into account the Consumer Rights Act 2015 and other relevant legislative developments. Of course, material on the potential departure of the UK from the EU has been introduced and contractual estoppel as a defence has been awarded its own section. In addition, a few words have been put down as a general set of guidelines on liability management.

I am obliged to yet again thank my family for enduring (or enjoying) my absence and Frau Breun, Ali and Jonathan for their support. Needless to say, I must also express my gratitude to Susanne Hauptmann at C.H. Beck for her tireless efforts to keep me on course with her guidance and patience.

Nürnberg, im Juni 2019

Stuart Bugg

Foreword to Fifth Edition

Everything seems different but nothing has changed. Since the last edition the world has suffered several monumental shocks ranging from a pandemic to a war again in Europe. The human cost has been (and still continues to be) unfathomable. The international commercial environment has endured these events with the impact of labour shortages, lockdowns, supply chain disruptions, raw material shortages, dramatic price fluctuations and sanctions. As a footnote to it all, Brexit came and slowly went.

It is against this dramatic backdrop that we must now develop commercial contracts. This fifth edition has therefore sought to cover the boilerplates for such situations in more details with further information and templates concerning clauses on frustration, force majeure, sanctions, price variations, supply difficulties and termination.

My thanks go out to the many colleagues for their feedback, legal expertise and guidance. I must also express my gratitude to my long-suffering family who have allowed me the necessary time and provided so much support and so many cups of tea and coffee.

Nürnberg, im April 2023

Stuart Bugg

Table of contents

Foreword	V
Introduction	XI
List of statutes	XIII
List of cases	XV
Internet resources	XVII
A. Online dictionaries and glossaries	XVII
B. Online general legal references	XVII
Abbreviations	XIX
List of tables	XIX
Chapter 1 Background: Anglo-American contracts	1
A. Introduction	1
B. Common law systems	2
C. Civil law systems	4
D. Jurisdictions and material law	4
E. Impact on modern business contracts	7
F. Equity and torts	10
I. Torts	10
II. Equity	11
Summary	13
Chapter 2 What is a “contract”?	15
A. Introduction	15
B. Deeds	16
C. Simple contracts	19
I. Meeting of the minds	21
II. Intention to form a legally-binding relationship	22
III. Consideration	22
IV. Capacity	23
Summary	24
Chapter 3 Contract formation	25
A. Offer and acceptance	25
B. Essential terms	26
C. Standard terms and formation	27
D. Writing	28
I. What is ‘writing’?	29
II. When is writing required	30
Summary	32
Chapter 4 Extra-contractual liability	33
A. Pre-contractual documentation	33
I. Letters of intent	33
II. Memoranda of understanding	35
III. Heads of agreement/term sheets	35

B. Implied terms and collateral contracts	36
C. Types of extra-contractual claims	36
I. Promissory estoppel	37
II. Misrepresentation	38
III. Undue enrichment	38
IV. Constructive contracts/quasi-contracts	38
Summary	40
Chapter 5 Legal language of contracts	41
A. Legal English	41
I. 'Normal' English and 'legal' English	41
II. Legal terminology	41
III. Characteristics of traditional legal English	45
B. Legal drafting	47
I. Rules of construction	47
II. Punctuation	49
III. Purpose of modern drafting	51
IV. Drafting hints and guidelines	53
V. Times, dates and deadlines	56
C. Pitfalls of cross system contracts	57
Summary	62
Chapter 6 Liability for breach	63
A. Principles of breach liability	63
I. Common law remedies	66
II. Remedies at equity	69
III. Remedies under statute law	70
B. Defences to breach liability	71
I. Frustration	71
II. Contractual estoppel	72
C. Limitations on liability	74
D. Guidelines for drafting general limitation of liability clauses (common law)	77
E. Liability management	79
Summary	82
Chapter 7 Contract structure and organisation	83
A. Preamble	83
B. Body	85
I. Enumeration	86
II. Headings	87
C. Testimonium	87
D. Attachments	88
Summary	89
Chapter 8 Typical boilerplate clauses	91
A. Language, jurisdiction, law	91
I. Law and jurisdiction	91
II. Enforcement	94
III. Language	95
B. Arbitration, mediation and alternative dispute resolution	97
I. Arbitration	97

Table of contents

	IX
II. Mediation	99
III. Adjudication	101
C. Liquidated damages and penalties	101
D. Force majeure	103
I. Frustration distinguished in common law	103
II. Definition of the event	104
III. Consequences	105
IV. Impossibility, force majeure and German law	106
E. Indemnification	107
F. Warranties and guarantees	109
I. Warranties	109
II. Guarantees	112
G. Agreements and representations	112
I. Entire agreement clauses	112
II. Non-reliance clauses	113
H. Bribery	115
I. Brexit, COVID, war, sanctions and other intervening risks	116
I. Material adverse change (MAC) clauses	118
II. Price adjustment clauses	118
III. Specific risk clauses	119
Summary	122
 Appendix I: Bibliography and recommended literature	 123
 Appendix II: Statutes	 125
A. Law Reform (Frustrated Contracts) Act 1943	126
B. Misrepresentation Act 1967	128
C. Unfair Contract Terms Act 1977	130
D. Sale of Goods Act 1979	137
E. Supply of Goods and Services Act 1982	156
F. Uniform Commercial Code, Article 2 (US)	168
 Appendix III: Templates	 201
A. Confidentiality/Non-Disclosure Agreement	202
B. Exclusivity (and Lock-Out) Agreement	206
C. Sales Agency Agreement	210
D. Master Agreement for Supply of Services	221
E. Terms and Conditions for the Provision of Services	227
F. Letter of Intent (English law)	233
G. Letter of Intent (United States)	234
H. International Distribution Agreement	236
I. MOU (Memorandum of Understanding) International Joint Venture	242
J. Licensing Agreement	245
K. Consultancy Agreement	253
L. Sale of Goods Agreement	257
M. Remote Work Agreement	263
N. Preliminary Software Development Agreement	267
O. Boilerplate Clauses	270
I. Assignment	270
II. Compliance (Export Controls)	270
III. Confidentiality	270
IV. Entire Agreement	271

V. Force Majeure (Version 1)	271
VI. Force Majeure (Version 2)	272
VII. Headings	273
VIII. Indemnity	273
IX. Liquidated Damages	273
X. Set-Off	274
XI. Severability	274
XII. Survival and Remedies	274
XIII. Term (and Termination)	274
XIV. Time is of the Essence	274
Appendix IV: General glossary of terminology	275

