

6. Resumé

Consequences of breaking the contract in civil law – Most of the relations is in civil law established by the contract. Contractual freedom is one of the basic freedoms provided by modern democratic state. But unfortunately with the increasing amount of contracts there is also increasing number of cases when the contract is breached (intentionally or not) by one of the contractual partners. The law presumes such cases and provides particular consequences. These consequences are the subject of this thesis. According to the Czech civil law there are following institutes which can follow after breaching the contract: Default, the interest on the sum in arrears, a late payment charge, damages, penalty clause, liability for defects. The thesis is divided into several parts according to the described consequence.

At the beginning of the thesis, there is an introduction into the problem, then there is described the contract. There is explained the term, then the process of making the contract (proposal and its acceptance). After clarifying the basic term of the thesis follows the description of mentioned consequences. The first is damages, it is placed in the front place because of its importance and many variations and possibilities of use. It comes after fulfilling certain conditions: Breaching of the legal duty, existence of the damage, relationship of cause and effect between the wrongful act and the harm and fault. The regulation of the liability for damage is in Civil Code §420 and following. This regulation is completed by the particular law no 59/1998 Coll., as amended by Act no 209/2000 Coll., which is based on directive no 85/374/EEC Product Liability. The principle of liability for damages is that the subject, who violated the contract should compensate to the other side not only the damage, that was caused. But also other provable costs which has the aggrieved party with lodging the claim.

Penalty clause is another very important institute of private law, its functions are mainly to punish the breacher of the contract and to use the money as a monetary compensation of the caused damage.

When one side of the contract is delayed with the payment it gets to the default. With default is connected paying the interest. Interests are considered as a price of the money and according to the Civil code it is impossible to claim both together.

Typical institute for consumers and their protection is liability for defects. The consumer protection has an increasing trend. There is a new legal regulation from recent time, which prolonged period in which it is possible to claim potential defects to 24 months.

In the end I tried to briefly introduce changes that will come with the new Civil Code.