


**United Nations Commission on  
 International Trade Law**
**CASE LAW ON UNCITRAL TEXTS  
 (CLOUT)**
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## Introduction

This compilation of abstracts forms part of the system for collecting and disseminating information on Court decisions and arbitral awards relating to Conventions and Model Laws that emanate from the work of the United Nations Commission on International Trade Law (UNCITRAL). The purpose is to facilitate the uniform interpretation of these legal texts by reference to international norms, which are consistent with the international character of the texts, as opposed to strictly domestic legal concepts and tradition. More complete information about the features of the system and its use is provided in the User Guide ([A/CN.9/SER.C/GUIDE/1/REV.1](#)). CLOUT documents are available on the UNCITRAL website: ([www.uncitral.org/clout/showSearchDocument.do](http://www.uncitral.org/clout/showSearchDocument.do)).

Each CLOUT issue includes a table of contents on the first page that lists the full citations to each case contained in this set of abstracts, along with the individual articles of each text which are interpreted or referred to by the Court or arbitral tribunal. The Internet address (URL) of the full text of the decisions in their original language is included, along with Internet addresses of translations in official United Nations language(s), where available, in the heading to each case (please note that references to websites other than official United Nations websites do not constitute an endorsement of that website by the United Nations or by UNCITRAL; furthermore, websites change frequently; all Internet addresses contained in this document are functional as of the date of submission of this document). Abstracts on cases interpreting the UNCITRAL Model Arbitration Law include keyword references which are consistent with those contained in the Thesaurus on the UNCITRAL Model Law on International Commercial Arbitration, prepared by the UNCITRAL Secretariat in consultation with National Correspondents. Abstracts on cases interpreting the UNCITRAL Model Law on Cross-Border Insolvency also include keyword references. The abstracts are searchable on the database available through the UNCITRAL website by reference to all key identifying features, i.e. country, legislative text, CLOUT case number, CLOUT issue number, decision date or a combination of any of these.

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**Cases relating to the United Nations Convention on Contracts for the  
International Sale of Goods (CISG)**

**Case 1699: CISG 1(1)(b); 11; 72(1); 82(2)**

People's Republic of China: Yangzhou Municipal People's Court, Jiangsu province  
(2104) Yang Shang Wai Chu Zi No. 00017

9 September 2014

Original in Chinese

Chinese text published on *China Judgements Online*

Accessible at: <http://wenshu.court.gov.cn/>

Abstract prepared by Xiang REN

A Japanese buyer had purchased lotus-root products from a Chinese seller on numerous occasions. Because the seller ceased doing business, the buyer asked the seller to refund payments that had been made in advance, on the basis of current account statements verified by both parties.

The Court held that since the respective places of business of the two parties were located in China and Japan, two signatory States of the Convention, the Convention should be applied as the governing law for settling the dispute, with the exception of reservations declared by the signatories. The buyer and seller had not signed a written contract, and because China had declared reservations with regard to Convention Articles 1(1)(b), 11 and the provision of the Convention regarding the content of Article 11, the laws of the place of business of the parties or other laws most closely related to, and which best embodied the characteristics of the contract in fulfilling its obligations, should be applied to the issue of whether a valid sales contract existed between the parties. As the place of business of the seller, i.e. the defendant in the case at hand, as well as the place of contract's performance, were all within the territory of the People's Republic of China, the relevant provisions of the laws of the People's Republic of China should be applied.

With regard to the issue of whether the seller should reimburse the advance payments, the Court held that based on Article 10(1) of the Contract Law [of the People's Republic of China], although the buyer in the present case never submitted a written copy of the contract, it could be proved that the two parties actually concluded the sales contract based on the accounting statements and the content of the defendant's written replies; as that contract did not violate the mandatory provisions of Chinese laws, both parties should fulfil their obligations under the Convention. Since the seller failed to provide the goods in a timely manner after the buyer had paid for them, and since the defendant had ceased doing business, there was no possibility of performance of the contract, so the buyer had the right to declare the contract avoided, based on Article 72(1) CISG. Further, under Article 82(2) CISG, the buyer had the right to demand restitution by the seller of advance payments, after the contract was declared avoided. The Court thus ordered the seller to refund the advance payments made by the buyer.

