**Title:** Will Your Contract Hold Up in Court?

**Subtitle:** Many New York and New Jersey businesses are surprised to find out that their seemingly valid contracts may still be viewed as unenforceable in the eyes of the court. To protect your business interests, it is important to ensure the validity of your contract terms <em>before</em> a legal dispute arises.

**Meta Description:** Will Your Contract Hold Up in Court?

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To give you an idea of what we look for in a breach of contract lawsuit, below are a few situations that may affect the validity of your contract. Keep in mind that the defenses below can be used as a sword or a shield—meaning that while you may be able to use them to get out of a contract, they can also be used against you.

In order to be enforceable, both parties must have the capacity to understand the consequences of their agreement. The issue of capacity often arises in contracts with minors, seniors, and those suffering from mental impairment (from mental illness to intoxication).

In order to be enforceable, one party must not take improper advantage of a position of power over another more vulnerable party, thereby taking away the party’s free will to bargain over the terms of the contract. There are certain relationships that will raise suspicion of undue influence, including: government/citizens, parent/child, guardian/ward, doctor/patient, lawyer/client, and clergy/parishioner.

In order to be enforceable, both parties must have freely consented to the agreement. Therefore, if one party was coerced into making the agreement, the court will not enforce it.  Examples of duress encountered in business include threats to refuse to perform a contract in order to extract an economically unjustified modification (get a better deal); threats to refuse to do business with the party; and threats to blackmail the party or extort money.

In order to be enforceable, both parties must be honest and forthcoming in the negotiation of the contract. Misrepresentation and fraud include making false statements about material facts as well as failing to disclose pertinent information. The primary difference between misrepresentation and fraud is that fraud is deliberate.

In order to be enforceable, a contract must reflect a “meeting of the minds” between the parties.  Therefore, if there is an error with respect to an important issue, the court may not uphold the contract. This is particularly true in the case of an error by both parties (mutual mistake).

In order to have a valid contract, the parties must state the material terms with enough specificity that a court will be able to readily see what the parties intended. Depending on the nature of the contract, these can include price, volume, timing, and identification of the product.

Of course, these are just a few of the contract issues that businesses may encounter. To make sure that your contracts will stand up in court, it is best to consult with an experienced business attorney.

**Raw Content:** <!-- wp:heading -->
<h2>Many New York and New Jersey businesses are surprised to find out that their seemingly valid contracts may still be viewed as unenforceable in the eyes of the court. To protect your business interests, it is important to ensure the validity of your contract terms <em>before</em> a legal dispute arises.</h2>
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<p>To give you an idea of what we look for in a <span style="text-decoration: underline;"><span class="removed\_link" title="https://scarincihollenbeck.com/practices/">breach of contract lawsuit</span></span>, below are a few situations that may affect the validity of your contract. Keep in mind that the defenses below can be used as a sword or a shield—meaning that while you may be able to use them to <a href="https://scarincihollenbeck.com/law-firm-insights/executing-contracts-in-covid-19/">get out of a contract,</a> they can also be used against you.<strong>&nbsp;</strong></p>
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<!-- wp:heading {"level":3} -->
<h3><strong>Lack of Capacity</strong></h3>
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<h3><strong>Undue Influence</strong></h3>
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<h3><strong>Duress</strong></h3>
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<h3><strong>Misrepresentation and fraud</strong></h3>
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<p>In order to be enforceable, both parties must be honest and forthcoming in the negotiation of the contract. Misrepresentation and fraud include making false statements about material facts as well as failing to disclose pertinent information. The primary difference between misrepresentation and fraud is that fraud is deliberate.</p>
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<h3><strong>Mistake</strong></h3>
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<h3><strong>Absence of Material Terms</strong></h3>
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<p>Of course, these are just a few of the contract issues that businesses may encounter. To make sure that your contracts will stand up in court, it is best to consult with an <span style="text-decoration: underline;"><a href="/attorneys/">experienced business attorney</a>.</span></p>
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