

## Table of Contents

|                                         |       |
|-----------------------------------------|-------|
| <b>Foreword</b> .....                   | V     |
| <b>How to use this Commentary</b> ..... | VII   |
| <b>List of Contributors</b> .....       | IX    |
| <b>Table of Cases</b> .....             | XIII  |
| <b>Abbreviations</b> .....              | XLVII |
| <b>Abbreviated bibliography</b> .....   | LIII  |
| <b>Status of the CISG</b> .....         | LVII  |

### Introduction to the CISG

|                                                                                        |    |
|----------------------------------------------------------------------------------------|----|
| I. General Remarks .....                                                               | 1  |
| II. Legislative History .....                                                          | 2  |
| 1. The search for an international sales law: driving forces and objectives .....      | 2  |
| 2. From the UNIDROIT Initiative to the Hague Uniform Laws .....                        | 2  |
| 3. The drafting process and the adoption of the CISG .....                             | 4  |
| III. Content and Legal Nature .....                                                    | 5  |
| 1. Legal nature of the CISG .....                                                      | 5  |
| 2. Structure and content at a glance .....                                             | 6  |
| 3. Main Principles .....                                                               | 7  |
| IV. The CISG's Global Reach and Grounds for Success .....                              | 8  |
| V. Impact on International and Regional Harmonization and National Modernization ..... | 10 |
| VI. Application in Practice .....                                                      | 13 |
| 1. The original scepticism .....                                                       | 13 |
| 2. Increasing role in practice .....                                                   | 14 |
| 3. Commodity Trade .....                                                               | 15 |
| VII. Advantages of the CISG .....                                                      | 16 |
| VIII. Working with the CISG .....                                                      | 16 |
| IX. Contract Drafting .....                                                            | 17 |
| X. Electronic Commerce .....                                                           | 18 |
| <b>Preamble</b> .....                                                                  | 19 |

### Part I. Sphere of application and general provisions

|                                               |    |
|-----------------------------------------------|----|
| <b>Chapter I. Sphere of Application</b> ..... | 21 |
| <b>Article 1</b> .....                        | 21 |
| I. Importance and Role of the Provision ..... | 22 |
| 1. General .....                              | 22 |
| a) Territorial scope .....                    | 23 |
| b) Subject matter – substantive scope .....   | 25 |
| c) Arbitration as a special case .....        | 25 |

## Table of Contents

|                                                                                          |    |
|------------------------------------------------------------------------------------------|----|
| 2. Drafting history .....                                                                | 27 |
| 3. Importance of provision .....                                                         | 27 |
| II. Detailed Commentary .....                                                            | 27 |
| 1. Sales contracts .....                                                                 | 27 |
| a) Contract of sale .....                                                                | 28 |
| b) Related contracts .....                                                               | 29 |
| 2. Goods .....                                                                           | 31 |
| 3. Internationality .....                                                                | 33 |
| a) Introductory remarks .....                                                            | 33 |
| b) Place of business .....                                                               | 33 |
| c) Agency .....                                                                          | 34 |
| 4. Automatic application if international sales contract .....                           | 35 |
| 5. Territorial application – Contracting States .....                                    | 36 |
| 6. Application by operation of conflict of laws .....                                    | 37 |
| III. Comparable Rules .....                                                              | 38 |
| <b>Article 2</b> .....                                                                   | 39 |
| I. Importance and Role of the Provision .....                                            | 39 |
| II. Detailed Commentary .....                                                            | 40 |
| 1. Consumer sales .....                                                                  | 40 |
| a) Goods bought for personal use .....                                                   | 41 |
| aa) General remarks .....                                                                | 41 |
| bb) Mixed-use of goods .....                                                             | 42 |
| b) Discernability .....                                                                  | 43 |
| c) Special issues in regard to EC Consumer Law .....                                     | 44 |
| 2. Sales by auction .....                                                                | 46 |
| a) Definition of auction .....                                                           | 46 |
| b) No exclusion of internet auctions .....                                               | 47 |
| 3. Sales on execution or otherwise by authority of law .....                             | 48 |
| 4. Sales of stocks, shares, investment securities, negotiable instruments or money ..... | 49 |
| 5. Sales of ships, vessels, hovercraft or aircraft .....                                 | 50 |
| 6. Sales of electricity .....                                                            | 51 |
| 7. Burden of proof .....                                                                 | 52 |
| III. Comparable Rules .....                                                              | 52 |
| <b>Article 3</b> .....                                                                   | 53 |
| I. Importance and Role of the Provision .....                                            | 53 |
| 1. General .....                                                                         | 53 |
| 2. Drafting history .....                                                                | 53 |
| II. Detailed Commentary .....                                                            | 54 |
| 1. Contracts for the sale of goods to be manufactured or produced .....                  | 54 |
| a) Substantial test .....                                                                | 55 |
| b) Substantial versus essential .....                                                    | 56 |
| c) Materials necessary .....                                                             | 56 |
| 2. Service Contracts .....                                                               | 57 |
| a) Preponderant .....                                                                    | 57 |
| b) The issue of severability .....                                                       | 59 |
| 3. Software .....                                                                        | 59 |
| 4. Burden of proof .....                                                                 | 60 |
| III. Comparable Rules .....                                                              | 61 |
| <b>Article 4</b> .....                                                                   | 62 |
| I. Importance and Role of the Provision .....                                            | 63 |
| 1. General .....                                                                         | 63 |
| 2. Drafting history .....                                                                | 64 |

## Table of Contents

|                                                                                   |     |
|-----------------------------------------------------------------------------------|-----|
| II. Detailed Commentary .....                                                     | 64  |
| 1. Matters explicitly governed by the Convention .....                            | 64  |
| a) Formation of sales contract .....                                              | 65  |
| b) Rights and obligations of the seller and the buyer .....                       | 65  |
| c) Other contracts excluded .....                                                 | 66  |
| 2. Matters explicitly excluded from the Convention .....                          | 67  |
| a) The validity of the contract or of any of its provisions or of any usage ..... | 68  |
| aa) Capacity and authority .....                                                  | 69  |
| bb) Formal validity .....                                                         | 70  |
| cc) Consideration and causa .....                                                 | 71  |
| dd) Mistake, fraud and concurrent remedies .....                                  | 71  |
| ee) Incorporation and validity of standard terms .....                            | 73  |
| ff) Validity of penalty clauses .....                                             | 74  |
| gg) Validity of usages .....                                                      | 76  |
| b) The effects on the property of the goods sold .....                            | 76  |
| 3. Other (non)contentious matters .....                                           | 76  |
| a) Limitation of actions .....                                                    | 76  |
| b) Procedural issues .....                                                        | 77  |
| c) Issues of jurisdiction and dispute resolution clauses .....                    | 78  |
| d) Burden of proof and standard of proof .....                                    | 79  |
| e) Set-off .....                                                                  | 82  |
| f) Recovery of attorneys' fees .....                                              | 84  |
| g) Interest rate on sums in arrears .....                                         | 85  |
| h) Other issues .....                                                             | 87  |
| III. Comparable Rules .....                                                       | 88  |
| <b>Article 5</b> .....                                                            | 89  |
| I. Importance and Role of the Provision .....                                     | 89  |
| 1. General .....                                                                  | 89  |
| 2. Drafting History .....                                                         | 90  |
| II. Detailed Commentary .....                                                     | 90  |
| 1. Death or personal injury caused by the goods .....                             | 90  |
| 2. Death or personal injury caused by other means .....                           | 91  |
| 3. Death or personal injury of third parties .....                                | 91  |
| a) Claims advanced by third parties .....                                         | 91  |
| b) Claims advanced by the buyer to be indemnified .....                           | 92  |
| 4. Liability for property damage .....                                            | 94  |
| 5. Concurrent remedies .....                                                      | 95  |
| III. Comparable Rules .....                                                       | 98  |
| <b>Article 6</b> .....                                                            | 99  |
| I. Importance and Role of the Provision .....                                     | 99  |
| 1. General .....                                                                  | 99  |
| 2. Drafting history .....                                                         | 100 |
| II. Detailed Commentary .....                                                     | 101 |
| 1. Party autonomy .....                                                           | 101 |
| a) Dispositive character of the CISG .....                                        | 101 |
| b) Conditions for the derogation or exclusion .....                               | 102 |
| 2. Methods of opting out .....                                                    | 102 |
| a) Choice of law methods .....                                                    | 102 |
| b) Contractual methods .....                                                      | 103 |
| 3. Derogation from or modification or exclusion of the CISG .....                 | 103 |
| a) Bases for derogation or modification or exclusion .....                        | 103 |
| aa) Implied .....                                                                 | 104 |
| bb) Express .....                                                                 | 106 |

## Table of Contents

|                                                                                       |         |
|---------------------------------------------------------------------------------------|---------|
| b) Derogation from the CISG .....                                                     | 107     |
| c) Modification of the CISG .....                                                     | 107     |
| 4. Opting in – agreements to apply the CISG .....                                     | 108     |
| III. Comparable Rules .....                                                           | 108     |
| <br><b>Chapter II. General Provisions</b> .....                                       | <br>111 |
| <b>Article 7</b> .....                                                                | 111     |
| I. Importance and Role of the Provision .....                                         | 112     |
| II. Detailed Commentary .....                                                         | 113     |
| 1. Interpretation of the Convention (Art. 7(1)) .....                                 | 113     |
| a) General remarks .....                                                              | 113     |
| b) Interpretative principles of the CISG .....                                        | 114     |
| aa) Internationality and uniformity .....                                             | 116     |
| bb) Irrelevance of precedent derived from domestic law .....                          | 117     |
| cc) Good faith .....                                                                  | 119     |
| c) Tools for the interpretation of the Convention .....                               | 125     |
| aa) Literal interpretation .....                                                      | 125     |
| bb) Legislative history .....                                                         | 126     |
| cc) The Preamble of the CISG .....                                                    | 127     |
| dd) Case law .....                                                                    | 128     |
| ee) Doctrine .....                                                                    | 130     |
| ff) Other tools .....                                                                 | 131     |
| 2. Gap-filling within the CISG (Art. 7.2) .....                                       | 132     |
| a) General remarks .....                                                              | 132     |
| b) Matters excluded from the CISG .....                                               | 133     |
| c) Internal gaps within the CISG .....                                                | 134     |
| aa) General Principles embodied in the CISG .....                                     | 136     |
| bb) General Principles external to the CISG: <i>Lex Mercatoria</i> and the PICC ..... | 139     |
| III. Comparable Rules .....                                                           | 140     |
| <br><b>Article 8</b> .....                                                            | <br>142 |
| I. Importance and Role of Provision .....                                             | 142     |
| 1. Introduction .....                                                                 | 142     |
| 2. Legislative history .....                                                          | 144     |
| II. Detailed Commentary .....                                                         | 145     |
| 1. First Paragraph .....                                                              | 145     |
| a) The statement .....                                                                | 145     |
| b) The meaning of “intent” .....                                                      | 147     |
| c) Objective and subjective intent .....                                              | 148     |
| 2. The second paragraph: The reasonable understanding .....                           | 149     |
| 3. The third paragraph .....                                                          | 150     |
| III. Comparable Rules .....                                                           | 152     |
| <br><b>Article 9</b> .....                                                            | <br>154 |
| I. Importance and Role of the Provision .....                                         | 154     |
| 1. Introduction .....                                                                 | 154     |
| 2. Art. 9 in the context of the CISG: Hierarchy of rules .....                        | 155     |
| 3. Validity .....                                                                     | 156     |
| II. Detailed Commentary .....                                                         | 157     |
| 1. Practices established between the parties: Art. 9(1) .....                         | 157     |
| a) Definition .....                                                                   | 157     |
| b) Requirements .....                                                                 | 158     |
| 2. Agreed usages (Art. 9(1)) .....                                                    | 159     |