**Case 1700: CISG 1; [53]**

People's Republic of China: Pudong New District People's Court, Shanghai  
Municipality

(2013) Pu Min Er (Shang) Chu Zi No. S1846

18 July 2014

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Chinese text published on *China Judgements Online*

Accessible at: <http://wenshu.court.gov.cn/>

Abstract prepared by Xiang REN

A Chinese seller sold bath mats to a United States buyer. After the Chinese seller delivered the goods, the United States buyer claimed that because customers had returned a portion of the bath mats with quality problems, the buyer would deduct an

amount commensurate [with that portion] from the cost, and issued an “analysis report” on the defective items. The seller considered that its goods had undergone inspection prior to shipment and refused to accept the buyer’s deduction. The seller repeatedly demanded payment, but the buyer continued to refuse to pay a portion of cost on grounds that the goods had been defective and could not be sold. The buyer claimed that the dispute had been arbitrated and decided by the Beijing branch of the China International Trade Arbitration Commission, and that the arbitration tribunal had rejected all the claims of the seller.

The Court held that the two parties had not agreed on an applicable law; moreover, as their places of business were respectively located in Convention signatory States, China and the United States, the Convention should be applied in the present case. After hearing the case, the Court held that the arbitration award mentioned by the buyer did not include the contract and the disputed costs involved in the case; the principle of “non bis in idem” was not applicable, and the Court should therefore decide on the dispute in the present case. The evidence provided by the buyer in support of the deduction, including the “analysis report” on the defective goods, purchase order and invoice, all dated from before the shipment of the goods disputed and for that reason the Court ruled that the deduction proposed by the buyer was not related to the purchase order in dispute in the present case and that the buyer had no right to directly deduct that amount from that purchase order. The Court consequently ordered the buyer to pay the seller for the goods.

**Case 1701: CISG [1]; 4(a); 25; [39]; 49; 74; [78]**

People’s Republic of China: Supreme People’s Court

(2013) Min Si Zhong Zi No. 35

30 June 2014

Original in Chinese

Chinese text published on *China Judgements Online*

Accessible at: <http://wenshu.court.gov.cn/>

Abstract prepared by Xiang REN

In 2008 the buyer, a Singaporean company, and the seller, a German company, concluded a contract for the purchase of petroleum coke, stipulating that the typical HGI index value of the petroleum coke should be 36-46 and that the buyer had the right to lodge a claim against the seller in respect of quality or quantity within 60 days of the goods’ arrival at port. The contract was established, governed and interpreted in accordance with the laws of the United States State of New York. The contract price agreed upon by the parties was for the petroleum coke was US\$ 301.56 per ton (or 2,057.6 yuan renminbi, applying the standard exchange rate of 6.8232). The buyer paid all charges immediately upon delivery of the goods. Meanwhile the market price of petroleum coke dropped to 1305 yuan renminbi per ton. Subsequently, the buyer demanded resolution from the seller, in that the seller was in breach of contract because the HGI index value [of the goods as delivered] was 32; subsequently the buyer sued in court to annul the contract, demanding that the seller refund payment with interest as well as assume responsibility for the buyer’s losses.

During the proceedings before the Court of first instance, the Jiangsu Province Higher People’s Court, the buyer, seeking to avoid further losses from long-term in-port storage of the petroleum coke involved in the case, and after informing the seller in writing, arranged through [the buyer’s] parent company to sell the disputed petroleum coke to a third company not involved in the case at 1,575.50 yuan renminbi per ton.

The Court of first instance, applying the relevant provisions of the Convention, ruled that the difference in HGI value from that stipulated in the contract constituted breach of contract; furthermore, by creating extreme marketing hardship for the buyer and depriving the buyer of benefits expected from signing the contract, [the seller] was in fundamental breach of contract. The buyer had the right to declare the contract avoided, and that right had not lapsed through [the buyer’s] having exceeded a reasonable time limit. For those reasons, the Court of first instance ordered that the

be declared null and void, and that the seller refund the price of the goods with interest (minus the buyer's gains from the resale of the goods) and compensate the buyer's losses.

The seller refused to accept the judgment and appealed it. The Supreme People's Court held that the determination of the facts of the case by the court of first instance had been essentially clear, and that its application of the Convention had also been correct. However, with regard to issues involved in the case not governed by provisions of the Convention, New York State law, which had been chosen by the interested parties, should have been applied. According to Article 4(a) CISG, the Convention makes no provision regarding the issue of the effect of a contract, therefore the contract in the present case should be determined to be lawful and valid, on the basis of the United States laws submitted and verified by the two parties. Moreover, although the UNCITRAL Digest of Case Law on the United Nations Convention on Contracts for the International Sale of Goods is not a constituent part of the Convention, and cannot serve as a legal foundation in the present case, it can nevertheless serve as an appropriate reference for an accurate understanding of the meaning of the relevant articles of the Convention.

