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Incorporation and making available of standard contract terms: a comparison between Articles 70-71 CESL, German and Dutch law

Content and effects of contracts, Groningen 31/5-1/6/2013



# Incorporation of standard terms: better of with CESL than with national law?

- Depends on perspective
  - Consumer vs. business (B using terms)
  - Buyer vs. seller (B or S using terms)
- Reason for protection differs
  - $\square$  B2C: structural imbalance  $\rightarrow$  on basis of status
  - $\square$  B2B: individual imbalance  $\rightarrow$  against abuse
- Through unfairness test
  - Substantive fairness
    - Restoration of freedom of contract as to content agreement
- Through incorporation rules
  - Procedural fairness
    - Access to contract terms
    - Ability to read terms before contract is concluded

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#### Approach

- CESL
- German law
- Dutch law
- Comparison and concluding remarks

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## Incorporation of standard terms under CESL

- Additional payments
- Acceptance
- Precontractual obligations to inform
- Terms to be provided before contract is concluded

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#### Incorporation of standard terms under German law

#### ■ B2C: § 305 and 305c BGB

- Reference to terms
- Reasonable opportunity to read
- □ Acceptance
- Surprising terms

B2B: § 310(1) BGB/case law and 305c BGB



#### Incorporation of standard terms under Dutch law

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- Incorporation
- Surprising terms
- Reasonable opportunity to read
- International commercial contracts
- Large counterparts
- Comparison and concluding remarks



### **Comparison and concluding remarks**

- German and Dutch law have much in common
- At detailed level: many discrepancies
- More attention to incorporation needed in CESL
  But uncertainty is unavoidable consequence of any legislation