## Table of Contents

|                                                                                                                                         |     |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----|
| 3. International usages of trade: Art. 9(2)                                                                                             | 160 |
| a) General remarks                                                                                                                      | 160 |
| b) Definition                                                                                                                           | 161 |
| c) Binding character of the usage                                                                                                       | 163 |
| d) Regional or local usages                                                                                                             | 165 |
| e) Letters of confirmation                                                                                                              | 166 |
| 4. Conflict between usages                                                                                                              | 169 |
| 5. Procedural aspects/burden of proof                                                                                                   | 169 |
| 6. Extended application of Art. 9                                                                                                       | 170 |
| 7. CISG and other instruments as usages of trade                                                                                        | 171 |
| III. Comparable Rules                                                                                                                   | 173 |
| <b>Article 10</b>                                                                                                                       | 174 |
| I. Importance and Role of the Provision                                                                                                 | 174 |
| II. Detailed Commentary                                                                                                                 | 175 |
| 1. Autonomous versus domestic meaning of “place of business”                                                                            | 175 |
| 2. Essential elements of the term “place of business”                                                                                   | 176 |
| a) Permanence or stability                                                                                                              | 177 |
| b) Ability to conduct business autonomously or independently                                                                            | 178 |
| 3. Place of business that has the “closest relationship to the contract and its performance”                                            | 179 |
| 4. Crucial factors for the determination of “the place of business that has the closest to the contract relationship”                   | 181 |
| 5. “Having regard to the circumstances known to or contemplated by the parties at any time before or at the conclusion of the contract” | 182 |
| 6. Art. 10(b)                                                                                                                           | 183 |
| III. Comparable Rules                                                                                                                   | 183 |
| <b>Article 11</b>                                                                                                                       | 184 |
| I. Importance and Role of the Provision                                                                                                 | 184 |
| II. Detailed Commentary                                                                                                                 | 185 |
| 1. Freedom of form                                                                                                                      | 185 |
| a) Meaning of the provision                                                                                                             | 185 |
| b) Form and agreements outside the CISG                                                                                                 | 187 |
| 2. Freedom of evidence                                                                                                                  | 189 |
| a) Meaning of the provision                                                                                                             | 189 |
| b) Means of evidence                                                                                                                    | 190 |
| c) Evaluation of the evidence                                                                                                           | 191 |
| 3. Agreement of the parties requiring writing or evidence in writing                                                                    | 191 |
| 4. Electronic form and evidence                                                                                                         | 192 |
| III. Comparable Rules                                                                                                                   | 192 |
| <b>Article 12</b>                                                                                                                       | 194 |
| I. Importance and Role of the Provision                                                                                                 | 194 |
| 1. Introduction                                                                                                                         | 194 |
| 2. Drafting history                                                                                                                     | 194 |
| II. Detailed Commentary                                                                                                                 | 195 |
| 1. Scope of Art. 12                                                                                                                     | 195 |
| 2. Art. 96 reservation                                                                                                                  | 196 |
| III. Comparable Rules                                                                                                                   | 199 |
| <b>Article 13</b>                                                                                                                       | 200 |
| I. Importance and Role of the Provision                                                                                                 | 200 |
| II. Detailed Commentary                                                                                                                 | 200 |
| 1. Scope of Art. 13                                                                                                                     | 200 |

## Table of Contents

|                                                                                            |     |
|--------------------------------------------------------------------------------------------|-----|
| 2. Expansive interpretation of Art. 13: fax and electronic means .....                     | 201 |
| 3. Interpretation of Art. 13 in light of other international uniform law instruments ..... | 203 |
| III. Comparable Rules .....                                                                | 204 |

## Part II. Formation of the Contract

|                                                                                                                                                    |            |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Introductory Remarks to Articles 14–24 .....</b>                                                                                                | <b>207</b> |
| I. Sphere of application and possibility of reservation according to Article 92 .....                                                              | 207        |
| 1. Possibility of Reservation. ....                                                                                                                | 207        |
| 2. Temporal sphere of application .....                                                                                                            | 209        |
| II. Scope of application .....                                                                                                                     | 209        |
| 1. Introduction .....                                                                                                                              | 209        |
| 2. Standard Contract Terms .....                                                                                                                   | 211        |
| 3. Other modes of contract conclusion .....                                                                                                        | 212        |
| 4. Commercial letter of confirmation .....                                                                                                         | 213        |
| III. Exclusion of Part II .....                                                                                                                    | 214        |
| <b>Article 14 .....</b>                                                                                                                            | <b>216</b> |
| I. Importance and Role of the Provision .....                                                                                                      | 217        |
| II. Detailed Commentary .....                                                                                                                      | 219        |
| 1. Proposal addressed to specific persons; invitation to make an offer .....                                                                       | 219        |
| 2. Intention to be bound .....                                                                                                                     | 221        |
| 3. The specificity requirement .....                                                                                                               | 224        |
| a) Preface .....                                                                                                                                   | 224        |
| b) Indication of the goods .....                                                                                                                   | 225        |
| c) Indication of the quantity .....                                                                                                                | 226        |
| d) Indication of the purchase price .....                                                                                                          | 227        |
| 4. The requirement of indication of the purchase price and price determination absent such indication .....                                        | 229        |
| 5. Offer containing a clause excluding Part II .....                                                                                               | 232        |
| 6. Incorporation of standard contract terms .....                                                                                                  | 232        |
| III. Comparable Rules .....                                                                                                                        | 235        |
| <b>Article 15 .....</b>                                                                                                                            | <b>237</b> |
| I. Importance and Role of the Provision .....                                                                                                      | 237        |
| II. Detailed Commentary .....                                                                                                                      | 240        |
| 1. Withdrawal .....                                                                                                                                | 240        |
| 2. Death, insolvency and lack of legal capacity of the offeror .....                                                                               | 243        |
| III. Comparable Rules .....                                                                                                                        | 244        |
| <b>Article 16 .....</b>                                                                                                                            | <b>245</b> |
| I. Importance and Role of the Provision .....                                                                                                      | 245        |
| II. Detailed commentary .....                                                                                                                      | 247        |
| 1. Revocation (para. 1) .....                                                                                                                      | 247        |
| 2. The end of the offeror's right to revoke .....                                                                                                  | 248        |
| 3. The Irrevocability of the offer (para. 2) as per the offer itself .....                                                                         | 250        |
| 4. Irrevocability of the offer (para. 2) due to the offeree's justified reliance and the prohibition of <i>venire contra factum proprium</i> ..... | 253        |
| 5. Damages in case of revocation .....                                                                                                             | 255        |
| III. Comparable Rules .....                                                                                                                        | 255        |

## Table of Contents

|                                                                                           |     |
|-------------------------------------------------------------------------------------------|-----|
| <b>Article 17</b> .....                                                                   | 257 |
| I. Importance and Role of the Provision .....                                             | 257 |
| II. Detailed Commentary .....                                                             | 258 |
| 1. Rejection .....                                                                        | 258 |
| 2. Legal effects of the rejection .....                                                   | 260 |
| III. Comparable Rules .....                                                               | 261 |
| <b>Article 18</b> .....                                                                   | 262 |
| I. Importance and Role of the Provision .....                                             | 263 |
| II. Detailed Commentary .....                                                             | 265 |
| 1. Acceptance by express declaration, acceptance by conduct, silence and inactivity ..... | 265 |
| a) Acceptance by express declaration and acceptance by conduct .....                      | 265 |
| b) Silence and inactivity .....                                                           | 267 |
| 2. Effectiveness of the declaration of acceptance .....                                   | 269 |
| a) The principle that acceptance must reach the offeror .....                             | 269 |
| b) Acceptance without an indication reaching the offeror .....                            | 270 |
| 3. Time for acceptance (para. 2) .....                                                    | 273 |
| a) Fixed time for acceptance .....                                                        | 273 |
| b) Reasonable term of acceptance .....                                                    | 274 |
| c) Immediate acceptance of an oral offer .....                                            | 276 |
| 4. Burden of proof .....                                                                  | 277 |
| III. Comparable Rules .....                                                               | 277 |
| <b>Article 19</b> .....                                                                   | 279 |
| I. Importance and Role of the Provision .....                                             | 280 |
| II. Detailed commentary .....                                                             | 282 |
| 1. Reply containing additions or different terms .....                                    | 282 |
| a) Additions, limitations or other modifications .....                                    | 282 |
| b) Material alterations .....                                                             | 283 |
| c) Immaterial alterations .....                                                           | 285 |
| d) "Battle of forms" and commercial letter of confirmation .....                          | 287 |
| e) Legal consequences of material and immaterial modifications .....                      | 291 |
| 2. Objection .....                                                                        | 292 |
| a) Preface .....                                                                          | 292 |
| b) Timeliness and consequences of an objection .....                                      | 293 |
| 3. Burden of proof .....                                                                  | 294 |
| III. Comparable Rules .....                                                               | 294 |
| <b>Article 20</b> .....                                                                   | 296 |
| I. Importance and Role of the Provision .....                                             | 296 |
| II. Detailed Commentary .....                                                             | 297 |
| 1. Beginning of the period for acceptance (para. 1) .....                                 | 297 |
| 2. Calculation and expiry of the period of time (para. 2) .....                           | 299 |
| 3. The rule in Art. 20(2) as general principle upon which the CISG is based .....         | 301 |
| III. Comparable Rules .....                                                               | 301 |
| <b>Article 21</b> .....                                                                   | 303 |
| I. Importance and Role of the Provision .....                                             | 303 |
| II. Detailed Commentary .....                                                             | 304 |
| 1. Late acceptance and approval by the offeror .....                                      | 304 |
| a) Scope of Art. 21(1) and the approval of a late acceptance .....                        | 304 |
| b) Effects of the approval .....                                                          | 307 |

## Table of Contents

|                                                              |     |
|--------------------------------------------------------------|-----|
| 2. Lateness due to delays in transmission (Art. 21(2)) ..... | 307 |
| a) Discernible delay in transmission .....                   | 307 |
| b) Effects of the offeror's protest .....                    | 310 |
| 3. Opportunity for speculation .....                         | 311 |
| 4. Burden of proof .....                                     | 311 |
| III. Comparable Rules .....                                  | 312 |
| <b>Article 22</b> .....                                      | 314 |
| I. Importance and Role of the Provision .....                | 314 |
| II. Detailed Commentary .....                                | 315 |
| 1. Withdrawal .....                                          | 315 |
| 2. Effects of a withdrawal .....                             | 317 |
| III. Comparable Rules .....                                  | 318 |
| <b>Article 23</b> .....                                      | 319 |
| I. Importance and Role of the Provision .....                | 319 |
| II. Detailed commentary .....                                | 320 |
| 1. Time of contract conclusion .....                         | 320 |
| 2. Place of contract conclusion .....                        | 321 |
| III. Comparable Rules .....                                  | 322 |
| <b>Article 24</b> .....                                      | 323 |
| I. Importance and Role of the Provision .....                | 323 |
| II. Detailed Commentary .....                                | 325 |
| 1. "Oral" declarations .....                                 | 325 |
| 2. Declarations by "other means" .....                       | 327 |
| 3. Preventing declarations from reaching the addressee ..... | 330 |
| 4. Burden of proof .....                                     | 331 |
| III. Comparable Rules .....                                  | 331 |

## Part III. Sale of Goods

|                                                                            |     |
|----------------------------------------------------------------------------|-----|
| <b>Chapter I. General Provisions</b> .....                                 | 333 |
| <b>Article 25</b> .....                                                    | 333 |
| I. Importance and Role of the Provision .....                              | 334 |
| II. Detailed Commentary .....                                              | 334 |
| 1. Departure from domestic laws .....                                      | 335 |
| 2. Requirements for fundamental breach .....                               | 337 |
| a) Detriment to the other party resulting in substantial deprivation ..... | 337 |
| b) Foreseeability .....                                                    | 340 |
| 3. Examples of fundamental breach .....                                    | 342 |
| a) Non-performance and anticipatory repudiation .....                      | 342 |
| b) Late performance .....                                                  | 343 |
| c) Deficient goods .....                                                   | 344 |
| d) Ancillary contractual obligations .....                                 | 346 |
| e) Documentary transactions .....                                          | 347 |
| f) Relationship to ability to cure .....                                   | 348 |
| III. Comparable Rules .....                                                | 349 |

## Table of Contents

|                                                                                                |     |
|------------------------------------------------------------------------------------------------|-----|
| <b>Article 26</b> .....                                                                        | 352 |
| I. Importance and Role of the Provision .....                                                  | 352 |
| II. Detailed Commentary .....                                                                  | 353 |
| 1. Form of notice .....                                                                        | 353 |
| 2. The possibility of implicit notice .....                                                    | 355 |
| 3. Time period for notice to be given .....                                                    | 357 |
| 4. Risk of non-delivery of notice .....                                                        | 358 |
| III. Comparable Rules .....                                                                    | 358 |
| <b>Article 27</b> .....                                                                        | 360 |
| I. Importance and Role of the Provision .....                                                  | 360 |
| II. Detailed Commentary .....                                                                  | 361 |
| 1. Dispatch rule and allocation of risk .....                                                  | 361 |
| 2. Effect of dispatch of notice .....                                                          | 362 |
| 3. Proof of dispatch .....                                                                     | 364 |
| 4. Applicability to telephonic communications .....                                            | 365 |
| 5. Applicability to email communications .....                                                 | 365 |
| 6. Derogating from Art. 27 .....                                                               | 366 |
| a) Derogation in the CISG .....                                                                | 366 |
| b) Derogation by usage .....                                                                   | 366 |
| c) Derogation by the terms of the contract .....                                               | 366 |
| 7. Appropriateness of the means of communication .....                                         | 367 |
| III. Comparable Rules .....                                                                    | 368 |
| <b>Article 28</b> .....                                                                        | 370 |
| I. Importance and Role of the Provision .....                                                  | 370 |
| II. Detailed Commentary .....                                                                  | 372 |
| 1. Specific performance under municipal law .....                                              | 372 |
| a) Civil law .....                                                                             | 372 |
| b) Common law .....                                                                            | 373 |
| 2. The provisions of the Convention .....                                                      | 375 |
| a) The court's "own law" .....                                                                 | 376 |
| b) Court versus tribunal .....                                                                 | 377 |
| c) The court "is not bound" to enter (or to refuse) a judgement for specific performance ..... | 377 |
| d) "Similar contracts of sale" .....                                                           | 378 |
| 3. Derogation from Art. 28 and party autonomy .....                                            | 379 |
| 4. Seller's right to require payment of the price .....                                        | 380 |
| III. Comparable Rules .....                                                                    | 380 |
| <b>Article 29</b> .....                                                                        | 382 |
| I. Importance and Role of the Provision .....                                                  | 382 |
| II. Detailed Commentary .....                                                                  | 383 |
| 1. Contract modification .....                                                                 | 383 |
| 2. The "pre-existing duty rule" at common law .....                                            | 386 |
| 3. No oral modification clauses .....                                                          | 387 |
| III. Comparable Rules .....                                                                    | 390 |
| <b>Chapter II. Obligations of the Seller</b> .....                                             | 391 |
| <b>Article 30</b> .....                                                                        | 391 |
| I. Importance and Role of the Provision .....                                                  | 392 |
| 1. Subject matter .....                                                                        | 392 |