The Supreme People's Court held that the buyer's demand to cancel the contract should be understood as requesting the court to declare the contract null and void under the provisions of the Convention. However, the HGI value was only one of seven indices stipulated in the contract; moreover, the sale of the disputed petroleum coke to a third-party company at a reasonable price indicated that the disputed goods, while not meeting contract stipulations, nonetheless still had commercial value. For these reasons, the Supreme People's Court held that while the failure of the HGI value of the disputed petroleum coke to meet the value stipulated in the contract constituted a breach of contract, it did not constitute a fundamental breach. Because the actions of the seller did not constitute a fundamental breach of contract, the buyer had no right to declare the contract avoided on that basis.

The Supreme People's Court also held that the buyer had a trustee-beneficiary relationship with its parent company, thus establishing a contractual resale relationship with the third party. The buyer conducted numerous negotiations with the seller regarding the HGI-value discrepancy, and also entrusted its parent company to represent it in negotiations with the seller. The seller's breach of contract objectively caused the buyer's inability to resell the goods in a timely manner, producing a loss under the influence of market-price fluctuations. However, the Supreme People's Court held that the buyer should also bear a portion of the losses created by market risk.

In the end, the Supreme People's Court ruled that the declaration of the contract as null and void by the Court of first instance should be revoked, and ordered compensation by the seller for a portion of the difference in the price of the goods, as well as a portion of the buyer's losses.

**Case 1702: CISG 1(1); 7; 11**

People's Republic of China: Rizhao City Intermediate People's Court, Shandong Province

(2013) Ri Min San Chu Zi No. 4

12 December 2013

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Chinese text published on *China Judgements Online*

Accessible at: <http://wenshu.court.gov.cn/>

Abstract prepared by Xiang REN

A buyer from the Republic of Korea purchased frozen monkfish from a Chinese seller; after shipment to Korea, the goods failed a quality inspection, and the seller agreed to accept return of the goods. After returning the goods, the buyer was unable to obtain a refund payment from the seller, and thereupon brought suit against the seller to demand payment of the refund and interest. The defendant failed to appear in court.

The Court held that under the provisions of Article 1(1) CISG, the Convention was the applicable law; for issues not expressly settled in the Convention, the provisions of related Chinese laws should be applied. Pursuant to Article 11 CISG, a contract for the international sale of goods had been established and taken effect, so that both parties had a duty to fulfil their contractual rights and obligations in accordance with the Convention. Based on Article 7 of the Convention, Article 4 of the General Principles of Civil Law [of the People's Republic of China] and Article 61 of the Contract Law [of the People's Republic of China], in the present case, the buyer should return the goods to the seller with the consent of the seller, and the seller should refund the payment for the transaction, as a reasonable transaction practice. The seller was unable to provide evidence that agreement had been reached with the buyer not to refund payment for the goods, and so should bear the consequences of that inability. The Court upheld the buyer's claim for refund of payment for the goods, ordered the seller to refund payment for the goods and, in the light of the circumstances obtaining in the case, ordered the seller to pay interest to the People's Bank of China account of the buyer at the loan rate for the same time-period.

**Case 1703: CISG 1; 53; 78**

People's Republic of China: Pudong New District People's Court, Shanghai Municipality

(2012) Pu Min Er (Shang) Chu Zi No. S749

20 June 2013

Original in Chinese

Chinese text published on *China Judgements Online*

Accessible at: <http://wenshu.court.gov.cn/>

Abstract prepared by Xiang REN

A Chinese seller had exported sofa components to a Spanish buyer for a long period of time; lately, the Spanish buyer had begun to default on payments for the goods. Additionally, the seller in the present case arranged for the transfer, free of charge from a third party, of the creditor's rights, interest and penalty interest it was due from the Spanish buyer. Based on the postal correspondence between the two parties, the buyer confirmed the amount of the debt it owed.

