

VIDEO C TRANSCRIPT

A knock on the door

HENRY WELLS: Yes! Come in!

JILL BRINKLEY: (*opening door with contract in hand and going inside*): Hi Henry, have you got a minute?

HENRY WELLS: I suppose so, Jill, as long as it really is just a minute. I've got a thousand and one things to finish this afternoon.

JILL BRINKLEY: It shouldn't take long.

HENRY WELLS: OK. What's it about?

JILL BRINKLEY: It's about the Darnley/Peterson contract – remember you asked me to draft it some time back?

HENRY WELLS: Yes, I remember. What happened about that?

JILL BRINKLEY: Well, Jim Bryanston at Darnley Ltd approved the draft, and I sent him the engrossed version – which he acknowledged receipt of – and that was the last I heard about the matter until today. He's just been on the phone – it seems there have been some problems regarding implementation of the terms of the contract.

HENRY WELLS: What sort of problems?

JILL BRINKLEY: Well, it's really just clause 18.

HENRY WELLS: Remind me, Jill. What's in clause 18?

JILL BRINKLEY: Er, it provides the buyer – i.e. Peterson Ltd – with the right to inspect the seller's premises. (*pause*) Basically a dispute has arisen over the meaning of the phrase 'relevant specifications' – Peterson are trying to reject the goods on the basis that they don't conform to these 'relevant specifications', but Jim Bryanston thinks they're really just using that as a negotiating tool to try to get a cheaper price for the products. Apparently, they complained about the price at the same time...

HENRY WELLS: (*interrupting*) I see you've got the contract in your hand. Could you just read out the relevant clause?

JILL BRINKLEY: Yes, sure. It says, 'Products delivered by the Seller are subject to inspection and test by the Buyer and, in the event that during a period of one year from date of installation at the Buyer's premises any product is found to be defective in material or workmanship, or not in conformance with the relevant specifications, the Buyer shall have the right to reject the same.'

HENRY WELLS: OK. Is 'relevant specifications' a defined term in the contract, or are they contained in an appendix?

JILL BRINKLEY: No, neither.

HENRY WELLS: Hmm. OK. Did you ask Jim Bryanston about the specifications the firm was working to in manufacturing the products, and whether they could prove that they had been complied with?

JILL BRINKLEY: Yes. He said that the products were manufactured in accordance with normal industry standards and that this could be demonstrated by reference to the production records.

HENRY WELLS: OK. Well, if that's the case, and there's nothing in the contract defining the relevant specifications, then there shouldn't really be a problem – at least in legal terms – and I would tend to

agree with Jim that this does look as if Peterson Ltd are using it as a bargaining chip to try to get a price reduction.

JILL BRINKLEY: What should I tell Jim?

HENRY WELLS: Just ask him to send over those papers he refers to, so that you can check whether they really do provide evidence that the industry standards are being complied with – you'll need to do some research into the industry standards and the relevant law to verify that – and tell him I'll give him a call tomorrow morning.

JILL BRINKLEY: Sure. Thanks, Henry.

HENRY WELLS: OK.

Jill exits.