## Table of Contents

|                                                                              |         |
|------------------------------------------------------------------------------|---------|
| 2. Primary obligations of the seller .....                                   | 392     |
| 3. National laws .....                                                       | 394     |
| 4. Vienna Conference .....                                                   | 394     |
| II. Detailed Commentary .....                                                | 394     |
| 1. Seller's obligation to deliver .....                                      | 394     |
| 2. Seller's obligation to transfer the property .....                        | 394     |
| a) Essential Function .....                                                  | 395     |
| b) Obligation to Transfer the Property .....                                 | 395     |
| c) The transfer of property .....                                            | 397     |
| 3. Seller's obligation to hand over documents .....                          | 398     |
| 4. Party autonomy .....                                                      | 398     |
| III. Comparable Rules .....                                                  | 400     |
| 1. Incoterms .....                                                           | 400     |
| a) Structure of the Incoterms .....                                          | 400     |
| aa) E-group .....                                                            | 401     |
| bb) F-group .....                                                            | 401     |
| cc) C-group .....                                                            | 401     |
| dd) D-group .....                                                            | 402     |
| b) Legal nature of the Incoterms .....                                       | 403     |
| c) The rules of interpretation of the Incoterms .....                        | 405     |
| 2. PICC and PECL .....                                                       | 406     |
| 3. DCFR .....                                                                | 406     |
| <br><b>Section I. Delivery the goods and handing over of documents</b> ..... | <br>408 |
| <b>Article 31</b> .....                                                      | 408     |
| I. Importance and Role of the Provision .....                                | 409     |
| 1. Subject matter .....                                                      | 409     |
| 2. Breach of contract .....                                                  | 410     |
| 3. Further context .....                                                     | 410     |
| 4. National laws .....                                                       | 410     |
| 5. Vienna Conference .....                                                   | 410     |
| II. Detailed Commentary .....                                                | 411     |
| 1. Obligation to deliver .....                                               | 411     |
| 2. Sales involving carriage of the goods .....                               | 411     |
| 3. Kinds of acts of delivery .....                                           | 415     |
| a) Party autonomy .....                                                      | 415     |
| b) Handing over the goods to a carrier .....                                 | 416     |
| c) Placing the goods at disposal .....                                       | 418     |
| d) Not handing over to the buyer .....                                       | 419     |
| e) Goods delivered .....                                                     | 420     |
| 4. Place of delivery .....                                                   | 421     |
| a) Party autonomy .....                                                      | 421     |
| b) Default rule .....                                                        | 423     |
| c) Allocation of responsibilities .....                                      | 424     |
| 5. Further obligations of the seller .....                                   | 426     |
| a) Application of the CISG .....                                             | 426     |
| b) Typical further obligations .....                                         | 427     |
| aa) Packaging of the goods .....                                             | 427     |
| bb) Costs of delivery .....                                                  | 428     |
| cc) Clearance of the goods .....                                             | 428     |
| dd) Invoice .....                                                            | 430     |
| c) Further obligations stipulated .....                                      | 431     |
| III. Comparable Rules .....                                                  | 431     |
| 1. Incoterms .....                                                           | 431     |
| a) Contracts involving carriage of the goods .....                           | 431     |

## Table of Contents

|                                                          |            |
|----------------------------------------------------------|------------|
| b) Kinds of acts of delivery .....                       | 433        |
| c) Place of delivery .....                               | 434        |
| d) Packaging of the goods .....                          | 435        |
| e) Costs of delivery .....                               | 436        |
| f) Export/import clearance of the goods .....            | 437        |
| g) Customs clearance of the goods .....                  | 438        |
| 2. PICC and PECL .....                                   | 438        |
| 3. DCFR .....                                            | 439        |
| <b>Article 32 .....</b>                                  | <b>442</b> |
| I. Importance and Role of the Provision .....            | 442        |
| 1. Subject matter .....                                  | 442        |
| 2. Breach of contract .....                              | 443        |
| 3. Further context .....                                 | 444        |
| 4. National laws .....                                   | 444        |
| 5. Vienna Conference .....                               | 444        |
| II. Detailed Commentary .....                            | 444        |
| 1. Notice of consignment .....                           | 444        |
| 2. Carriage of the goods .....                           | 447        |
| a) Seller's obligation to arrange for carriage .....     | 447        |
| b) Contract ensuring carriage .....                      | 449        |
| 3. Information regarding insurance .....                 | 450        |
| III. Comparable rules .....                              | 452        |
| 1. Incoterms .....                                       | 452        |
| a) Obligation to give notices .....                      | 452        |
| b) Carriage of the goods .....                           | 453        |
| c) Obligations regarding insurance .....                 | 455        |
| 2. PICC and PECL .....                                   | 455        |
| 3. DCFR .....                                            | 456        |
| <b>Article 33 .....</b>                                  | <b>457</b> |
| I. Importance and Role of the Provision .....            | 457        |
| 1. Subject matter .....                                  | 457        |
| 2. Breach of contract .....                              | 458        |
| 3. Further context .....                                 | 459        |
| 4. National laws .....                                   | 460        |
| 5. Vienna Conference .....                               | 460        |
| II. Detailed Commentary .....                            | 460        |
| 1. Party autonomy .....                                  | 460        |
| 2. Time for delivery .....                               | 461        |
| 3. Art. 33(a), (b) and (c) .....                         | 462        |
| a) Art. 33(a) .....                                      | 462        |
| b) Art. 33(b) .....                                      | 464        |
| aa) Seller's right to choose the date for delivery ..... | 465        |
| bb) Buyer's right to choose the date for delivery .....  | 465        |
| c) Art. 33(c) .....                                      | 467        |
| d) Non-workdays .....                                    | 468        |
| 4. Part-deliveries .....                                 | 469        |
| III. Comparable Rules .....                              | 469        |
| 1. Incoterms .....                                       | 469        |
| 2. PICC and PECL .....                                   | 471        |
| 3. DCFR .....                                            | 471        |
| <b>Article 34 .....</b>                                  | <b>473</b> |
| I. Importance and Role of the Provision .....            | 473        |
| 1. Subject matter .....                                  | 473        |

## Table of Contents

|                                                                                              |            |
|----------------------------------------------------------------------------------------------|------------|
| 2. Breach of contract .....                                                                  | 474        |
| 3. Further context .....                                                                     | 474        |
| 4. National laws .....                                                                       | 475        |
| 5. Vienna Conference .....                                                                   | 475        |
| II. Detailed Commentary .....                                                                | 475        |
| 1. Handing over of documents .....                                                           | 475        |
| a) Obligation of the seller .....                                                            | 475        |
| b) Documents governed by Art. 34 .....                                                       | 476        |
| c) Place, time and form of handing over .....                                                | 477        |
| 2. Right to cure .....                                                                       | 479        |
| III. Comparable Rules .....                                                                  | 481        |
| 1. Incoterms .....                                                                           | 481        |
| 2. PICC and PECL .....                                                                       | 483        |
| 3. DCFR .....                                                                                | 483        |
| <b>Section II. Conformity of the goods and third party claims .....</b>                      | <b>484</b> |
| <b>Introductory Remarks to Articles 35–44 .....</b>                                          | <b>484</b> |
| I. Importance of Section II in Practice .....                                                | 484        |
| II. Structure of Section II .....                                                            | 484        |
| III. Differences Between the Liability Regimes for Non-conformity and Defects in Title ..... | 485        |
| IV. Differences in the Remedial Systems for Other Breaches .....                             | 485        |
| V. Relationship to the national remedies .....                                               | 486        |
| <b>Article 35 .....</b>                                                                      | <b>487</b> |
| I. Importance and Role of Provision .....                                                    | 489        |
| 1. Overview on the content .....                                                             | 489        |
| 2. History .....                                                                             | 490        |
| 3. Terminology .....                                                                         | 490        |
| 4. Art. 35 as part of the CISG's liability regime for non-conformity .....                   | 491        |
| II. Detailed Commentary .....                                                                | 491        |
| 1. The concept of non-conformity .....                                                       | 491        |
| a) General remarks .....                                                                     | 491        |
| b) Lack of any materiality requirement concerning the discrepancy .....                      | 493        |
| c) Discrepancies in quantity .....                                                           | 494        |
| d) Discrepancies in quality .....                                                            | 495        |
| e) Discrepancies in description .....                                                        | 496        |
| f) Discrepancies in containers and packaging .....                                           | 498        |
| 2. Art. 35(1) .....                                                                          | 498        |
| a) Determining the relevant standard under Art. 35(1) .....                                  | 498        |
| b) Implicit agreements .....                                                                 | 501        |
| c) Practices and usages .....                                                                | 503        |
| d) Limitations .....                                                                         | 503        |
| e) Sale of used goods .....                                                                  | 503        |
| f) Subsequent amendment .....                                                                | 504        |
| 3. Art. 35(2) .....                                                                          | 505        |
| a) General remarks .....                                                                     | 505        |
| b) Fit for ordinary purpose: Art. 35(2)(a) .....                                             | 506        |
| aa) General remarks .....                                                                    | 506        |
| bb) The notion of “ordinary purpose” .....                                                   | 507        |
| cc) Relationship to the standards of average and merchantable quality .....                  | 508        |
| dd) Differing standards and public law provisions .....                                      | 510        |
| ee) Application of the standard in practice .....                                            | 515        |
| c) Fit for a particular purpose stated by the buyer: Art. 35(2)(b) .....                     | 518        |
| aa) General Remarks .....                                                                    | 518        |

## Table of Contents

|                                                                                             |     |
|---------------------------------------------------------------------------------------------|-----|
| bb) Information about purpose .....                                                         | 518 |
| cc) Reliance on the seller's skill and knowledge .....                                      | 521 |
| d) In conformity with sample or model: Art. 35(2)(c) .....                                  | 522 |
| aa) General remarks .....                                                                   | 522 |
| bb) The required characteristics .....                                                      | 523 |
| cc) Samples provided by the buyer .....                                                     | 524 |
| e) Contained or packaged in the usual or adequate manner: Art. 35(2)(d) .....               | 524 |
| aa) The accessory duty of packing .....                                                     | 524 |
| bb) "Usual manner" .....                                                                    | 525 |
| cc) "Adequate manner" .....                                                                 | 525 |
| dd) Damages limited to packaging .....                                                      | 526 |
| ee) Extent of the duty to packaging and costs associated with it .....                      | 526 |
| 4. Art. 35(3) .....                                                                         | 527 |
| a) Rationale and scope of the exclusion .....                                               | 527 |
| b) Extension to breaches of Art. 35(1)? .....                                               | 528 |
| c) Buyer's actual or presumed knowledge .....                                               | 529 |
| d) Seller acting in bad faith .....                                                         | 530 |
| 5. Exclusion of express and implied obligations as to conformity .....                      | 530 |
| 6. Burden of Proof .....                                                                    | 532 |
| a) General rule .....                                                                       | 532 |
| b) Allocation of the burden of proof in practice: Overview on the different positions ..... | 534 |
| c) Suggested approach .....                                                                 | 535 |
| d) Burden of proof concerning specific facts .....                                          | 538 |
| aa) Art. 35(1) .....                                                                        | 538 |
| bb) Art. 35(2)(a) – Fitness for ordinary purpose .....                                      | 538 |
| cc) Art. 35(2)(b) – Fitness for a particular purpose .....                                  | 538 |
| dd) Art. 35(2)(c) – Sale by sample or model .....                                           | 539 |
| ee) Exclusion of liability .....                                                            | 539 |
| e) Discharging the burden of proof: relevance of certificates confirming conformity .....   | 539 |
| 7. Relationship to the non-contractual remedies under national law .....                    | 540 |
| III. Comparable Rules .....                                                                 | 542 |
| <b>Article 36</b> .....                                                                     | 543 |
| I. Importance and Role of the Provision .....                                               | 543 |
| II. Detailed Commentary .....                                                               | 544 |
| 1. Art. 36(1) .....                                                                         | 544 |
| 2. Art. 36(2) .....                                                                         | 545 |
| a) Breach of an obligation .....                                                            | 545 |
| b) Guarantee .....                                                                          | 546 |
| 3. Burden of proof .....                                                                    | 547 |
| III. Comparable Rules .....                                                                 | 549 |
| <b>Article 37</b> .....                                                                     | 550 |
| I. Importance and Role of the Provision .....                                               | 550 |
| II. Detailed Commentary .....                                                               | 551 |
| 1. Prerequisites for the right to cure under Art. 37 .....                                  | 551 |
| a) Delivery before the date for delivery .....                                              | 551 |
| b) Non-conformity of the goods in the sense of Arts 35, 41, 42 .....                        | 552 |
| c) Cure before the agreed date of delivery .....                                            | 553 |
| d) Exclusion of the right to cure causing unreasonable inconveniences or expenses ....      | 553 |
| 2. Means of cure .....                                                                      | 554 |
| 3. Legal consequences .....                                                                 | 555 |
| a) Exclusion of remedies for non-conformity under Art. 45(1)(a) .....                       | 555 |
| b) Claims for damages .....                                                                 | 556 |
| 4. Burden of proof .....                                                                    | 556 |
| III. Comparable Rules .....                                                                 | 556 |