The Court held that as the sales-contract relationship took place between parties whose respective places of business were China and Spain, both of which were Convention signatory States, the relevant provisions of the Convention could be applied to the contract, along with its performance and the responsibility for its breach. Because the Convention had no provisions relevant to the issue of the transfer of creditor's rights involved in the case, however, the Court would apply Chinese law in accordance with the principle of closest relationship. Under the provisions of Article 53 CISG, once the seller has provided goods to the buyer, the buyer shall pay the cost of the goods to the seller. In the present case, because the seller was unable to provide relevant evidence for its claim for a portion of the goods costs, the Court declined to support it, but gave its affirmation to the remainder of the goods costs, for which there was corroborated evidence. The Court ruled that the transfer of creditor's rights to a third party by the seller in the present case was valid, and that the buyer should reimburse the seller. Article 78 of the Convention provides that if a party fails to pay the goods price or any other sum that is in arrears, the other party is entitled to interest on those sums. The interest claim of the seller in the present case had legal merit, and the Court supported it. Finally, the Court ordered the Spanish buyer to pay the goods price, as determined by the Court, along with interest lost through overdue payment, to the Chinese seller.

**Case 1704: CISG 1; 53; 59; 78**

People's Republic of China: Ningbo Municipal Intermediate People's Court,  
Zhejiang province

(2009) Zhe Yong Shang Wai Chu Zi No. 232

29 July 2011

Original in Chinese

Chinese text published on *China Judgements Online*

Accessible at: <http://wenshu.court.gov.cn/>

Abstract prepared by Xiang REN

A Chinese seller sold glass to an Egyptian buyer; the buyer failed to pay after the goods were delivered, so the seller sued in court to demand payment for the cost of the goods plus interest. The Court held that because the places of business of the two parties to the contract were located in different signatory States of the Convention, and because neither party had agreed in that contract to rule out the application of the Convention, the provisions of the Convention should therefore be applied to the dispute.

The Court held that the sales contract between the two parties was legitimate and effective; the buyer should pay the costs in the amount and according to the schedule determined in the contract, and compensate interest losses on the arrears. The demand by the seller in the present case, that the buyer pay goods costs and compensation for interest losses for the period beginning on the payment date specified in the most recent contract, with interest calculated according to the United States dollar savings-account interest rate for the same period, up to the date of performance as adjudicated, was justified and worthy of the court's support. In accordance with the provisions of Articles 53, 59 and 78 of the Convention as well as of Article 130 of the Chinese Civil Procedure Law, the Court ordered the buyer to pay the goods costs and compensate interest losses.

**Case 1705: CISG 1(1)(b); 53**

People's Republic of China: Wuhu Municipal Intermediate People's Court, Anhui province

(2009) Wu Zhong Min San Zhong Zi No. 2

5 January 2010

Original in Chinese

Chinese text published on *China Judgements Online*

Accessible at: <http://wenshu.court.gov.cn/>

Abstract prepared by Xiang REN

Chinese-American "Z" signed three separate contracts with a Chinese seller to supply the "USB" company in the United States of America with honey and honey jars. The seller alleged that Z was a shareholder in that United States company, that the buyer had yet to pay a portion of the cost, and that Z should assume responsibility for payment. In the first instance proceedings, the two sides had no objection to the amount of the outstanding payment.

The Court of first instance held that the United States company and the Chinese seller were the two signatory parties to the contract; their places of business were located within the borders of China and the United States, both signatory States of the Convention, and for those reasons the Convention should be applied. Pursuant to Article 53 CISG, in a situation in which the United States company was acting as the buyer, the seller could not demand that Z, as a shareholder in the United States company, fulfil its contractual obligation to pay the outstanding purchase price. Moreover, because both China and the United States had declared that they would not be bound under Article 1(1)(b) of the Convention, the Court took the view that it could not rely on the rules of private international law in order to apply the domestic laws of China or the United States in order to disregard the corporate personality of the United States company and to order the shareholder to assume the payment obligation directly.

The Chinese seller considered that the court's decision, that it did not have a sales-contract relationship with Z and that Z did not have an obligation to pay costs, was in error and lodged an appeal. The Wuhu Municipal Intermediate People's Court, the court of second instance, held that Z's inability to certify its relationship with the United States company in the case could not prove that the sales contract was signed on behalf of the United States company; therefore the buyer in the series of sales contracts in the present case should be Z itself, and the rights and obligations relationships of the series of contracts should also be assumed by Z itself. Concurrently, because the two contracting parties had not made a determination regarding the law applicable to the contract, according to the principle of the closest relationship under international private law, the relevant Chinese laws should apply to the series of sales contracts in the present case. The United States passport presented by Z during the trial at first instance served only to certify its personal identity; the Court could not easily establish from it alone that Z's place of business or his habitual residence was in the United States, and moreover, when China and the United States had acceded to the Convention, they had both declared that they would not be bound by the constraints imposed under the provisions of Convention Article 1(1)(b); as a result, there was no way to apply the Convention in the present case. With regard to the related opinions of the Court of first instance, the Court of appeal clearly indicated that the reservations expressed by the Governments of China and the United States with regard to those provisions did not rule out the application of the rules of international private law.

