

Virginia Business Lawyers

Do It Yourself Contracts – Is Boilerplate Necessary?

By: Thomas L. Bowden, Sr. Monday, August 29th, 2011

Ever heard someone say, when reviewing a <u>contract</u> with you, "that's just boilerplate, don't worry about it..."? Maybe you and a customer considered saving some money by drafting your own agreement and decided to skip all that "boilerplate."

So what is boilerplate anyway? The term originally meant exactly what it said. Boilerplate was standard, high-strength steel plate used to make boilers. Nothing fancy – just flat and strong to keep the boiler from exploding. Later, the term took on a meaning in the printing industry when blocks of text that were reused frequently were sometimes cast in steel as opposed to lead to make them more durable. Over the years, the word acquired a more general meaning, connoting anything highly standardized and commonplace. Lawyers adopted the term to refer to the language at the end of the contract that doesn't seem to change very much from deal to deal.

It's true that contract boilerplate language doesn't change much, but the changes, while subtle, can be important. Boilerplate language is just as much part of the contract as the price, the delivery date or the description of the goods or services. What's different about boilerplate is that it mostly matters when there's a dispute. Of course, that's when you really want the contract to be clear, unambiguous and, ideally, drafted in your favor.

Let's look at one typical boilerplate term that most business people gloss over. It's called the "<u>integration clause</u>." The integration clause says that the written contract embodies all agreements of the parties with respect to the subject matter.

At first glance this seems obvious, and superfluous. Trust me, it's not. The reason for this language is that, if it is not present, either side may be able to introduce evidence of subsequent agreements, side agreements, understandings, interpretations or other factors that could dramatically change the meaning of the agreement. If the language is present, then the person trying to prove something other than exactly what the agreement says has a high burden of proof. The only surefire way to prove that the terms of the agreement as written are not binding would be to have another written document amending the agreement and referring to it specifically. So the real purpose of this boilerplate clause is to enhance the certainty for both parties.

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In this way, the language performs its boilerplate function exactly, holding the contract together despite pressures that might blow it apart. What common terms are you skipping over in your DIY contracts?

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