

## **A CASE BRIEF**

**THE NAME OF THE CASE:** Late payment of invoices - claim for increases

**PARTIES:** Defendant: entrepreneurs who do not pay their invoices in time

Plaintiff: the entrepreneur who demands a claim for increase of the invoices

### **A SUMMARY OF THE FACTS OF THE CASE:**

The facts of the case are as follows: several entrepreneurs agreed to accept late payments due to the economic situation and also agreed that there will not be any penalties in a form of financial increase of the invoices. After some time, one of them stepped forward and demanded his claim for these increases. The lower court decided the case in favor of the defendant party. According to the court, the plaintiff did not have the claim for the increases because the invoices were due a long time ago. Therefore, the defendant party was not obliged to pay the increases.

### **LEGAL ISSUE:**

The question before the court is whether the plaintiff has the claim for financial increases of the invoices which were paid late.

### **THE RULING OF THE COURT:**

The Court of Appeal and the High Court had a different opinion on this issue and reversed the decision of the lower court.

### **THE REASONING OF THE COURT:**

The court reasoned that the defendant is guilty. According to the court, not every common habit of participants in the business relations has to be a business custom, specifically in case of breaching the trust repeatedly. It is out of the question that the behavior habit, which is at variance with the law or a contract adjustment, should be qualified as a business custom. Therefore, a business custom cannot represent issues such as late payment of invoices, even if this phenomenon was spread all over the sphere. In conclusion, the court added that even if it was a business custom, it cannot be an obstacle for a payee to demand his claim for the increases.