## Table of Contents

|                                                                              |     |
|------------------------------------------------------------------------------|-----|
| <b>Article 38</b>                                                            | 557 |
| I. Importance and Role of the Provision                                      | 558 |
| 1. Content                                                                   | 558 |
| 2. Purpose of the duty to examine                                            | 559 |
| 3. Art. 38 as part of the CISG's notification regime                         | 559 |
| 4. History of the provision and its character                                | 560 |
| II. Detailed Commentary                                                      | 561 |
| 1. General remarks                                                           | 561 |
| 2. Prevailing contractual agreements, practices and usages                   | 562 |
| a) Contractual regulations of the examination                                | 562 |
| b) Practices and usages                                                      | 563 |
| 3. Scope of the examination duty                                             | 564 |
| 4. Extent of the examination duty                                            | 566 |
| a) The applicable contractual and legal standards                            | 566 |
| b) Relevant objective and subjective factors                                 | 567 |
| aa) Factors connected to the goods                                           | 567 |
| bb) Parties' relationship and expectations                                   | 568 |
| cc) Subjective factors of the buyer                                          | 568 |
| c) Examinations required pursuant to the standard                            | 569 |
| aa) Basic visual examinations                                                | 569 |
| bb) Additional examination duties                                            | 571 |
| cc) Hidden or latent defects                                                 | 572 |
| dd) Bulk sales                                                               | 573 |
| ee) Use of third parties                                                     | 574 |
| 5. Place of examination                                                      | 574 |
| 6. Time period for examination                                               | 575 |
| a) General                                                                   | 575 |
| b) Length of the period: "as short a time as practical in the circumstances" | 576 |
| aa) The general standard                                                     | 576 |
| bb) Relevant factors in practice                                             | 578 |
| c) Starting point for the period for examination pursuant to Art. 38(1)      | 582 |
| aa) Conforming Delivery                                                      | 582 |
| bb) Pre-mature delivery/delivery at wrong place                              | 582 |
| cc) Additional duties                                                        | 583 |
| dd) Partial deliveries                                                       | 583 |
| ee) Hidden defects                                                           | 583 |
| 7. Examination in contract involving carriage: Art. 38(2)                    | 584 |
| 8. Art. 38(3)                                                                | 586 |
| a) Redirection and redispach                                                 | 586 |
| b) Awareness of the seller                                                   | 587 |
| c) Lack of a reasonable opportunity for examination                          | 588 |
| 9. Costs of the examination duty                                             | 589 |
| 10. Sanctions                                                                | 590 |
| 11. Waiver of the examination duty                                           | 591 |
| 12. Burden of proof                                                          | 592 |
| III. Comparable Provisions                                                   | 593 |
| <b>Article 39</b>                                                            | 594 |
| I. Importance and Role of the Provision                                      | 595 |
| 1. General                                                                   | 595 |
| 2. Drafting History                                                          | 595 |
| 3. Purpose of the notice requirement                                         | 596 |
| 4. Art. 39 as part of the CISG's examination and notification regime         | 597 |
| II. Detailed Commentary                                                      | 598 |
| 1. Introduction                                                              | 598 |
| 2. Prevailing contractual agreements, practices and usages                   | 599 |
| 3. Scope of Application                                                      | 600 |

## Table of Contents

|                                                                                     |     |
|-------------------------------------------------------------------------------------|-----|
| 4. Notice .....                                                                     | 601 |
| a) Form .....                                                                       | 601 |
| b) Content of the notice .....                                                      | 602 |
| aa) The notion of “notice” .....                                                    | 602 |
| bb) General considerations for the application of the specificity requirement ..... | 603 |
| cc) The standard as applied in practice .....                                       | 604 |
| dd) The seller’s good faith duty to enquire .....                                   | 607 |
| c) Addressee and transmission .....                                                 | 608 |
| d) Timing .....                                                                     | 609 |
| aa) Single period or two periods .....                                              | 609 |
| bb) Start of the notice period .....                                                | 610 |
| cc) The length of the notice period: the notion of “reasonableness” .....           | 613 |
| 5. The two years cut-off date in Art. 39 .....                                      | 617 |
| 6. Consequence of a failure to give notice .....                                    | 619 |
| 7. Exceptions .....                                                                 | 619 |
| 8. Waiver and exclusions of the right to invoke belated notice .....                | 620 |
| a) Explicit or implicit waivers .....                                               | 620 |
| b) Exclusion of the rights under good faith consideration .....                     | 622 |
| 9. Relationship with statutes of limitation .....                                   | 622 |
| 10. Acceptance of the goods as conforming .....                                     | 623 |
| 11. Burden of Proof .....                                                           | 624 |
| a) Dispatch of a proper notice .....                                                | 624 |
| b) Timeliness of notice .....                                                       | 625 |
| III. Comparable Rules .....                                                         | 625 |
| <b>Article 40</b> .....                                                             | 627 |
| I. Importance and Role of the Provision .....                                       | 627 |
| II. Detailed Commentary .....                                                       | 628 |
| 1. General remarks .....                                                            | 628 |
| 2. Prevailing contractual agreements, practices and usages .....                    | 628 |
| 3. Scope of application .....                                                       | 629 |
| 4. Seller’s actual or constructive knowledge .....                                  | 629 |
| a) Actual knowledge .....                                                           | 629 |
| b) Constructive knowledge .....                                                     | 630 |
| c) Instalment contracts .....                                                       | 631 |
| d) Timing of the knowledge .....                                                    | 632 |
| 5. Disclosure to the buyer .....                                                    | 632 |
| 6. Legal consequences and contractual modifications .....                           | 633 |
| 7. Burden of proof .....                                                            | 633 |
| III. Comparable Rules .....                                                         | 634 |
| <b>Article 41</b> .....                                                             | 635 |
| I. Importance and Role of the Provision .....                                       | 635 |
| II. Detailed Commentary .....                                                       | 636 |
| 1. General .....                                                                    | 636 |
| 2. Third party rights and claims .....                                              | 637 |
| a) Rights of third parties .....                                                    | 637 |
| b) Claims of third parties .....                                                    | 638 |
| c) Rights of the seller .....                                                       | 639 |
| d) Public law encumbrances .....                                                    | 640 |
| 3. Time of the defects in title .....                                               | 641 |
| 4. Exclusion of liability .....                                                     | 641 |
| a) The buyer’s consent exception .....                                              | 641 |
| b) Contractual restrictions of liability .....                                      | 643 |
| 5. Remedies for defects in title .....                                              | 643 |
| a) Performance: Art. 46 .....                                                       | 643 |

## Table of Contents

|                                                                                |     |
|--------------------------------------------------------------------------------|-----|
| b) Damages: Arts 74 <i>et seq.</i> .....                                       | 644 |
| c) Avoidance: Art. 49 .....                                                    | 644 |
| 6. Art. 41 and domestic rules providing for nullity of the contract .....      | 645 |
| 7. Burden of proof .....                                                       | 645 |
| III. Comparable Rules .....                                                    | 646 |
| <b>Article 42</b> .....                                                        | 647 |
| I. Importance and Role of the Provision .....                                  | 648 |
| II. Detailed Commentary .....                                                  | 649 |
| 1. General .....                                                               | 649 |
| 2. Third party rights and claims .....                                         | 650 |
| 3. Based on industrial property or other intellectual property .....           | 651 |
| 4. Territorial limitations .....                                               | 652 |
| a) State of contemplated use: Art. 42(1)(a) .....                              | 652 |
| b) Buyer's state: Art. 42(1)(b) .....                                          | 653 |
| c) Intellectual property rights or claims under the law of other states .....  | 654 |
| 5. Relevant time .....                                                         | 654 |
| 6. Seller's actual or constructive knowledge .....                             | 655 |
| a) Knowledge .....                                                             | 655 |
| b) Constructive knowledge: "could not have been unaware" .....                 | 655 |
| 7. Exceptions from liability under Art. 42(2) .....                            | 657 |
| a) Buyer's knowledge or culpable lack of knowledge .....                       | 657 |
| b) Compliance with technical specifications by the buyer .....                 | 658 |
| c) Remedies of the seller for infringing specifications from the buyer .....   | 659 |
| d) Other exemptions .....                                                      | 659 |
| 8. Remedies .....                                                              | 660 |
| 9. Burden of proof .....                                                       | 661 |
| III. Comparable Rules .....                                                    | 662 |
| <b>Article 43</b> .....                                                        | 663 |
| I. Importance and Role of the Provision .....                                  | 663 |
| II. Detailed Commentary .....                                                  | 664 |
| 1. General .....                                                               | 664 |
| 2. Notice .....                                                                | 665 |
| a) Content .....                                                               | 665 |
| b) Form, transmission and addressee of the notice .....                        | 665 |
| 3. Notice period .....                                                         | 665 |
| a) Start of the notice period: actual or constructive awareness .....          | 666 |
| b) Length of the notice period: reasonable time .....                          | 667 |
| c) Lack of cut-off time/statute of limitation .....                            | 668 |
| 4. Legal consequences of a failure to give notice .....                        | 668 |
| 5. Exclusion of reliance on a failure to give notice in time: Art. 43(2) ..... | 668 |
| 6. Burden of proof .....                                                       | 669 |
| III. Comparable Rules .....                                                    | 669 |
| <b>Article 44</b> .....                                                        | 670 |
| I. Importance and Role of the Provision .....                                  | 670 |
| II. Detailed Commentary .....                                                  | 671 |
| 1. General .....                                                               | 671 |
| 2. Scope of application .....                                                  | 672 |
| 3. Reasonable Excuse .....                                                     | 673 |
| a) The notion of "reasonable excuse" .....                                     | 673 |
| b) Seriousness of buyer's failure to meet the notice requirements .....        | 675 |
| c) Origin of the buyer and type of business .....                              | 676 |
| d) Subjective factors .....                                                    | 676 |

## Table of Contents

|                                                                                           |         |
|-------------------------------------------------------------------------------------------|---------|
| 4. Legal Consequences .....                                                               | 678     |
| a) Overview of available remedies .....                                                   | 678     |
| b) Price Reduction .....                                                                  | 678     |
| c) Damages .....                                                                          | 678     |
| d) Further limitations .....                                                              | 679     |
| 5. Burden of Proof .....                                                                  | 680     |
| III. Comparable Rules .....                                                               | 680     |
| <br><b>Section III. Remedies for breach of contract by the seller</b> .....               | <br>681 |
| <br><b>Article 45</b> .....                                                               | <br>681 |
| I. Importance and Role of the Provision .....                                             | 681     |
| II. Detailed Commentary .....                                                             | 682     |
| 1. System of remedies (para. 1) .....                                                     | 682     |
| a) Outline .....                                                                          | 682     |
| b) The remedies provided for in Art. 45(1) CISG .....                                     | 682     |
| aa) Performance .....                                                                     | 682     |
| bb) Avoidance .....                                                                       | 682     |
| cc) Reduction of the purchase price .....                                                 | 682     |
| dd) Damages .....                                                                         | 683     |
| ee) Right to suspend performance .....                                                    | 683     |
| c) Policy considerations .....                                                            | 683     |
| 2. Damages and other remedies (para. 2) .....                                             | 685     |
| 3. No period of grace (para. 3) .....                                                     | 685     |
| III. Comparable Rules .....                                                               | 685     |
| <br><b>Article 46</b> .....                                                               | <br>686 |
| I. Importance and Role of the Provision .....                                             | 687     |
| 1. Purpose .....                                                                          | 687     |
| 2. Outline .....                                                                          | 687     |
| 3. Distinction between Art. 46(1) and Art. 46(2), (3): the concept of non-conformity .... | 688     |
| a) Clear cases .....                                                                      | 688     |
| b) <i>Aliud</i> .....                                                                     | 688     |
| c) Third party rights .....                                                               | 688     |
| d) Partial delivery .....                                                                 | 689     |
| II. Detailed Commentary .....                                                             | 689     |
| 1. General claim for performance (Art. 46(1)) .....                                       | 689     |
| a) Purpose .....                                                                          | 689     |
| b) Requirements for the claim for performance (Art. 46(1)) .....                          | 689     |
| aa) Breach of contract .....                                                              | 689     |
| bb) Domestic law defence (Art. 28) .....                                                  | 690     |
| cc) Inconsistent remedy .....                                                             | 690     |
| dd) Impossibility and hardship .....                                                      | 691     |
| ee) Art. 80 .....                                                                         | 692     |
| ff) Declaration .....                                                                     | 693     |
| c) Consequences of the claim for performance .....                                        | 693     |
| d) Performance and other remedies .....                                                   | 693     |
| 2. Substitute delivery (Art. 46(2)) .....                                                 | 694     |
| a) Outline of the requirements .....                                                      | 694     |
| b) Fundamental breach .....                                                               | 694     |
| c) Request and time limit .....                                                           | 695     |
| d) Substitute delivery and sale of specific goods .....                                   | 696     |
| e) Consequences .....                                                                     | 696     |
| aa) Substitute delivery .....                                                             | 696     |
| bb) Costs and place of performance .....                                                  | 696     |

