2528-9705

Örgütsel Davranış Araştırmaları Dergisi
Journal Of Organizational Behavior Research
Cilt / Vol.: 7, Sayı / Is.: 2, Yıl/Year: 2022, Sayfa/Pages: 60-72
https://doi.org/10.51847/owAXqnSWSD

THE ROLE OF DYNAMIC INTERPRETATION IN CREATING CONTRACT BALANCE

Nasrin SERVATI GARGARI[1], Jalil GHANAVATI[2*]

[1] Private Law at Aras International Campus, University of Tehran, Tehran, Iran.
[2*] Aras International Campus, University of Tehran, Tehran, Iran.

***Corresponding Author**
E-mail: ghanavati@ut.ac.ir

ABSTRACT

Nowadays, due to rapid and unforeseeable changes, international contracts are always at the risk of changing conditions. Therefore, the initial balance intended by the parties is lost, which makes it difficult for all parties to implement the contract. Despite accepting the pactasuntservanda, the majority of legal systems have also accepted the theory of changing circumstances and Hardship. This study aimed to apply dynamic methods in the contract interpretations stage tobring the contract closer to the initial and real purpose of the parties to revive Contract Balance. In this method, any action occurring before, after, and even during the time of contract conclusion has to be taken into consideration. However, the focus should not only be on the events occurring at the time of concluding the contract. The parties can even predict terms and conditions, like a Hardship clause or a Changes clause, to avoid the potential effect of probable changes. Also, turning to previous relations, customs, and practices of the parties and applying interpretive rules can facilitate dynamic interpretation.

Keywords: *Interpretation, Dynamic, Evolutionary, Contract balance, Circumstantial changes.*

INTRODUCTION

Sometimes the circumstances of the contract time change so much that would make the contract implementation difficult and expensive. In such a situation, the resulting loss is unusual and unpredictable. Hence, acceptance of *pacta sunt servanda* and implementing the contract with the preliminary content, terms, and conditions of the contract have numerous disadvantages. Despite the acceptance of the principle of contractual necessity in all legal systems, loss of Contract Balance is inevitable, due to economic and non-economic reasons. Therefore, contract is not merely a written text frozen in time with two completely reasonable actors as its parties, but it is an exchange of words and actions between two individuals with different experiences, with a background of changing circumstances (Kim, 2005). Also, some contracts are dynamic and get completed as the relationships between the parties evolve. Thus, in case of a dispute during the execution of the contract, the contract interpretation should be focused on the execution time of the contract. Interpretation of the contracts imposes expenses on all parties that force them to prepare complete contracts (Epstein, 2014).

Although the general principles of international contracting fully apply to e-commerce as well, sufficient attention should be paid to the requirements that are specific to the online environment. Many of these specific rules have resulted from business customs and practices,

Geliş tarihi/Recieved: 08.05.2022 – Kabul tarihi/Accepted: 14.08.2022 – Yayın tarihi/Published: 30.09.2022

© 2022 Journal of Organizational Behavior Research. ***Open Access*** *- This article is under the CC BY NC SA license (https://creativecommons.org/licenses/by-nc-sa/4.0/)*

developed in the absence of contractual conditions and laws, as a mere copy of other users' behavior (Al-Omar, 2020). Since the internet community has caused the development of countless business practices in the absence of an international legal framework, it is important to emphasize the significance of customs and norms in e-commerce (Kubanov *et al.*, 2019). Business customs are important in transnational environments where there is a lack of easily identifiable rules that can be regarded as a law to be enforced (Boss and Kilian, 2008).

MATERIALS AND METHODS

This research was conducted as a library method by analyzing sources and documents.

Contract Balance

Commitment to the contract has always been focused on all legal systems (Afzali, 2018; Barati, 2019). Also, the circumstances change after the conclusion of the contract. In such situations, it is either impossible or difficult for one or multiple parties to execute the contractual commitments. Therefore, the contract balance is lost when concluding the contract (Asadi, 2019). Accepting the impact of changing circumstances on the contract is an exception when it comes to *pacta sunt servanda* (Jafari Langerudi, 2020). The contract balance is raised at different stages, e.g. the time of negotiations, conclusion, implementation, and interpretation of the contract. The stage of contract interpretation was focused on in this study. Contractual imbalance refers to the impossibility/impracticality of execution. However, lack of a Contract Balance occurs when it is impossible to execute a contract, and also when it is difficult to implement a contract or it incurs heavy costs. Under such circumstances, the theory of difficulty is used to restore contract balance. There are different terms for changes in contractual conditions[1] each of which has accept edvarious conditions. All legal systems agree that ruling on *pacta sunt servanda* in such a situation is unfair. Also, these systems refer to various principles in justifying this decision, but the solutions offered by different systems and the principles adopted by them are different. The contract termination has been chosen as a solution in many legal systems and international documents, after persuading the parties to renegotiate. Whereas, in other systems, contract modification has been introduced as a solution.

