

Inducement of breach of contract

In the following short lesson, I will explain the cause for action (reason for suit) for someone else interfering with your contract. You may be wondering whether you can sue if someone interferes with a your contract. The answer is yes.

A contract exists where two or more parties have entered into an agreement. Determining whether two parties have entered into an agreement requires a determination of whether there has been an offer and acceptance. I will cover offer and acceptance at a later date. For now, let us simply imagine there is a contract.

In Tennessee there is both a common law (court) and statutory (legislative) cause of action for inducement of a breach of contract. T.C.A. 47-50-109 is the statute which covers “Procurement of Breach of Contract.”

It is unlawful for any person, by inducement, persuasion, misrepresentation, or other means, to induce or procure the breach or violation, refusal or failure to perform any lawful contract by any party thereto; and, in every case where a breach or violation of such contract is so procured, the person so procuring or inducing the same shall be liable in treble the amount of damages resulting from or incident to the breach of the contract. The party injured by such breach may bring suit for the breach and for such damages.

Under common law, in TN the cause of action is the same. However, there is a difference in the amount of recoverable damages between a statutory and common law claim. A statutory cause of action for an inducement of breach of contract calls for treble (triple) damages.

On the other hand, a cause of action under common law calls for punitive (punishment) damages. Punitive damages will be addressed at a later time. For now, it is enough to say that punitive damages may amount to much more or less than treble.

In order to be successful in a suit for procuring a breach of contract one must show: 1) legal contract in existence 2) the person who is procured the breach of contract must have known about the contract 3) that person must have intended to induce the breach 4) the person to be sued must have had malice (spite) 5) the contract must have actually been breached 6) proximate cause (legal cause) 7) damages as a result of the breach

Therefore, under TN a cause of action for procurement (inducement) of a breach of contract does exist. And, depending on the situation, the cause of action may be worth a considerable amount. Hopefully, this little lesson gave you some helpful information to take to an attorney if someone has interfered with your contract.

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