

IN THE HIGH COURT OF JUSTICE
Civil Division
Case No: HC-2024-12345

Between:
BrightStar Enterprises Ltd
(Plaintiff)
and
GreenWave Solutions Inc
(Defendant)

Date of Judgment: 15 March 2024
Judge: Honorable Justice Emily Carter
Counsel for Plaintiff: Sarah Thompson, Esq.
Counsel for Defendant: Michael Reynolds, Esq.

JUDGMENT

1. INTRODUCTION

1.1 This case concerns a breach of contract dispute between BrightStar Enterprises Ltd ("Plaintiff") and GreenWave Solutions Inc ("Defendant"). The Plaintiff alleges that the Defendant failed to deliver software services as stipulated in a contract dated 10 January 2023. The Plaintiff seeks damages of \$500,000 and specific performance.

2. BACKGROUND

2.1 BrightStar Enterprises Ltd, a technology firm incorporated in Delaware, entered into a Software Development Agreement ("Agreement") with GreenWave Solutions Inc, a software vendor based in California, on 10 January 2023.

2.2 The Agreement required GreenWave to develop and deliver a custom enterprise resource planning (ERP) system by 30 September 2023.

2.3 The Plaintiff claims that GreenWave delivered only 40% of the promised system, which was non-functional, leading to significant financial losses.

2.4 GreenWave contends that BrightStar failed to provide necessary specifications, causing delays, and that the Agreement's force majeure clause applies due to unforeseen supply chain disruptions.

3. LEGAL ISSUES

3.1 The primary issues before the Court are:

(a) Whether GreenWave breached the Agreement by failing to deliver the ERP system.

(b) Whether BrightStar's alleged failure to provide specifications constitutes a breach or mitigates GreenWave's liability.

(c) Whether the force majeure clause applies.

(d) The appropriate remedy, if any, for the Plaintiff.

4. APPLICABLE LAW

4.1 This case is governed by the Uniform Commercial Code (UCC), specifically Article 2, as the contract involves the sale of goods (software).

4.2 The Court also considers the Restatement (Second) of Contracts, particularly Section 201, regarding the interpretation of ambiguous contract terms.

4.3 Precedent cases cited:

- Smith v. TechCorp (2018) 456 U.S. 789: Established that partial delivery of software constitutes a breach if the delivered product is non-functional.
- Johnson v. GlobalSys (2020) 123 Cal. App. 4th 567: Clarified that force majeure clauses require evidence of unforeseeable events beyond the party's control.

4.4 Statutes cited:

- UCC Â§ 2-201: Statute of Frauds for contracts involving goods over \$500.
- UCC Â§ 2-615: Excuse by failure of presupposed conditions.

5. FINDINGS

5.1 The Court finds that GreenWave breached the Agreement by failing to deliver a functional ERP system by 30 September 2023, as required under Clause 3.2 of the Agreement.

5.2 BrightStar provided adequate specifications, as evidenced by email correspondence dated 15 February 2023 and 20 March 2023, satisfying its obligations under Clause 4.1.

5.3 The force majeure clause (Clause 10.3) does not apply, as GreenWave failed to provide evidence that supply chain disruptions were unforeseeable or beyond its control, per Johnson v. GlobalSys.

5.4 The partial delivery of the ERP system was non-functional, constituting a material breach under Smith v. TechCorp.

6. VERDICT

6.1 The Court rules in favor of BrightStar Enterprises Ltd.

6.2 GreenWave Solutions Inc is ordered to pay damages of \$400,000, reflecting BrightStar's proven losses, including lost profits and mitigation costs.

6.3 The Court denies the request for specific performance, as monetary damages are sufficient.

6.4 GreenWave is also ordered to cover court costs.

7. CONCLUSION

7.1 This judgment reinforces the importance of clear contractual obligations in software development agreements. The Court's ruling aligns with established precedents and statutory provisions under the UCC.

7.2 Parties are directed to comply with this order by 15 April 2024.

Signed,
Honorable Justice Emily Carter
High Court of Justice
15 March 2024

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