Interpretation

There is no reference to the define interpretation in Iranian law, and jurists do not provide a single definition for it (Moridifar *et al.*, 2018). The most important role of contract interpretation is to discover the implicit terms and obligations (Asghari Aghmashhadi and Taghipur Darzi Naghibi, 2017). One of the most common causes of contractual disputes is the misinterpretation of words and phrases in the contract. Both the intention of the parties and the meaning of the stated phrases must be a condition in the interpretation of the contract. Interpretation should only be done when there is no explicit text in the contract or the meaning is not clear for all parties (Rahimi Dehsuri *et al.*, 2016).

Static and Dynamic Interpretation

[1] Clausula rebus sic stantibus

The doctrine of the Contract Law can be categorized in different ways. One way is to classify them as static and dynamic. The principle of the Contract Law is static when the execution of the contract depends only on the events occurred at the time of contract conclusion and is dynamic when the events occurring after the contract conclusion are also considered. Dynamic interpretation regulations have replaced static regulations. These regulations focus on events that have occurred before, after, and at the time of contract formation (Eisenberg, 2001; Kim, 2005). The purpose of interpreting a dynamic contract is to meet the real goals of all parties (Orsinger, 2007).

The emphasis of dynamic is on the entire contract, the conduct of all parties before, after, and at the time of conclusion of the contract, and the customs and conventional practices (Eliot, 2006).

In civil law, the starting point of contractual interpretation depends on the personal interpretation of the individual who wishes to understand the intentions of the parties. This statement complies more with dynamic interpretation. However, courts also evaluate the factors appearing after the contract conclusion (Eliot, 2006). However, in the common law system, contract interpretation is objective, i.e.it is done by a reasonable person. This approach is similar to the static approach as it focuses on the interpretation of a reasonable person at times of dispute and it does not emphasize the mutual intention of the parties.

Eskridge argues that interpretation is dynamic. He believes that static interpretation is impossible and all interpretations are attempting to align the world of the reader with that of the writer. Eskridge points out that dynamic interpretation is not a new phenomenon and the legal system cannot effectively function without a certain degree of dynamic interpretation (Eskridge and Eskridge, 1994).

Relationship between Dynamic Contracts and Dynamic Interpretation

For the contract theories to be applicable, they must reflect evolving social norms and needs. A contract includes individual and social interests and each contract-related theory has to address both of these aspects. Thus, for a theory to be applicable, it must reflect social norms and needs and be adaptive, complex, substantive, and dynamic. It should not be strict, bilateral, formal, or static. The dynamic theory can address modern contractual issues, as it addresses evolving social values and needs. When the dynamic approach is taken, the focus is on the intention behind the conclusion of the contract and whether or not the contract goals can be met, given the changed circumstances (Kim, 2005).

A contract is only dynamic when all the variables that may impact the contractual relations are considered in the negotiation and signing of the contract (Hviid, 2000). However, these contracts are not suitable for incidences with a zero probability of occurrence. Although contractual flexibility causes some restrictions for unforeseeable events, it increases efficiency (Hviid, 2000). The contract presumably reflects the intention of the parties at the time of implementation; thus, the parties must be extremely careful during the negotiations and formulation of the contract to create a dynamic contract (Mouritsen, 2019).

The dynamic contract theory is not a substitute for other theories. However, it takes the principles proposed by various theories to formulate the best rule for a certain situation. Dynamic thinking does follow a particular school of thought but has the freedom to raise

issues at a substantive level, instead of rationalizing the results to conform to formal principles (Kim, 2005).

The Impact of Agreement Between the Parties on the Development/Restriction of Dynamic Interpretation

The parties must conclude a contract that is dynamic and flexible enough to withstand changing circumstances. Some strategies can be adopted to make the contract dynamic, e.g. the inclusion of terms and conditions like the Hardship Clause, the Changes Clause, etc. These special clauses will be examined in the following sections (Bigdeli, 2015).

The Economic Hardship Clause is a solution at the time of the conclusion of the contract. The regulators can also focus on other dynamic contractual terms and conditions that prevent hardships. The approach to be taken focuses on flexibility instead of leaving gaps in the contract or be focused on strict planning. The terms that guarantee flexibility also increase stability as they help maintain the agreed economic balance (Sauvant, 2010).