When Z had arranged for the delivery of the goods, a certain portion of the honey was not collected and remained in storage in the seller's warehouse; its value exactly offset that of the outstanding purchase price that Z was responsible for paying, so the Court of appeal dismissed the appeal and affirmed the original judgment.

**Case 1706: CISG 1(1)(a); 10(a)**

People's Republic of China: Shenzhen Municipal Intermediate People's Court,  
Guangdong province  
(2008) Shen Zhong Fa Min Si Zhong Zi No. 101  
30 March 2009  
Original in Chinese  
Chinese text published on *China Judgements Online*  
Accessible at: <http://wenshu.court.gov.cn/>

Abstract prepared by Xiang REN

Under the disputed sales contract, a seller whose place of business was in Hong Kong was providing online ICT testing instrumentation to buyers with places of business located in Hong Kong and in Shenzhen. After the seller delivered the goods, the buyers never made the 50 per cent payment for the goods as called for under the contract. The buyer certified the goods as acceptable on 17 May 2005; the seller brought suit on 14 March 2008, asking that the buyer be ordered to pay for the goods.

The focus of the dispute between the two parties was whether or not the present case could be categorized as a dispute over a contract for the international sale of goods, whether or not the four-year time limit for action under Chinese law for disputes of this kind was applicable, and whether or not the lawsuit filed by the seller had passed the time limit for action. The Bao'an District People's Court of Shenzhen Municipality, the court of first instance, held that when the parties signed the contract, the fact that the goods were already inside Chinese territory obviated the issue of goods importation; therefore the disputed contract was not an international goods contract, but rather a domestic sales contract whose subject matter, place of signing and place of performance were all within the borders of China. After two years by the time this suit was brought, the Court of first instance decided to dismiss the seller's claim.

After the seller appealed, the Shenzhen Municipal Intermediate People's Court held that as China was a signatory State of the Convention, the "place of business" standard in Convention Article 1(1)(a) was applicable domestically. But because Hong Kong

was one of China's Special Administrative Regions, the Convention could not be directly applied to a sale of goods dispute between litigants whose places of business were in Hong Kong and in an area of the Chinese mainland. In view of the absence of clear provisions in Chinese law for determining what constitutes a "contract for the international sale of goods", the Court had recourse to applying the "place of business" standard in the Convention. Under the provisions of Article 10(a) CISG, the place of business most closely related to the performance of the contract in the present case was determined to be the buyer's place of business in Hong Kong. Judging by the actual performance of the contract, the contract at issue in the present case should have been the contract for the sale of goods entered into between the two Hong Kong companies, both of whose places of business were in Hong Kong, which was thus not international in nature, and thus should not have been considered as a contract for the international sale of goods, nor was the four-year time limit provision applicable. The seller's legal action had exceeded the two-year time limit, and the grounds for appeal were insufficient. The appeal was dismissed and the decision of the lower court was upheld.

**Case 1707: CISG 1; 25; 35; 51(2)**

People's Republic of China: Zhejiang Provincial Superior People's Court

(2007) Hang Min San Chu Zi No. 45

24 December 2008

Original in Chinese

Chinese text published on *China Judgements Online*

Accessible at: <http://wenshu.court.gov.cn/>

Abstract prepared by Xiang REN

An Australian buyer purchased plastic dishware from a Chinese seller; after confirming samples sent by the buyer, the seller produced and delivered the goods. After receiving the goods from the seller, the buyer discovered that the printed labels on the plastic dishware dropped off easily, and requested that the defendant resolve the issue. After several unsuccessful consultations, the buyer went to court to demand that the seller arrange for the return of the goods, refund the purchase price and provide compensation for [the buyer's] losses.