## Table of Contents

|                                                              |     |
|--------------------------------------------------------------|-----|
| cc) Choice between substitute delivery and repair .....      | 697 |
| dd) Defective substitute delivery .....                      | 698 |
| ee) Return of non-conforming goods .....                     | 698 |
| 3. Repair (Art. 46(3)) .....                                 | 698 |
| a) Outline of the requirements .....                         | 698 |
| b) Reasonableness .....                                      | 699 |
| c) Time limit .....                                          | 700 |
| d) Consequences .....                                        | 700 |
| aa) Repair .....                                             | 700 |
| bb) Costs and place of performance .....                     | 700 |
| cc) Choice between repair and substitute delivery .....      | 701 |
| 4. Burden of proof .....                                     | 701 |
| III. Comparable Rules .....                                  | 701 |
| <b>Article 47</b> .....                                      | 702 |
| I. Importance and Role of the Provision .....                | 702 |
| II. Detailed Commentary .....                                | 703 |
| 1. Requirements .....                                        | 703 |
| a) Non-performance .....                                     | 703 |
| b) Declaration fixing a <i>Nachfrist</i> .....               | 703 |
| c) Defined period of reasonable length .....                 | 704 |
| 2. Consequences .....                                        | 705 |
| a) Right to avoid the contract .....                         | 705 |
| b) Restriction of buyer's choice of remedies .....           | 705 |
| aa) Purpose of the rule .....                                | 705 |
| bb) Suspension of remedies .....                             | 705 |
| cc) End of suspension period .....                           | 707 |
| c) <i>Nachfrist</i> not effective under Art. 47 .....        | 708 |
| aa) Period too short .....                                   | 708 |
| bb) Period too long .....                                    | 709 |
| cc) Period not clearly defined .....                         | 709 |
| 3. Burden of proof .....                                     | 709 |
| III. Comparable Rules .....                                  | 710 |
| <b>Article 48</b> .....                                      | 711 |
| I. Importance and Role of the Provision .....                | 712 |
| II. Detailed Commentary .....                                | 712 |
| 1. Right to cure under Art. 48(1) .....                      | 712 |
| a) Seller's failure to perform .....                         | 712 |
| b) Cure after delivery .....                                 | 712 |
| c) Reasonable cure .....                                     | 713 |
| d) Seller required to give notice without undue delay? ..... | 714 |
| e) "Subject to" the buyer's right to avoid .....             | 714 |
| f) Effective cure .....                                      | 715 |
| g) Place of performance and costs .....                      | 715 |
| h) Consequences .....                                        | 716 |
| aa) General outline .....                                    | 716 |
| bb) Avoidance of the contract .....                          | 716 |
| cc) Reduction of the price .....                             | 716 |
| dd) Damages .....                                            | 716 |
| ee) Substitute delivery and repair .....                     | 717 |
| i) Buyer's refusal to accept cure .....                      | 717 |
| 2. Right to cure under Art. 48(2) .....                      | 717 |
| a) Outline .....                                             | 717 |
| b) Indication of performance by seller .....                 | 717 |
| c) No objection by buyer .....                               | 718 |

## Table of Contents

|                                                                                |     |
|--------------------------------------------------------------------------------|-----|
| d) Requirements of Art. 48(1) irrelevant .....                                 | 719 |
| e) Interaction with avoidance by the buyer .....                               | 719 |
| f) Consequences .....                                                          | 719 |
| aa) Before cure (Art. 48(1), (2)) .....                                        | 719 |
| bb) After cure .....                                                           | 720 |
| 3. Burden of proof .....                                                       | 720 |
| III. Comparable Rules .....                                                    | 721 |
| <b>Article 49</b> .....                                                        | 722 |
| I. Importance and Role of the Provision .....                                  | 723 |
| II. Detailed Commentary .....                                                  | 724 |
| 1. Outline of the requirements .....                                           | 724 |
| a) Seller's breach of contract .....                                           | 724 |
| b) Ground of avoidance .....                                                   | 724 |
| c) Declaration of avoidance .....                                              | 724 |
| d) Time limit .....                                                            | 724 |
| e) Possibility to make restitution of the goods .....                          | 724 |
| f) No defence under Art. 80 .....                                              | 725 |
| 2. Avoidance for fundamental breach (Art. 49(1)(a)) .....                      | 725 |
| a) Fundamental breach under Art. 25 .....                                      | 725 |
| b) Criteria for assessing the fundamental character of the breach .....        | 725 |
| aa) Contractual agreement .....                                                | 725 |
| bb) Seriousness of the breach .....                                            | 726 |
| cc) Seller's right to cure .....                                               | 726 |
| dd) Reasonable use test .....                                                  | 729 |
| c) Specific case scenarios .....                                               | 729 |
| aa) Delay in delivery .....                                                    | 729 |
| bb) Definite non-delivery .....                                                | 731 |
| cc) Delivery of non-conforming goods .....                                     | 731 |
| dd) Third party rights .....                                                   | 735 |
| ee) Documents .....                                                            | 735 |
| ff) Breach of ancillary obligations .....                                      | 736 |
| 3. Avoidance using the <i>Nachfrist</i> -procedure (Art. 49(1)(b)) .....       | 736 |
| a) Outline .....                                                               | 736 |
| b) Non-delivery .....                                                          | 737 |
| aa) Definition of non-delivery .....                                           | 737 |
| bb) Relevant point in time .....                                               | 738 |
| cc) Specific issues .....                                                      | 738 |
| c) Fruitless expiry of the additional period of time fixed under Art. 47 ..... | 739 |
| aa) Additional period of time under Art. 47 ( <i>Nachfrist</i> ) .....         | 739 |
| bb) Absence of delivery or refusal to deliver .....                            | 739 |
| 4. Declaration of avoidance and time limits .....                              | 740 |
| a) Need for a declaration of avoidance .....                                   | 740 |
| b) Time limits under Art. 49(2) .....                                          | 741 |
| aa) Delivery of the goods .....                                                | 741 |
| bb) Time limit in cases of late delivery (Art. 49(2)(a)) .....                 | 742 |
| cc) Time limit for other types of breach (Art. 49(2)(b)) .....                 | 742 |
| dd) Interrelation with statutes of limitation .....                            | 745 |
| 5. Burden of proof .....                                                       | 745 |
| 6. Effects of avoidance .....                                                  | 746 |
| a) Lawful avoidance .....                                                      | 746 |
| b) Unlawful avoidance .....                                                    | 746 |
| III. Comparable Rules .....                                                    | 747 |
| <b>Article 50</b> .....                                                        | 748 |
| I. Importance and Role of the Provision .....                                  | 749 |
| 1. History of the provision .....                                              | 749 |

## Table of Contents

|                                                                                               |     |
|-----------------------------------------------------------------------------------------------|-----|
| 2. Importance of the provision .....                                                          | 750 |
| 3. Nature of the remedy .....                                                                 | 751 |
| 4. Position in the system of remedies .....                                                   | 751 |
| II. Detailed Commentary .....                                                                 | 751 |
| 1. Requirements .....                                                                         | 751 |
| a) General .....                                                                              | 751 |
| b) Non-conforming goods .....                                                                 | 752 |
| aa) Defects in quality .....                                                                  | 752 |
| bb) Defects in title .....                                                                    | 752 |
| cc) Defects in quantity .....                                                                 | 754 |
| c) No cure of the defect by the seller .....                                                  | 755 |
| aa) Right to cure .....                                                                       | 755 |
| bb) Performance by the seller or refusal by the buyer .....                                   | 755 |
| cc) Legal consequences .....                                                                  | 756 |
| a) Declaration of price reduction .....                                                       | 756 |
| aa) Form and content .....                                                                    | 756 |
| bb) Effectiveness/Validity .....                                                              | 757 |
| cc) Irrevocability .....                                                                      | 757 |
| dd) No time limit .....                                                                       | 758 |
| 2. Legal consequences .....                                                                   | 758 |
| a) General .....                                                                              | 758 |
| b) Calculation .....                                                                          | 758 |
| aa) Formula .....                                                                             | 758 |
| bb) Relevant time .....                                                                       | 759 |
| cc) Relevant place .....                                                                      | 761 |
| dd) Price reduction to zero; goods without value .....                                        | 761 |
| c) Claim for restitution/repayment .....                                                      | 762 |
| aa) Legal basis .....                                                                         | 762 |
| bb) Currency .....                                                                            | 763 |
| cc) Place of performance .....                                                                | 763 |
| dd) Interest .....                                                                            | 763 |
| 3. Burden of proof .....                                                                      | 764 |
| 4. Interaction with other remedies .....                                                      | 765 |
| a) Effects of price reduction to other remedies .....                                         | 765 |
| b) Effects of other remedies to price reduction .....                                         | 766 |
| III. Comparable Rules .....                                                                   | 766 |
| <b>Article 51</b> .....                                                                       | 768 |
| I. Importance and Role of the Provision .....                                                 | 768 |
| 1. The general rule: narrowing the view under Art. 51(1) .....                                | 768 |
| 2. The exception: re-expanding the view under Art. 51(2) .....                                | 769 |
| 3. Application to instalment contracts .....                                                  | 769 |
| II. Detailed Commentary .....                                                                 | 771 |
| 1. Prerequisites .....                                                                        | 771 |
| a) Divisibility .....                                                                         | 771 |
| aa) General criteria .....                                                                    | 771 |
| bb) Examples .....                                                                            | 772 |
| b) Defects in title .....                                                                     | 773 |
| c) Violation of duties other than the delivery of goods .....                                 | 774 |
| 2. Legal consequences .....                                                                   | 774 |
| a) General and scope .....                                                                    | 774 |
| b) Buyer's remedies under Art. 51(1): specific performance, repair, substitute delivery ..... | 775 |
| aa) Cases of partial non-conformity .....                                                     | 775 |
| bb) Cases of partial non-delivery .....                                                       | 776 |
| cc) Analogous application of Art. 51(2)? .....                                                | 776 |
| c) Avoidance .....                                                                            | 777 |
| aa) Partial avoidance due to partial non-conformity .....                                     | 777 |

## Table of Contents

|                                                        |     |
|--------------------------------------------------------|-----|
| bb) Partial avoidance for partial non-delivery .....   | 778 |
| cc) Avoidance of the entire contract, Art. 51(2) ..... | 778 |
| d) Price reduction .....                               | 780 |
| aa) Partial non-conformity .....                       | 780 |
| bb) Partial non-delivery .....                         | 780 |
| e) Damages .....                                       | 780 |
| f) Rejection of delivery .....                         | 781 |
| 3. Burden of proof .....                               | 781 |
| III. Comparable Rules .....                            | 782 |
| <b>Article 52</b> .....                                | 783 |
| I. Importance and Role of the Provision .....          | 783 |
| II. Detailed Commentary .....                          | 784 |
| 1. Early delivery .....                                | 784 |
| a) Prerequisites .....                                 | 784 |
| b) Legal consequences .....                            | 785 |
| aa) Buyer's choice .....                               | 785 |
| bb) Effects of an acceptance .....                     | 786 |
| cc) Effects of a lawful rejection .....                | 787 |
| dd) Effects of an unlawful rejection .....             | 788 |
| c) Burden of proof .....                               | 788 |
| 2. Excessive delivery .....                            | 789 |
| a) Prerequisites .....                                 | 789 |
| aa) Excess quantity .....                              | 789 |
| bb) Analogous application to excess in quality? .....  | 790 |
| cc) Notice required under Art. 39? .....               | 791 |
| b) Legal Consequences .....                            | 792 |
| aa) Buyer's Choice .....                               | 792 |
| bb) Effects of an acceptance .....                     | 793 |
| cc) Effects of a lawful rejection .....                | 794 |
| dd) Effects of an unlawful rejection .....             | 794 |
| c) Burden of proof .....                               | 795 |
| III. Comparable Rules .....                            | 795 |
| 1. Early delivery .....                                | 795 |
| 2. Excessive delivery .....                            | 796 |
| <b>Chapter III. Obligations of the Buyer</b> .....     | 797 |
| <b>Article 53</b> .....                                | 797 |
| I. Importance and Role of the Provision .....          | 797 |
| II. Detailed Commentary .....                          | 798 |
| 1. Overview .....                                      | 798 |
| 2. Purchase price .....                                | 798 |
| 3. Payment arrangements .....                          | 799 |
| 4. Payment clauses .....                               | 800 |
| 5. Practical considerations .....                      | 802 |
| III. Comparable Rules .....                            | 802 |
| <b>Section I. Payment of the price</b> .....           | 803 |
| <b>Article 54</b> .....                                | 803 |
| I. Importance and Role of the Provision .....          | 803 |
| II. Detailed Commentary .....                          | 804 |
| 1. Scope of the duty .....                             | 804 |