Hardship Clause

Today's society faces various changes. Thus, only flexible contracts can survive these conditions. Such contracts should allow interpretation aimed at adapting to such changes. Loss of contract balance is particularly tangible in long-term contracts due to the interval between the conclusion and execution of the contract. Various concepts are associated with changes in the circumstances, such as Force Majeure, Hardship and Abuse of Rights, etc. (Eliot, 2006). Legal systems consider the ruling on *pacta sunt servanda* to be unfair in such circumstances. Therefore, the Hardship Clause is invoked to restore the Contract Balance. Hardship Clause is a dynamic term, based on which the parties renegotiate the contract when the circumstances are changed and then implement the content of the new moderate version of the contract (Parsapoor and Zakerinia, 2015). The Hardship Clause and Force Majeure Clause deal with the same situations but may lead to different results. The Force Majeure Clause leads to the suspension of the obligations and treatments; whereas, the Hardship Clause leads to the renegotiation of the contract (Fontaine and Ly, 2015).

Long-term contracts are subject to change. When the circumstances change, if the ruling is *pacta sunt servanda*, the commitments and obligations of the contract might become unbearable to one of the parties or lose their economic purpose. In some cases, the law allows a revision in the contract, but the execution of the contract is not always an adequate answer. However, if the law establishes the contract termination, it will be the extreme solution, which contradicts the intention of the parties that is staying in the contract. Hence, in such cases, the Hardship Clause can examine the contract economically in case of a deep change in the circumstances. Take a long-term production contract, under which one of the parties must deliver a certain number of products to the other. If the circumstance changes due to an economic crisis, the buyer is forced to reduce the number of products. Also, following the Hardship Clause, the buyer obtains the agreement of the other party to reduce the number of items they have agreed on and attempts to reach an economic balance. In such situations, the parties can include a specific clause for price review and determination in the contract which allows renegotiation to moderate the contract. Therefore, the Hardship Clause can be quite effective when economic changes take place. This Clause may also be included in contracts where there is no power balance between the parties. In such cases, the more

powerful party may include this clause to guarantee that the contract remains in their favor (Fontaine and Ly, 2015).

Other Clauses

Other clauses are useful when the circumstances change. For example, when values, prices, or incomes change or when one party receives a better offer from a third party or a competitor, the Hardship Clause is no longer effective. Such terms modify the contract in the face of certain events; whereas, the Hardship Clause only includes incidences resulting from economic changes. Thus, the parties can determine how and to what extent the contract is affected in advance (Fontaine and Ly, 2015; Darab Pur, 2019).

Dynamic Interpretation Methods

Interpretation Against the Regulator of the Contract to the Obligor's Detriment (Contra Proferentem Rule)

Concept

This principle has long been used in Contract Law and particularly adhesion and standard contracts (Yazdanian and Arayi, 2016). It has been mentioned in the Common Law, the Roman Law, and Civil Law systems for many years. However, it has played a small role in the interpretation of contracts. This principle has been used over the years (Horton, 2009). At the time of the contract conclusion, the parties freely negotiate with one another about the rights and obligations to be included in the contract and then sign the contract (Shiravi, 2020). Whenever there is any ambiguity in regards to the meaning, concepts, phrases, or words used in any contract, the contract must be interpreted. To properly interpret contract, some principles should be followed, one of which is the "Contra Proferentem "rule. If the contract regulator is also its obligator, the aforementioned principle is applied. However, if only one party prepares the contract or some terms and the other party accepts, any ambiguity will be detrimental to the regulator (Islami and Ghanavati, 2019).

A Comparative Study in International Documents

Article 64 of the Common European Sales Law states that the strongest party of the contract, i.e. the trader in this discussion, is skilled at regulating and formulating a contract and is thus quite careful with the words and phrases they use. Hence, any claim made by them regarding the ambiguity of the contract is not acceptable. The provision of the last paragraph of this article states that when the term proposed by the customer cannot be interpreted against the trader. This provision confirms the Contra Proferentem rule (Islami and Ghanavati, 2019). Articles 62, 65, and 7 also focus on this issue.

The Principles of the European Contract Law have set out this rulein articles 5-103. According to this article, "if there is any ambiguity about the meaning of a term in a contract, this term will be interpreted to the detriment of the party that has included it" (Shoarian and Torabi, 2016). This article only includes terms that are not negotiated by

one of the parties. So, in cases where the term is negotiated by one party, both parties are responsible for any kind of ambiguity (Islami and Ghanavati, 2019).

Articles 4-6 of the Principles of International Commercial Contracts contain a rule similar to PECL. According to this article, if a clause of a contract is formulated by one of the parties, it must be interpreted against that party (Shoarian and Torabi, 2016).

