

BREACH OF CONTRACT

5 There is a breach of contract when a party to a contract fails to perform his obligations under the contract. Examples of such breach are the failure to supply goods or perform a service as agreed. There are varying degrees of breach, depending on the terms of the contract and the importance of the terms to the core of the contract. A breach of contract does not automatically serve to discharge the contract. Each situation depends on the nature of the breach, but a breach of contract does give the innocent party a number of options to terminate the contract.

10 The breaches that give rise to such options are **express** or **implied repudiation**, where one party can repudiate the contract as a result of the party in breach failing to perform some terms of the contract. Repudiation before performance is due is known as **anticipatory breach**, where the contract is repudiated before performance is due. **Fundamental breach** is where the party in breach has committed a serious breach of a fundamental term or totally fails to perform the contract. The effect of a repudiatory breach is not always the ending of the contractual relationship. The innocent party does have a couple of choices: he may treat the contract **as discharged by frustration** and bring an action for damages for breach, or he may elect to treat the contract as valid, complete his side of the bargain and then sue for damages from the other party.

express	expresní, spěšný
implied	
repudiation	odmítnutí plnění závazku
anticipatory breach	porušení smlouvy před její splatností
fundamental breach	porušení závazku opravňující odstoupení od smlouvy
as discharged by frustration	