**HOW THE COURT INTERPRETS A CONTRACT TO ASCERTAIN THE INTENTIONS OF THE PARTIES**

Whenever a contract meets all the necessary requirements and its content are clear and unambiguous, the court will enforce it as written. The main reason for interpreting a contract by the court is to ascertain the intention of the contracting parties. The court cannot guess nor establish what is in the mind of the parties therefore, for the court to ascertain the true intentions of the contracting parties, the court will seek certainty and clarity from the written agreement by using the principles of interpretation.

Undisputedly, the need to interpret a contract will spring up in court whenever there is a dispute as a result of the different intentions the parties may have, or their intentions are not adequately reflected in their contract. Moreover, the court’s aim of interpreting a contract is to find out the intention of the parties from the contract and give effect to the party's collective intention to determine the eventual legal consequences of the contract.

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## Techniques Used by the Court in Interpreting a Contract

* The court in its tremendous effort, to dissect the intentions of the parties to the contract will interpret the language and other conduct relating to the contract in the light of circumstances and if the principal purpose of the parties is ascertainable, it shall be given substantial value of which, the court will interpret the agreement in a whole together with all the writings relating to the contract. This simply means that the court will consider all the provisions in the contract and not just anyone specific provision to resolve an ambiguity. Let’s take, for example, a twenty (20) page contract between John Doe and Elizabeth. Supposing there is a provision in the contract for weekly payments and also, a reference to a weekly delivery of goods. This is quite clear to the court that Elizabeth will be making monthly deliveries whereas John Doe will also be making monthly payments in return. Supposing as a result of drafting error, there is one reference to a quarterly payment. In this situation, the court has the power to recognize a simple drafting error and conclude that the intention of the parties was for weekly payments. However, when the court finds that the contract is unambiguous, then the court will enforce it as written. This is so even if the contract may be burdensome to a party.
* In some instances, the court applies both the objective and the subjective theory of interpretation. The objective theory provides that, the intentions of the contracting parties can be determined by reference to external acts and manifestations whereas the subjective theory requires ascertaining the intention of the parties from the contract as a whole and all surrounding circumstances. In doing so, the court observes the evidence of external manifestations of the party’s intent under the given circumstances and at the time of contract formation and examine the same behavior of a reasonable person of the same age, education, social background, knowledge, preferences, interests, and experience normally will do.
* In addition to this, the court sometimes employs a comprehensive approach when interpreting a contract. The court does so by determining the ordinary and grammatical meaning of the words used by the contracting parties and then proceeds on the assumption that this meaning accurately reflects the common intention of the parties. Furthermore, it is worth noting that, the courts will not consider the words in isolation, divorced from their contextual setting.

In summary, it is important to note that, the court will not introduce new terms into a contract or further develop an agreement because it would be contrary to the foundational contract law principles of freedom of contract and pacta sunt servanda. The court is particularly concerned with ascertaining the intention of the parties to what the agreement constitutes. The courts are reluctant to assume the intention of the parties but would rather use the exercise of interpretation to ascertain the meaning of the agreement.

**About the Author.**



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