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ENGINEERING LAW AND MANAGERIAL ECONOMICS

Describe two scenarios where force majeure clauses can be applicable to contract in your discipline.

Firstly, what is force majeure clauses?

Force majeure clauses are designed to address the risk of events which arise during the course of a contract and are beyond the control of the parties. These clauses can operate to suspend the performance of obligations for the duration of the force majeure and without liability, affording the affected party the opportunity to restore business-as-usual operations.  They are the contractual equivalent to “timeout” periods in sporting events.

Traditionally force majeure clauses were drafted to address events beyond the reasonable control of the parties, including “Acts of God” such as fire, floods, earthquakes, tsunamis, volcanic ash clouds and plagues of locusts.

For computer engineers, Force majeure clauses can’t have great impact on a contract given except in cases of natural disaster like stroke, Death, or illness.

The two scenarios where force majeure clauses can be applicable to contract As computer Engineers are as follows:

1. Force majeure clauses are being used by Cloud service providers, software vendors and managed service providers to excuse them from the impact of cyber incidents. Would the CEO of your business accept that the disclosure of 100,000 customer credit card details or the theft of the blue-prints for a new product - after hackers exploited a vulnerability in your supplier’s IT infrastructure - was a force majeure?
2. A contract with the clause of Force Majeure signed by a computer engineer doesn’t have to be bothered even after the invoice has been drafted. Because at this point, there would be important things to face in the networking contract e.g. connecting cables, network hubs, routers, etc. and a few other things could stop or delay the engineer from working on a networking contract as stated in the invoice. This can be referred to as Force Majeure as the contractor isn’t able to meet up at that instance in time.