## Table of Contents

|                                                                                        |     |
|----------------------------------------------------------------------------------------|-----|
| 2. Currency .....                                                                      | 806 |
| a) Determination of the currency .....                                                 | 806 |
| aa) CISG approach .....                                                                | 806 |
| bb) Private international law approach .....                                           | 807 |
| cc) Certainty of the purchase price .....                                              | 807 |
| b) Replacement of the currency .....                                                   | 807 |
| c) Election of the currency by the seller .....                                        | 808 |
| 3. The buyer's breach of his obligation(s) .....                                       | 809 |
| 4. Practical questions .....                                                           | 809 |
| III. Comparable Rules .....                                                            | 809 |
| <b>Article 55</b> .....                                                                | 811 |
| I. Importance and Role of the Provision .....                                          | 811 |
| II. Detailed Commentary .....                                                          | 812 |
| 1. When does it apply? .....                                                           | 812 |
| a) Missing determination of the purchase price .....                                   | 812 |
| b) Validity of the contract .....                                                      | 812 |
| 2. How does it apply? .....                                                            | 814 |
| 3. Burden of proof .....                                                               | 815 |
| III. Comparable Rules .....                                                            | 816 |
| <b>Article 56</b> .....                                                                | 817 |
| I. Importance and Role of the Provision .....                                          | 817 |
| II. Detailed Commentary .....                                                          | 817 |
| III. Comparable Rules .....                                                            | 818 |
| <b>Article 57</b> .....                                                                | 819 |
| I. Importance and Role of the Provision .....                                          | 819 |
| II. Detailed Commentary .....                                                          | 821 |
| 1. Overview .....                                                                      | 821 |
| 2. Party agreement (Art. 57(1) first sentence) .....                                   | 821 |
| 3. Payment at the seller's place of business (Art 57(1)(a), (2)) .....                 | 822 |
| a) General application .....                                                           | 822 |
| b) Payment at the seller's place of business .....                                     | 823 |
| c) Change in the place of payment .....                                                | 824 |
| d) Means of payment .....                                                              | 824 |
| 4. Payment against the handing over of the goods or of documents (Art. 57(1)(b)) ..... | 825 |
| a) Sale not involving carriage of the goods to the buyer .....                         | 825 |
| b) Sale of goods from storage .....                                                    | 825 |
| c) Sale of goods involving the carriage of goods to the buyer .....                    | 826 |
| d) Sale of goods in transit .....                                                      | 827 |
| e) Payment against documents .....                                                     | 827 |
| 5. Place of payment of monetary claims other than the purchase price .....             | 828 |
| 6. Practical considerations .....                                                      | 829 |
| III. Comparable Rules .....                                                            | 829 |
| <b>Article 58</b> .....                                                                | 831 |
| I. Importance and Role of the Provision .....                                          | 831 |
| II. Detailed Commentary .....                                                          | 833 |
| 1. Buyer's right to examine the goods (Art. 58(3)) .....                               | 833 |
| a) General .....                                                                       | 833 |
| b) Exclusion of the right to examine the goods .....                                   | 834 |
| 2. Time the purchase price becomes due .....                                           | 835 |
| a) General .....                                                                       | 835 |

## Table of Contents

|                                                                        |     |
|------------------------------------------------------------------------|-----|
| b) Time payment is due .....                                           | 836 |
| aa) General .....                                                      | 836 |
| bb) Particular cases .....                                             | 837 |
| 3. Divergent agreements .....                                          | 840 |
| 4. Documents .....                                                     | 840 |
| 5. Rights of retention (Arts 58(1) second sentence and 58(2)) .....    | 842 |
| 6. Payment ahead of time, part payment .....                           | 843 |
| 7. Practical considerations .....                                      | 843 |
| III. Comparable Rules .....                                            | 843 |
| <b>Article 59</b> .....                                                | 846 |
| I. Importance and Role of the Provision .....                          | 846 |
| II. Detailed Commentary .....                                          | 846 |
| III. Comparable Rules .....                                            | 847 |
| <b>Section II. Taking delivery</b> .....                               | 849 |
| <b>Article 60</b> .....                                                | 849 |
| I. Importance and Role of the Provision .....                          | 849 |
| II. Detailed Commentary .....                                          | 849 |
| 1. Content of the duty to take delivery .....                          | 849 |
| a) The taking of the delivery .....                                    | 849 |
| b) Other acts of participation .....                                   | 850 |
| 2. Refusal to take delivery .....                                      | 851 |
| 3. Practical considerations .....                                      | 852 |
| III. Comparable Rules .....                                            | 852 |
| <b>Introduction to Articles 61–65</b> .....                            | 854 |
| <b>Section III. Remedies for breach of contract by the buyer</b> ..... | 854 |
| <b>Article 61</b> .....                                                | 854 |
| I. Importance and Role of the Provision .....                          | 855 |
| II. Detailed Commentary .....                                          | 855 |
| 1. Remedies available to the seller (Art. 61(1)) .....                 | 855 |
| 2. Damages can be cumulated with other remedies (Art. 61(2)) .....     | 856 |
| 3. Court may not grant a period of grace (Art. 61(3)) .....            | 856 |
| III. Comparable Rules .....                                            | 857 |
| <b>Article 62</b> .....                                                | 858 |
| I. Importance and Role of the Provision .....                          | 858 |
| II. Detailed Commentary .....                                          | 859 |
| 1. The right to specific performance .....                             | 859 |
| a) The right to demand payment .....                                   | 859 |
| b) The right to demand the taking of delivery .....                    | 859 |
| c) The right to demand the performance of other obligations .....      | 860 |
| 2. Limitations on the right to specific performance .....              | 860 |
| a) Resort to an inconsistent remedy .....                              | 860 |
| b) Article 28 .....                                                    | 860 |
| III. Comparable Rules .....                                            | 861 |

## Table of Contents

|                                                                                                                                                                           |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <b>Article 63</b>                                                                                                                                                         | 863 |
| I. Importance and Role of the Provision                                                                                                                                   | 863 |
| II. Detailed Commentary                                                                                                                                                   | 863 |
| 1. The fixing of an additional period of time of reasonable length (63(1))                                                                                                | 863 |
| a) Fixing an additional period of time                                                                                                                                    | 863 |
| b) Of reasonable length                                                                                                                                                   | 865 |
| 2. The suspension of other remedies during the additional period of time (63(2))                                                                                          | 866 |
| III. Comparable Rules                                                                                                                                                     | 866 |
| <b>Article 64</b>                                                                                                                                                         | 868 |
| I. Importance and Role of the Provision                                                                                                                                   | 868 |
| II. Detailed Commentary                                                                                                                                                   | 869 |
| 1. The right to declare the contract avoided (Art. 64(1))                                                                                                                 | 869 |
| a) In cases of fundamental breach (Art. 64(1)(a))                                                                                                                         | 869 |
| b) In cases where the buyer does not perform or declares he will not perform notwithstanding a notice granting additional time (Art. 64(1)(b))                            | 869 |
| 2. Losing the right to declare the contract avoided (Art. 64(2))                                                                                                          | 870 |
| a) In respect of late performance by the buyer (Art. 64(2)(a))                                                                                                            | 870 |
| b) In respect of any breach other than late performance by the buyer (Art. 64(2)(b))                                                                                      | 872 |
| III. Comparable Rules                                                                                                                                                     | 872 |
| <b>Article 65</b>                                                                                                                                                         | 873 |
| I. Importance and Role of the Provision                                                                                                                                   | 873 |
| II. Detailed Commentary                                                                                                                                                   | 874 |
| 1. Purpose of Art. 65 and the mechanism it sets in place                                                                                                                  | 874 |
| a) Demanding by notice that the buyer make a specification within a reasonable period of time                                                                             | 874 |
| b) When the buyer is in breach, the seller may make a specification with notification and fix a reasonable period of time for the buyer to make a different specification | 875 |
| 2. Criticism of Art. 65 – a cumbersome process which will not be used most of the time                                                                                    | 876 |
| a) Avoidance more readily available under Arts 63 and 64(1)(b) and will normally be preferred                                                                             | 876 |
| b) Even if avoidance is only available under Art. 64(1)(a), it will still be available in most cases                                                                      | 877 |
| c) Conclusion                                                                                                                                                             | 877 |
| III. Comparable Rules                                                                                                                                                     | 877 |
| <b>Chapter IV. Passing of Risk</b>                                                                                                                                        | 878 |
| <b>Article 66</b>                                                                                                                                                         | 878 |
| I. Importance and Role of the Provision                                                                                                                                   | 878 |
| II. Detailed Commentary                                                                                                                                                   | 880 |
| 1. Price-risk                                                                                                                                                             | 880 |
| 2. The risk transferred but reduced through the use of a remedy for the buyer                                                                                             | 880 |
| 3. An act or omission by the seller – posterior alleviation of risk                                                                                                       | 881 |
| a) Risk can stay with the seller or return to the seller                                                                                                                  | 881 |
| b) Terminology                                                                                                                                                            | 881 |
| c) Burden of proof                                                                                                                                                        | 882 |
| 4. Determining which risks are transferred to the buyer                                                                                                                   | 883 |
| a) Theory and court practice                                                                                                                                              | 883 |

## Table of Contents

|                                                                                                  |     |
|--------------------------------------------------------------------------------------------------|-----|
| b) Loss or damage: physical loss and deterioration – value lost .....                            | 883 |
| c) Loss of documents .....                                                                       | 884 |
| d) Legal risks: embargoes and unforeseen restrictions .....                                      | 884 |
| e) Delays and special needs for transportation .....                                             | 885 |
| f) Economic risk .....                                                                           | 886 |
| g) The risk of insolvency .....                                                                  | 887 |
| 5. Contractual risk .....                                                                        | 887 |
| 6. Damage caused by the goods themselves .....                                                   | 888 |
| III. Comparable Rules .....                                                                      | 889 |
| <b>Article 67</b> .....                                                                          | 890 |
| I. Importance and Role of the Provision .....                                                    | 890 |
| II. Detailed Commentary .....                                                                    | 891 |
| 1. Handing over the goods .....                                                                  | 891 |
| a) Carriage involved in a sale under CISG .....                                                  | 891 |
| b) No place of delivery was determined when the goods are handed over to the first carrier ..... | 892 |
| c) Delivery at a defined place .....                                                             | 893 |
| 2. Clearly identifying the goods .....                                                           | 893 |
| 3. Art. 67's relationship with terms agreed by the parties .....                                 | 894 |
| a) Agreed terms regarding risk .....                                                             | 894 |
| b) Interpretation of the trade terms used .....                                                  | 894 |
| c) Incoterms and the CISG .....                                                                  | 895 |
| aa) Incoterms in general .....                                                                   | 895 |
| bb) EXW .....                                                                                    | 896 |
| cc) FCA and FOB .....                                                                            | 896 |
| dd) CFR or CPT .....                                                                             | 897 |
| ee) CIF or CIP .....                                                                             | 898 |
| ff) DDP .....                                                                                    | 898 |
| III. Comparable rules .....                                                                      | 899 |
| <b>Article 68</b> .....                                                                          | 900 |
| I. Importance and Role of the Provision .....                                                    | 900 |
| II. Detailed Commentary .....                                                                    | 900 |
| 1. Terminology .....                                                                             | 900 |
| 2. Carrier and documents .....                                                                   | 901 |
| 3. Retroactive allocation of risk .....                                                          | 901 |
| 4. Loss or damage to the goods .....                                                             | 902 |
| III. Comparable Rules .....                                                                      | 903 |
| <b>Article 69</b> .....                                                                          | 905 |
| I. Importance and Role of the Provision .....                                                    | 905 |
| II. Commentary .....                                                                             | 906 |
| 1. Goods placed at buyer's disposal – at the seller's place of business .....                    | 906 |
| 2. Goods placed at buyer's disposal – other than at the seller's place of business .....         | 907 |
| 3. Identification .....                                                                          | 907 |
| 4. Incoterms .....                                                                               | 907 |
| III. Comparable Rules .....                                                                      | 908 |
| <b>Article 70</b> .....                                                                          | 909 |
| I. Importance and Role of the Provision .....                                                    | 909 |
| II. Detailed Commentary .....                                                                    | 910 |
| III. Comparable Rules .....                                                                      | 911 |

