This chapter begins with a definition of ‘breach of contract’ and then outlines the circumstances in which a breach of contract gives to the innocent party a right to terminate further performance of the contract. These include breach of a condition and breach of an intermediate term where the consequences of the breach are sufficiently serious. The chapter also considers the problems that can arise in deciding the status of a term which has not been classified by the parties as a condition, a warranty, or an intermediate term. It examines termination clauses and the significance attached to the good faith of the party who is alleged to have repudiated the contract. The chapter includes a brief comparison of English law with the Vienna Convention on Contracts for the International Sale of Goods and with the Principles of European Contract Law, and also addresses the question of whether an innocent party is obligated to exercise its right to terminate further performance of the contract, and considers the loss of the right to terminate. It concludes with a discussion of the law of anticipatory breach of contract.
22. Breach of Contract and Termination