

## INTERNATIONAL TRADE LAW

The company RENO, s.r.o. (headquarters and place of business in Prague, Czech Republic), specialises in selling basic building materials. In the past, RENO has done business with STAWBA, spol. z.o.o. (headquarters and place of business in Warsaw, Poland), which focuses on producing and selling concrete and concrete paving.

On January 14, 2022, RENO contacted STAWBA by e-mail, which contained a request to purchase concrete and base penetrations. STAWBA immediately responded by e-mail, sending a catalogue for the year 2022, including the complete range of goods offered together with prices and proposing a meeting date to specify the desired goods. On January 28, 2022, representatives of both companies met via ZOOM application. Considering RENO's obligations to its customers, they discussed the time and possibilities of the supplier and the expected scope of the ordered goods. On January 31, 2022, RENO sent the final order for concrete and base penetrations, specifying the quantity, technical parameters and prices according to the STAWBA's catalogue for the year 2022. The total price of the order was CZK 1,650,000. All negotiations, including the exchange documents' content, were in English.

The order further contained, among others, the following provisions:

- a) DAP Lidická 58, Brno, Czech Republic, 30.6.2022 FIX.
- b) The contracting parties agree that in the event of a delay in the delivery of the goods, the seller is obliged to pay a contractual penalty of 0.1% of the total purchase price for each day of delay.
- c) This contract shall be governed by Czech law. An integral part of this contract is the terms and conditions of RENO, s.r.o., available at [www.reno.cz/VOP](http://www.reno.cz/VOP) (the terms and conditions are published in Czech and English).
- d) All disputes arising from the present contract and/or in connection with it shall be finally decided with the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic by one arbitrator appointed by the President of the Arbitration Court.
- e) Half of the purchase price will be paid within 60 (sixty) days from the signing of this contract by both contracting parties to STAWBA bank account No. 150-8920202083, maintained at Bank Pekao S.A., the other half of the purchase price will be paid based on the invoice issued by the supplier after delivery of the goods with a maturity of at least 30 days.

STAWBA responded by e-mail on 05.02.2022 that they agree with the terms and order.

- 1) Qualify the relationship between RENO and STAWBA and determine its legal regime (CISG application test).
- 2) Analyse the contracting process. Qualify the individual actions of the parties and state when and how the contract was concluded. Comment also on the form of the contract according to the CISG. Does the CISG regulate any requirements for the form of the contract?
- 3) Analyse whether the RENO's terms and conditions have become a valid part of the contract. Does the CISG govern this issue?
- 4) Analyse the following situation when the goods were delivered to the buyer's warehouse on July 2, 2022. State what responsibilities of the seller arise in this case. Furthermore, state what claims the buyer can make against the seller and analyse their application prerequisites (it is not enough to list them).
- 5) Regardless of the answer to the previous question, assume that RENO took over the goods despite the delay and inspected the number of boxes and their markings. RENO took control samples of the delivered concrete from several containers, for which they performed indicative quality tests on the spot. Since the test results were in order, RENO started shipping the delivered goods to its

customers the next day. After about a month, RENO received complaints from its customers that the concrete did not have the required waterproofing properties (it is water-resistant), and it did not dry even after a few hours of application, so it was impossible to apply additional layers. Based on customer complaints, RENO had tests performed in a specialised laboratory, confirming the concrete's quality deficiencies. RENO informed STAWBA about this situation by e-mail on September 15, 2022. Analyse whether the goods have defects and whether the seller is responsible for these defects. Analyse all aspects of the complaint process, including a form of notification.

- 6) Regardless of the answer to the previous question, state and thoroughly analyse what claims RENO could make against STAWBA (which makes sense for it).
- 7) Assume that in the abovementioned situation, STAWBA did not meet RENO's demands. State whether the parties have agreed to an arbitration clause. Explain what arbitration is and its advantages and disadvantages—also, state which law governs the validity of this arbitration clause.
- 8) Assume that an arbitration award was issued in the arbitration, according to which RENO was awarded a monetary claim due to breach of contract. Please assume that the arbitration award was not annulled in the Czech Republic and that STAWBA would not voluntarily fulfil its obligations. State the source for recognition and enforcement of arbitral awards of international origin and indicate the relationship of this source to the Polish domestic regulation of the recognition of foreign arbitral awards. State the type and nature of the grounds for refusal of recognition and enforcement governed by this international source.
- 9) RENO and STAWBA chose bank transfer as their payment method for the contract, as they had done business with each other before. If this were their first contract, what other means of payment would you advise them to provide with a higher degree of certainty? What are the payment options in international trade?
- 10) Both the Czech Republic and Poland are member states of the World Trade Organization (WTO). Describe this organisation (seat, president), its primary goal, and with what tools does it achieve its goals?