## Table of Contents

|                                                                                             |            |
|---------------------------------------------------------------------------------------------|------------|
| <b>Chapter V. Provisions Common to the Obligations of the Seller and of the Buyer .....</b> | <b>912</b> |
| <b>Section I. Anticipatory breach and instalment contracts .....</b>                        | <b>912</b> |
| <b>Introduction to Articles 71–73 .....</b>                                                 | <b>912</b> |
| <b>Article 71 .....</b>                                                                     | <b>916</b> |
| I. Importance and Role of the Provision .....                                               | 917        |
| II. Detailed Commentary .....                                                               | 918        |
| 1. The exercise of the right of suspension .....                                            | 918        |
| a) The nature of events giving rise to the remedy of suspension .....                       | 918        |
| aa) ‘Substantial part’ .....                                                                | 918        |
| bb) Serious deficiency in the ability to perform .....                                      | 921        |
| cc) Conduct in preparing to perform or in performing the contract .....                     | 921        |
| b) The standard of prognosis .....                                                          | 922        |
| aa) General .....                                                                           | 922        |
| bb) Circumstances arising after the conclusion of the contract .....                        | 923        |
| cc) ‘Becoming apparent’ .....                                                               | 925        |
| dd) Source of information .....                                                             | 929        |
| c) Obligations which can be suspended .....                                                 | 930        |
| d) Parties’ derogation from the right to suspend .....                                      | 933        |
| e) Relationship between Art. 71 and Art. 80 .....                                           | 934        |
| f) Notice of suspension .....                                                               | 935        |
| 2. Stoppage in transit .....                                                                | 938        |
| a) General .....                                                                            | 938        |
| b) The exercise of the right of stoppage .....                                              | 939        |
| 3. Suspension and burden of proof .....                                                     | 941        |
| 4. Adequate assurance .....                                                                 | 941        |
| a) General .....                                                                            | 941        |
| b) Meaning of ‘adequate assurance’ .....                                                    | 942        |
| c) Failure to provide adequate assurance .....                                              | 944        |
| d) Burden of proof .....                                                                    | 945        |
| 5. Cessation of suspension .....                                                            | 945        |
| 6. Damages .....                                                                            | 946        |
| III. Comparable Rules .....                                                                 | 947        |
| <b>Article 72 .....</b>                                                                     | <b>950</b> |
| I. Importance and Role of the Provision .....                                               | 950        |
| II. Detailed Commentary .....                                                               | 951        |
| 1. General .....                                                                            | 951        |
| 2. The relationship between Art. 72 paras 1 and 3 .....                                     | 952        |
| 3. The standard of prognosis .....                                                          | 954        |
| 4. The nature of events giving rise to the right to avoid .....                             | 954        |
| a) General .....                                                                            | 954        |
| b) Parties’ disagreement on the content of the contract .....                               | 956        |
| c) Other cases .....                                                                        | 957        |
| 5. Burden of proof .....                                                                    | 958        |
| 6. Notice under Art. 72(2); burden of proof .....                                           | 958        |
| 7. Adequate assurance; burden of proof .....                                                | 961        |
| 8. Refusal to perform (Art. 72(3)); burden of proof .....                                   | 963        |
| 9. Damages and mitigation of loss .....                                                     | 965        |
| III. Comparable Rules .....                                                                 | 968        |

## Table of Contents

|                                                                              |      |
|------------------------------------------------------------------------------|------|
| <b>Article 73</b> .....                                                      | 969  |
| I. Importance and Role of the Provision .....                                | 969  |
| II. Detailed Commentary .....                                                | 970  |
| 1. Definition .....                                                          | 970  |
| 2. Art. 73(1) .....                                                          | 974  |
| a) General .....                                                             | 974  |
| b) Fundamental breach .....                                                  | 975  |
| c) Relationship with other provisions .....                                  | 976  |
| d) Burden of proof .....                                                     | 978  |
| 3. Art. 73(2) .....                                                          | 978  |
| a) General .....                                                             | 978  |
| b) Fundamental breach and the standard of prognosis .....                    | 979  |
| c) Relationship with other provisions .....                                  | 981  |
| d) Avoidance .....                                                           | 983  |
| e) Burden of proof .....                                                     | 985  |
| 4. Art. 73(3) .....                                                          | 985  |
| a) General .....                                                             | 985  |
| b) Interdependence .....                                                     | 986  |
| c) Contemplation .....                                                       | 986  |
| d) Avoidance .....                                                           | 987  |
| e) Burden of proof .....                                                     | 987  |
| III. Comparable Rules .....                                                  | 988  |
| <b>Section II. Damages</b> .....                                             | 990  |
| <b>Article 74</b> .....                                                      | 990  |
| I. Importance and Role of the Provision .....                                | 991  |
| II. Detailed Commentary .....                                                | 992  |
| 1. Specific requirements .....                                               | 992  |
| a) Applicability .....                                                       | 992  |
| b) No fault system .....                                                     | 992  |
| c) Burden of proof and level of proof .....                                  | 992  |
| 2. Calculation of damages .....                                              | 995  |
| a) Types of losses recoverable .....                                         | 995  |
| aa) Direct loss .....                                                        | 995  |
| bb) Incidental loss .....                                                    | 996  |
| cc) Consequential loss .....                                                 | 997  |
| b) Lost profits .....                                                        | 997  |
| c) Time, place and currency for the calculation and payment of damages ..... | 998  |
| aa) Time .....                                                               | 998  |
| bb) Place .....                                                              | 999  |
| cc) Currency .....                                                           | 999  |
| d) Accounting for any gains .....                                            | 999  |
| 3. Limitations on damages .....                                              | 1001 |
| a) Limited to monetary relief .....                                          | 1001 |
| b) Limited to material loss .....                                            | 1001 |
| c) Punitive damages .....                                                    | 1002 |
| d) Foreseeability .....                                                      | 1002 |
| 4. Specific cases .....                                                      | 1004 |
| a) Third party claims .....                                                  | 1004 |
| b) Exclusion of damages for death and bodily injury .....                    | 1004 |
| c) Exchange rate loss .....                                                  | 1004 |
| d) Loss of volume .....                                                      | 1006 |
| e) Loss of chance .....                                                      | 1007 |
| f) Loss of goodwill .....                                                    | 1008 |
| g) Litigation expenses .....                                                 | 1009 |
| III. Comparable Rules .....                                                  | 1011 |

## Table of Contents

|                                                                             |      |
|-----------------------------------------------------------------------------|------|
| <b>Article 75</b>                                                           | 1012 |
| I. Importance and Role of the Provision                                     | 1012 |
| II. Detailed Commentary                                                     | 1014 |
| 1. Specific requirements                                                    | 1014 |
| a) Avoidance of contract                                                    | 1014 |
| b) Substitute transaction                                                   | 1015 |
| c) Reasonableness requirement                                               | 1016 |
| 2. Calculating damages                                                      | 1018 |
| a) Valuing the substitute transaction                                       | 1018 |
| b) The contract price                                                       | 1018 |
| c) Further damages recoverable under Art. 74                                | 1019 |
| d) Illustration                                                             | 1019 |
| 3. Special considerations                                                   | 1020 |
| a) Measuring damages in the event of an unreasonable substitute transaction | 1020 |
| b) Recovery of lost profits                                                 | 1021 |
| c) Lost volume sales                                                        | 1022 |
| III. Comparable Rules                                                       | 1022 |
| <b>Article 76</b>                                                           | 1023 |
| I. Importance and Role of the Provision                                     | 1023 |
| II. Detailed Commentary                                                     | 1025 |
| 1. Specific requirements                                                    | 1025 |
| a) Avoidance of the contract                                                | 1025 |
| b) Current price                                                            | 1026 |
| c) Substitute transaction                                                   | 1027 |
| d) Price fixed by contract                                                  | 1028 |
| 2. Calculating damages                                                      | 1028 |
| a) Timing of the current price                                              | 1028 |
| b) Timing after taking over the goods                                       | 1029 |
| c) Location of the current price                                            | 1029 |
| d) Illustration                                                             | 1030 |
| e) Further damages                                                          | 1030 |
| 3. Special consideration; anticipatory breach                               | 1031 |
| III. Comparable Rules                                                       | 1032 |
| <b>Article 77</b>                                                           | 1033 |
| I. Importance and Role of the Provision                                     | 1033 |
| II. Detailed Commentary                                                     | 1034 |
| 1. Specific requirements                                                    | 1034 |
| a) Obligation to mitigate                                                   | 1034 |
| b) Scope limited to damages for breach contract                             | 1035 |
| c) Special application in the case of lost volume sales                     | 1035 |
| d) Burden of proof                                                          | 1036 |
| e) Reasonable mitigation efforts                                            | 1037 |
| 2. Application                                                              | 1040 |
| III. Comparable Rules                                                       | 1041 |
| <b>Section III. Interest</b>                                                | 1042 |
| <b>Article 78</b>                                                           | 1042 |
| I. Importance and Role of the Provision                                     | 1042 |
| II. Detailed Commentary                                                     | 1044 |
| 1. Specific requirements                                                    | 1044 |
| a) Scope                                                                    | 1044 |

## Table of Contents

|                                                                     |          |
|---------------------------------------------------------------------|----------|
| b) Application to liquidated and unliquidated sums .....            | 1044     |
| c) Proof of loss irrelevant .....                                   | 1045     |
| d) Interest as damages .....                                        | 1046     |
| 2. Calculation .....                                                | 1047     |
| a) Accrual period .....                                             | 1047     |
| b) Interest rate .....                                              | 1048     |
| c) Simple versus compound interest .....                            | 1053     |
| III. Comparable Rules .....                                         | 1053     |
| <br><b>Section IV. Exemption</b> .....                              | <br>1054 |
| <b>Article 79</b> .....                                             | 1054     |
| I. Importance and Role of the Provision .....                       | 1055     |
| II. Detailed Commentary .....                                       | 1057     |
| 1. Scope of application of the norm .....                           | 1057     |
| a) Scope of application regarding the breach of the obligor .....   | 1057     |
| aa) Failure to perform any obligation .....                         | 1057     |
| bb) Any kind of failure to perform .....                            | 1059     |
| b) Scope of application regarding the remedies of the obligee ..... | 1060     |
| aa) No claim for damages .....                                      | 1060     |
| bb) Debatable claim for specific performance .....                  | 1061     |
| cc) Right to avoid the contract .....                               | 1069     |
| dd) Right to price reduction .....                                  | 1070     |
| ee) Interest on money due .....                                     | 1070     |
| 2. Prerequisites of exemption .....                                 | 1071     |
| a) In general .....                                                 | 1071     |
| b) Impediment beyond control of obligor .....                       | 1072     |
| aa) Nature of impediment .....                                      | 1072     |
| bb) Moment of impediment to come about .....                        | 1073     |
| c) Unforeseeable impediment .....                                   | 1074     |
| d) Unavoidable impediment .....                                     | 1076     |
| e) Insurmountable impediment .....                                  | 1076     |
| f) Causal link between impediment and non-performance .....         | 1078     |
| 3. Exemption from liability for the conduct of third persons .....  | 1079     |
| a) Purpose of Art. 79(2) .....                                      | 1079     |
| b) Notion of third person .....                                     | 1080     |
| 4. Risk allocation in specific cases .....                          | 1083     |
| a) Procurement risk for generic goods .....                         | 1083     |
| b) Utility risk .....                                               | 1085     |
| c) Risk of state interventions .....                                | 1085     |
| d) Risk of non-conformity of the goods .....                        | 1085     |
| e) Hardship/change of circumstances .....                           | 1088     |
| f) Temporary impediments .....                                      | 1092     |
| 5. Contractual risk allocation .....                                | 1093     |
| 6. Duty to notify .....                                             | 1094     |
| 7. Burden of proof .....                                            | 1095     |
| III. Comparable Rules .....                                         | 1096     |
| <br><b>Section V. Effects of avoidance</b> .....                    | <br>1098 |
| <b>Article 80</b> .....                                             | 1098     |
| I. Importance and Role of the Provision .....                       | 1098     |
| II. Detailed Commentary .....                                       | 1100     |
| 1. Prerequisites of exemption for non-performance .....             | 1100     |
| a) Reason of non-performance attributable to the obligee .....      | 1100     |

