

ABSTRACT

The subject of the rigorous thesis is damages under the United Nations Convention on Contracts for the International Sale of Goods (hereinafter the “CISG”). The CISG can be described as one of the most important and most widely used legislative instruments providing a unified framework for contracts for the international sale of goods. The aim of this thesis is to make a critical analysis of the provisions concerning the right to damages, to confront misleading provisions and to clarify issues not expressly dealt with by the CISG in order to provide a comprehensive overview of the right to damages under the CISG, taking into account its core values and principles.

The significance of the CISG in the business world and the purpose of the right to damages are introduced in the first part of the thesis. The CISG is fundamentally influenced by the UNIDROIT Principles¹ and PECL², which help to interpret vague languages found in the provision and to supplement and to clarify the provisions of the CISG. The crucial goal of the right to damages, which is to place the aggrieved party in the same position it would have been in economically if the contract had been performed, is embodied in the principle of full compensation.

The goal of the subsequent chapter is to describe all requirements for liability and the issues, which are not expressly settled in the legal text. By means of jurisprudence, this text examines that, despite literary gaps, an aggrieved party is entitled to damages for loss of goodwill, loss of chance, and loss of volume. The thesis is further concentrated on the issue of causation and the differences between causation and the rule of foreseeability.

The penultimate part of the thesis examines the principle of foreseeability. According to the CISG, damages awarded to the injured party may not exceed the loss which the party in breach foresaw or ought to have foreseen at the time of conclusion of the contract. The presented thesis analyzes both the subjective and the objective test of foreseeability.

The last chapter is about the principle of mitigation of damages, whose central idea is that the aggrieved party cannot recover damages with respect to loss which he could have reasonably avoided. The purpose of this principle is to prevent the injured party from passively waiting for the loss to take place and then suing the party in breach for this loss, while such loss could have been avoided by the injured party. According to Article 77, measures to mitigate loss must be reasonable in the circumstances concerned; therefore, the focus of this chapter is also on the principle of reasonableness.

¹ Principles of International Commercial Contracts .

² Principles of European Contract Law.