The Court held that as both China and Australia were signatory States of the Convention, the Convention and Chinese law were applicable law in the present case. First, since the two sides had not sealed the samples in their business transaction, the Court could not determine whether or not the goods delivered by the seller matched the samples. Second, the inspection certificate submitted by the buyer was not issued by an inspection agency or specialist, and the inspection entity was not commissioned by both parties. The objectives and procedure of that inspection were unclear, and the Court would not accept its assessment as a basis for judging the quality of the goods. Third, with regard to the implied warranty obligation, under the provisions of the Convention relevant to the obligations of the seller, the goods delivered by the seller shall be usable for any specific purpose of which the buyer expressly or implicitly informs the seller at the time the contract is concluded. The goods in the present case were plastic dishware bearing designs printed in ordinary ink; the buyer asserted that the goods were intended for use as tableware, but it did not inform the seller of the specific uses intended for the plastic dishware when placing the order, nor did the buyer make a special request regarding the printing on the plastic dishware. No trading practices had been established between the two sides that could have made the seller aware of the particular uses of the plastic dishware or of particular quality requirements for the printed designs on the dishware, nor could the seller have adduced such uses or requirements from transaction prices and production processes. Therefore, the buyer's contention in the present case that the seller had violated the implied warranty obligation was without foundation. Fourth, according to the provisions of Article 25 CISG on fundamental breach of contract, even though there were problems with the printed designs on the dishware, the seller was not in fundamental breach of contract. Because the primary delivery object of the contract

was plastic dishware, the aforementioned printed pattern was only a subsidiary attachment to that plastic dishware, so that even if there was a quality problem with the printed patterns, it was only an ordinary quality defect. The buyer in the present case had not explicitly stated the importance of this printing in the contract, so even if quality defects in the printed pattern caused losses to the buyer, the seller would have been unable to foresee them; consequently, this did not constitute a fundamental breach of contract on the part of the seller.

Finally, the Court ruled that the buyer in the present case had no right to declare the contract avoided, and the Court refused to support the claim of the buyer for a refund of the purchase price, return of the goods, and compensation for the loss of prospective profits.

**Case 1708: CISG [1]; 53; 62**

People's Republic of China: Zhejiang Provincial Superior People's Court  
(2008) Zhe Min San Zhong Zi No. 109  
24 April 2008  
Original in Chinese  
Chinese text published on *China Judgements Online*  
Accessible at: <http://wenshu.court.gov.cn/>

Abstract prepared by Xiang REN

A Canadian buyer placed an order for 1,936 items of clothing from a Chinese seller, with a delivery date of 3 July 2007 stipulated in the contract. The seller actually organized the production of 1,697 items, but was unable to deliver them before the date stipulated in the contract. Inspectors for the buyer carried out an inspection of the disputed items on 31 July 2007 and issued an inspection report. The focus of the dispute between the two parties was whether or not the buyer could suspend the disputed sales contract on the grounds of breach of contract by the seller and refuse to pay the costs.

The Hangzhou Municipal Intermediate People's Court, the court of first instance, held that since both parties had chosen to apply Chinese [law] to their dispute, the applicable law in the present case was therefore Chinese law. The Court further held that because the seller had been unable to deliver the goods prior to the time stipulated in the contract, as well as having failed to produce the full quantity of completed clothing items stipulated in the contract, the seller had failed to fulfil its contractual obligations, rendering contract performance moot, and the court thereupon dismissed the seller's claim.

The Zhejiang Provincial Superior People's Court, the court of appeal, held that while applying Chinese law as the applicable law, the Convention should also have been applied as the applicable law in the present case because China and Canada were both signatory States of the Convention. The Court held that while the seller had failed to fulfil its obligation to make full and prompt delivery of the goods as specified under the contract, the 31 July inspection of the goods by the buyer's inspectors and the release of their inspection report should be seen as a new arrangement by the two parties with regard to the time of delivery and the quantity of goods delivered. Under the new arrangement, the seller fulfilled its obligation to deliver the goods, while the buyer had failed to fulfil its contractual obligation to pay the costs in accordance with the Convention, and should bear responsibility.

With regard to the issue of determining the unit price, the Court held that while the unit price had been hand-written on the purchase order, the person who had written it was the person in charge of the Chinese agency acting on behalf of the buyer, and the buyer's company had never raised any objections to that unit price; this, along with the buyer's dispatching of inspectors to inspect the goods, indicates that the buyer approved the hand-written unit price. On the basis of Articles 53 and 62 of the Convention, the Court finally reversed the ruling of the court of original jurisdiction, and ordered the buyer to retrieve the goods and pay the costs at the unit price.