



California Corporate & Securities Law

Can A Contract Between Two California Corporations Be Subject To A UN Treaty?

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On Monday, I mentioned the United Nations Convention on Contracts for the International Sale of Goods (aka the "CISG"). The CISG generally applies to contracts for the sale of goods when the parties have their places of business in different contracting states. The focus is on where the parties' places of business are located, not the jurisdictions in which the parties were organized.

In fact, both parties in the *Asante Technologies, Inc. v. PMC-Sierra, Inc.*, 164 F.Supp.2d 1142 (2001) case mentioned in Monday's blog were Delaware corporations. The plaintiff's place of business was in California. The defendant, however, maintained its corporate headquarters and substantial business operations in Canada. The District Court applied Article 10 of the CISG to find that for purposes of the CISG, defendant's place of business having the closest relationship to the contract was Canada. Thus, the court found that the contract implicated the CISG even though both parties were Delaware corporations.

While on the subject of treaties, you may also want to consider the possible application of the United Nations Convention on the Limitation Period in the International Sale of Goods, as amended by the Protocol of 11 April 1980.

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