## Table of Contents

|                                                                          |      |
|--------------------------------------------------------------------------|------|
| b) Causality of act or omission of the obligee for non-performance ..... | 1102 |
| aa) Non-performance caused by obligee alone .....                        | 1102 |
| bb) Non-performance caused by both parties .....                         | 1102 |
| 2. Legal consequences .....                                              | 1103 |
| a) If non-performance is caused by obligee alone .....                   | 1103 |
| b) If non-performance is caused by both parties .....                    | 1105 |
| 3. Burden of proof .....                                                 | 1106 |
| III. Comparable Rules .....                                              | 1107 |
| <b>Article 81</b> .....                                                  | 1108 |
| I. Importance and Role of the Provision .....                            | 1108 |
| 1. Drafting history .....                                                | 1108 |
| 2. Basis of right of avoidance .....                                     | 1109 |
| 3. Release from performance obligations .....                            | 1110 |
| 4. Surviving provisions .....                                            | 1110 |
| a) Dispute settlement and winding-up .....                               | 1110 |
| b) Other clauses .....                                                   | 1111 |
| 5. New rights and duties .....                                           | 1112 |
| a) General .....                                                         | 1112 |
| b) Consequences of avoidance .....                                       | 1113 |
| 6. Related contracts .....                                               | 1114 |
| 7. Agreements to avoid .....                                             | 1114 |
| 8. Property .....                                                        | 1115 |
| a) Effect of restitution on property .....                               | 1115 |
| b) Duty to revest property .....                                         | 1115 |
| II. Detailed Commentary .....                                            | 1116 |
| 1. Restitution of performance .....                                      | 1116 |
| 2. Partial restitution .....                                             | 1116 |
| 3. Concurrency and security .....                                        | 1117 |
| 4. Place of restitution of goods .....                                   | 1118 |
| a) General .....                                                         | 1118 |
| b) Location of goods at avoidance .....                                  | 1119 |
| c) Breach of contract by buyer .....                                     | 1119 |
| 5. Place of restitution of price .....                                   | 1119 |
| 6. Costs connected with restitution .....                                | 1120 |
| 7. Exempted parties .....                                                | 1121 |
| 8. Time of restitution .....                                             | 1121 |
| 9. Risk .....                                                            | 1122 |
| a) General .....                                                         | 1122 |
| b) Seller at fault in delaying restitution .....                         | 1122 |
| c) Risk and transporting goods back to seller .....                      | 1123 |
| III. Comparable Rules .....                                              | 1123 |
| <b>Article 82</b> .....                                                  | 1125 |
| I. Importance and Role of the Provision .....                            | 1126 |
| 1. Drafting history .....                                                | 1126 |
| 2. Time available for avoidance .....                                    | 1126 |
| 3. Availability of avoidance .....                                       | 1127 |
| a) General .....                                                         | 1127 |
| b) Exempted seller .....                                                 | 1127 |
| 4. Substitute goods .....                                                | 1127 |
| 5. Loss of avoidance right in other cases .....                          | 1128 |
| 6. Avoidance and risk .....                                              | 1128 |
| a) General .....                                                         | 1128 |
| b) Risk and non-conforming goods .....                                   | 1129 |
| c) Risk and post-avoidance casualty .....                                | 1129 |
| aa) Risk on buyer prior to redelivery .....                              | 1129 |

## Table of Contents

|                                                                   |      |
|-------------------------------------------------------------------|------|
| bb) Buyer acts inconsistently with declaration of avoidance ..... | 1130 |
| cc) Buyer's failure to preserve the goods .....                   | 1131 |
| 7. Avoidance by the seller .....                                  | 1131 |
| II. Detailed Commentary .....                                     | 1132 |
| 1. Comparison with ULIS .....                                     | 1132 |
| 2. The condition of the goods: general .....                      | 1132 |
| 3. Partial avoidance .....                                        | 1133 |
| 4. Deterioration of the goods .....                               | 1134 |
| 5. Exceptions to restitutionary requirement for avoidance .....   | 1134 |
| a) Buyer's 'act or omission' .....                                | 1134 |
| b) Casualty because goods non-conforming .....                    | 1135 |
| c) Fault of buyer? .....                                          | 1135 |
| d) Examination of goods by buyer .....                            | 1135 |
| e) Buyer sells or consumes the goods .....                        | 1136 |
| III. Comparable Rules .....                                       | 1136 |
| <b>Article 83</b> .....                                           | 1138 |
| I. Importance and Role of the Provision .....                     | 1138 |
| 1. Drafting history .....                                         | 1138 |
| 2. General .....                                                  | 1138 |
| II. Detailed Commentary .....                                     | 1139 |
| III. Comparable Rules .....                                       | 1140 |
| <b>Article 84</b> .....                                           | 1141 |
| I. Importance and Role of the Provision .....                     | 1141 |
| 1. Drafting history .....                                         | 1141 |
| 2. General .....                                                  | 1142 |
| a) Unilateral and bilateral restitution .....                     | 1142 |
| b) Concurrency and set-off .....                                  | 1142 |
| II. Detailed Commentary .....                                     | 1142 |
| 1. Concurrency .....                                              | 1143 |
| a) Simultaneous concurrency .....                                 | 1143 |
| b) Exceptional cases .....                                        | 1143 |
| 2. Set-off .....                                                  | 1144 |
| a) General .....                                                  | 1144 |
| b) Simultaneous concurrency and set-off .....                     | 1144 |
| 3. Payment of interest .....                                      | 1144 |
| a) General .....                                                  | 1144 |
| b) Appropriate rate of interest .....                             | 1145 |
| c) Judgments and awards .....                                     | 1146 |
| d) Cessation of interest .....                                    | 1147 |
| 4. Currency of interest .....                                     | 1148 |
| 5. Accounting for benefits from the goods .....                   | 1148 |
| a) Actual benefits .....                                          | 1148 |
| b) Calculating benefits .....                                     | 1148 |
| c) Accounting for benefits and requiring substitute goods .....   | 1149 |
| III. Comparable Rules .....                                       | 1149 |
| <b>Section VI. Preservation of Goods</b> .....                    | 1150 |
| <b>Introductory Remarks to Articles 85–88</b> .....               | 1150 |
| <b>Article 85</b> .....                                           | 1152 |
| I. Importance and Role of the Provision .....                     | 1152 |
| 1. The function of Art. 85 .....                                  | 1152 |
| 2. Legislative history .....                                      | 1153 |

## Table of Contents

|                                                                                                                                  |      |
|----------------------------------------------------------------------------------------------------------------------------------|------|
| II. Detailed Commentary .....                                                                                                    | 1154 |
| 1. Conditions .....                                                                                                              | 1154 |
| a) Buyer's delay .....                                                                                                           | 1154 |
| aa) Overview .....                                                                                                               | 1154 |
| bb) Delay in taking delivery .....                                                                                               | 1154 |
| cc) Delay in payment .....                                                                                                       | 1155 |
| b) Seller's possession or ability to control disposition of the goods .....                                                      | 1155 |
| aa) Overview .....                                                                                                               | 1155 |
| bb) Possession of the goods .....                                                                                                | 1155 |
| cc) Ability to control disposition of the goods .....                                                                            | 1156 |
| 2. Consequences .....                                                                                                            | 1156 |
| a) Overview .....                                                                                                                | 1156 |
| b) Reasonable steps in the circumstances to preserve the goods .....                                                             | 1156 |
| c) Right of reimbursement and retention .....                                                                                    | 1157 |
| aa) Right of reimbursement .....                                                                                                 | 1157 |
| bb) Right of retention .....                                                                                                     | 1159 |
| III. Comparable Rules .....                                                                                                      | 1159 |
| <b>Article 86</b> .....                                                                                                          | 1161 |
| I. Importance and Role of the Provision .....                                                                                    | 1162 |
| 1. The function of Art. 86 .....                                                                                                 | 1162 |
| a) The function of Art. 86(1) .....                                                                                              | 1162 |
| b) The function of Art. 86(2) .....                                                                                              | 1162 |
| 2. Legislative history .....                                                                                                     | 1163 |
| II. Detailed Commentary .....                                                                                                    | 1163 |
| 1. Buyer's duty to preserve the goods (Art. 86(1)) .....                                                                         | 1163 |
| a) Conditions .....                                                                                                              | 1163 |
| aa) Buyer's receipt of the goods .....                                                                                           | 1163 |
| bb) Buyer's intention to exercise right to reject the goods .....                                                                | 1163 |
| b) Consequences .....                                                                                                            | 1164 |
| aa) Duty to take reasonable steps to preserve the goods .....                                                                    | 1164 |
| bb) Right to reimbursement and retention .....                                                                                   | 1165 |
| 2. Buyer's duty to take possession of the goods (Art. 86(2)) .....                                                               | 1165 |
| a) Conditions .....                                                                                                              | 1165 |
| aa) Dispatch of the goods to the buyer (Art. 86(2) sentence 1) .....                                                             | 1165 |
| bb) Placement of the goods at the disposal of the buyer at their destination<br>(Art. 86(2) sentence 1) .....                    | 1166 |
| cc) Exercise of the right of rejection (Art. 86(2) sentence 1) .....                                                             | 1167 |
| dd) Without payment of the price and without unreasonable inconvenience or<br>unreasonable expense (Art. 86(2) sentence 1) ..... | 1167 |
| ee) Non-presence of the seller at the destination (Art. 86(2) sentence 2) .....                                                  | 1168 |
| b) Consequences .....                                                                                                            | 1168 |
| III. Comparable Rules .....                                                                                                      | 1168 |
| <b>Article 87</b> .....                                                                                                          | 1170 |
| I. Importance and Role of the Provision .....                                                                                    | 1170 |
| 1. The function of Art. 87 .....                                                                                                 | 1170 |
| a) Deposit of goods .....                                                                                                        | 1170 |
| b) Relationship with domestic law .....                                                                                          | 1170 |
| 2. Legislative history .....                                                                                                     | 1171 |
| II. Detailed Commentary .....                                                                                                    | 1171 |
| 1. Condition .....                                                                                                               | 1171 |
| 2. Consequences .....                                                                                                            | 1171 |
| a) Deposit in a warehouse of a third person allowed .....                                                                        | 1171 |
| b) Loss or damage to the goods during the deposit .....                                                                          | 1172 |
| c) Right of reimbursement of reasonable expenses .....                                                                           | 1173 |
| III. Comparable Rules .....                                                                                                      | 1173 |

## Table of Contents

|                                                       |      |
|-------------------------------------------------------|------|
| <b>Article 88</b> .....                               | 1175 |
| I. Importance and Role of the Provision .....         | 1176 |
| 1. The function of Art. 88 .....                      | 1176 |
| a) Self-help sale and emergency sale .....            | 1176 |
| b) Relationship with domestic law .....               | 1176 |
| 2. Legislative history .....                          | 1177 |
| II. Detailed Commentary .....                         | 1178 |
| 1. Right of self-help sale (Art. 88(1)) .....         | 1178 |
| a) Conditions .....                                   | 1178 |
| aa) Duty of preservation .....                        | 1178 |
| bb) Unreasonable delay .....                          | 1178 |
| cc) Reasonable notice of the intention to sell .....  | 1179 |
| b) Consequences .....                                 | 1180 |
| aa) Right to sell by “appropriate means” .....        | 1180 |
| bb) Discharge and use of proceeds .....               | 1181 |
| 2. Duty of emergency sales (Art. 88(2)) .....         | 1181 |
| a) Condition .....                                    | 1181 |
| aa) Duty of preservation .....                        | 1181 |
| bb) Rapid deterioration or unreasonable expense ..... | 1181 |
| c) Notice of intention to sell .....                  | 1183 |
| b) Consequences .....                                 | 1183 |
| aa) Duty to take reasonable measures to sell .....    | 1183 |
| bb) Discharge and use of proceeds .....               | 1184 |
| 3. Use of proceeds of sale (Art. 88(3)) .....         | 1184 |
| a) Retention of reasonable expenses .....             | 1184 |
| b) Return of the balance .....                        | 1185 |
| III. Comparable Rules .....                           | 1186 |
| 1. Self-help and emergency sales .....                | 1186 |
| 2. Electronic notice .....                            | 1187 |

## Part IV. Final Provisions

|                                               |      |
|-----------------------------------------------|------|
| <b>Article 89</b> .....                       | 1189 |
| I. Importance and Role of the Provision ..... | 1189 |
| II. Comparable Rules .....                    | 1189 |
| <b>Article 90</b> .....                       | 1191 |
| I. Importance and Role of the Provision ..... | 1191 |
| II. Detailed Commentary .....                 | 1191 |
| III. Comparable Rules .....                   | 1194 |
| <b>Article 91</b> .....                       | 1195 |
| I. Importance and Role of the Provision ..... | 1195 |
| II. Comparable Rules .....                    | 1196 |
| <b>Article 92</b> .....                       | 1197 |
| I. Importance and Role of the Provision ..... | 1197 |
| II. Detailed Commentary .....                 | 1198 |

## Table of Contents

|                                               |      |
|-----------------------------------------------|------|
| <b>Article 93</b> .....                       | 1201 |
| I. Importance and Role of the Provision ..... | 1201 |
| II. Detailed Commentary .....                 | 1201 |
| III. Comparable Rules .....                   | 1203 |
| <b>Article 94</b> .....                       | 1204 |
| I. Importance and Role of the Provision ..... | 1204 |
| II. Detailed Commentary .....                 | 1205 |
| III. Comparable Rules .....                   | 1207 |
| <b>Article 95</b> .....                       | 1208 |
| I. Importance and Role of the Provision ..... | 1208 |
| II. Detailed Commentary .....                 | 1208 |
| III. Comparable Rules .....                   | 1212 |
| <b>Article 96</b> .....                       | 1213 |
| I. Importance and Role of the Provision ..... | 1213 |
| II. Detailed Commentary .....                 | 1213 |
| III. Comparable Rules .....                   | 1215 |
| <b>Article 97</b> .....                       | 1216 |
| <b>Article 98</b> .....                       | 1217 |
| <b>Article 99</b> .....                       | 1218 |
| <b>Article 100</b> .....                      | 1220 |
| <b>Article 101</b> .....                      | 1221 |
| <br>                                          |      |
| <b>Bibliography</b> .....                     | 1223 |
| <b>Index</b> .....                            | 1235 |