

Advice on one-off contracts

Although you may have your own terms and conditions, perhaps both for sale and purchase, there may be an occasion where the contract is of such importance, or the customer is of such a size, that they insist on a more formal and detailed contract.

Sometimes these are written in plain English, but it is rare, and there are traps for the unwary.

Some of the areas that we see most frequently:

- Unlimited liability, or a very high limit of liability on the supplier.

- One-sided payment terms, including set-off and a right to withhold payment

- Transfer of ownership of all relevant intellectual property rights, and all subsequent changes/improvements to them

The wording of the clauses can be tortuous, and even when it does seem to be in plain English, English law and previous cases can conspire to change the meaning. We have advised clients on a number of occasions where they believed that they had protected their intellectual property rights, only to find that they would have given them all away.

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