

# California Business Contract Dispute Defenses

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If a business in California is being accused of breaching a contract by the other party, it must be determined whether there are any defenses that call into question the validity of the contract. There are some defenses that make a contract unenforceable (void), and other defenses that give the parties the option to enforce the contract (voidable).

1) Legality of the Contract: Although two persons may enter into a contractual agreement, if the subject matter of the contract is illegal, the contract is invalid and unenforceable.

2) Capacity of the Parties: In order to be bound to a contract, the parties must be competent to enter into such a legal arrangement. Underage persons, persons who are mentally ill, and intoxicated persons are usually not held to the contracts they enter.

3) Mistake, Duress, and Fraud:

a) A mistake by both parties to a contract on an important issue makes the contract unenforceable.

b) Duress is the use of physical force or mental pressure by one party to make the other party agree to the contract, which is ultimately unenforceable.

c) Fraud is the intentional misrepresentation of an important issue of the contract which makes the contract voidable by the party upon whom the fraud was perpetrated.

4) Unconscionability: A contract may be unenforceable if it is found by a court to be flagrantly unfair.

5) Statute of Frauds: In many instances, contracts do not have to be in writing to be legally binding. However, a law known as the "statute of frauds" requires that some contracts must be written to be valid.

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About Wade Law Group

For information on California Business Law, contact a professional [California Business Attorney](#). In the San Jose area or within California, call Amiel Wade at [Wade Law Group](#) at [\(888\) 909-9430](tel:8889099430).