The Contra Proferentem rule is not explicitly mentioned in the Convention on Contracts for the International Sale of Goods. according to this Article, some courts have paid attention to the Good Faith Principle in interpreting the statements and conducts of the parties (Shoarian and Rahimi, 2016).

Paragraph 1 of Articles 8-103 of Draft Common Frame of Reference states this rule, which can only be applied to terms that are not independently negotiated. Also, this term is only used as the interpretation principle when other principles are not applicable (Islami and Ghanavati, 2019). This principle is applied when one or multiple terms of the contract are set by a third party (Von Bar *et al.*, 2009).

Iranian Law

The Contra Proferentem rule has not been explicitly accepted in Iranian Law but accepted in various legal articles and the general principle of Iranian Law. Jurists have referred to this rule and stated that any kind of ambiguity in the contract must be interpreted in favor of the person that has joined the contract (Katozian, 2019).

This rule has been mentioned in various articles. Articles 1301 and 1304 state that a person's signature is an indication of their satisfaction with the provisions of a document (Habibi, 2018; Shams, 2020). Despite the criticisms, it can be inferred that this rule has been accepted in Iranian Law (Islami and Ghanavati, 2019).

Interpretation in Favor of the Weak Party of the Contract

The concept of the weak party of the contract is raised in unfair contracts. In such contracts, since the party that is economically or informatively weaker is less able to bargain, restrictions have to be set based on the freedom of contract principle to support the weak party (Soltani, 2016). The stronger party includes some terms that are in their favor in the prepared contract and the weaker party is usually unable to change or modify these terms. The Contract Balance is imperfect in almost all contracts. In most cases, traders and sellers make more profit than the average customer. Therefore, in the present study, it is argued that there is a serious imbalance in regulations, commitments, and obligations.

There are several guidelines and directives in this regard at the European Union level, the most important of which is the Council Directive 93/13/EEC on Unfair Terms in Consumer Contracts. The EU has issued specific directives on unfair terms in Consumer Contracts, obliging member states to lay down necessary rules and regulations to address unfair terms in customer contracts.

A comparative Study in International Documents

Article 4-109 of the principles of the European Contract Law seeks to express the concept of misuse of terms. For this article to be applied, the contract must contain the element

of weakness, or the need of one party and the other party's knowledge (Islami and Ghanavati, 2019).

Article 4-110of the European Contract Law addresses the unfair terms that have not been specifically negotiated. This article is based on the EU Council Directive 93/13/EEC on Unfair Terms in Consumer Contracts. Unfair terms cover a wider realm in the principles of the European Contract Law compared to the EU Directive. This is because the Directive only includes Consumer Contracts; while the principles of the European Contract Law also include State Contracts and Trade Contracts. Therefore, this Directive has been extended to other contracts as well. However, unlike the EU Directive that proposes a list of these terms, the principles of the European Contract Law do not propose such a list due to the variety of Trade Contracts. Thus, if a term is contrary to the Good Faith Principle and the transaction is not fair, it causes a significant imbalance in the rules and the obligations of the parties and the contract can be terminated. However, if a term determines a certain price or specifies the main subject of the contract, this Article does not apply to it (Shoarian and Torabi, 2016).

Article 20-2 of the principles of International Commercial Contracts, in the discussion of unexpected terms and conditions, each party is obliged to accept the other party's terms and conditions after signing the contract and any claim of ignorance and unawareness is not accepted in this regard. If this paragraph is accepted as the principle, then this Article further introduces an exception to this principle. The exception applies when the language of the contract and the phrasing of the content of the contract is unconventional and unexpected (Akhlaghi and Imam, 2000).

The second paragraph of this Article addresses the "content", "language" and "phrasing" of the contract. It seems that this exception, especially these three terms, has been included in this article to prevent the economically stronger party of the contract from abusing their superiority, skill, and experience and the weaker party's position. The stronger party may attempt to abuse the unawareness of the other party by including seemingly simple but interpretable terms (Darab Pur, 2019).

Iranian Law

In Islamic jurisprudence, contract freedom is a general principle governing contracts and it applies to a wide scope of contracts, except for exceptional cases following religious texts. Therefore, according to this principle, a person accepts the obligations and commitments included in the contract by signing it even if they are not completely aware of the terms of the contract. Thus, the terms that are stated in the contract signed by the parties are under the will of the parties and are therefore fair. This only applies to Exchange transactions (Ghanavati, 2010).

In Iranian law, the balance of considerations is not a condition for the contract validity, but a small Consideration changes the nature of the contract or terminates it. The right of termination has also been predicted by the deception option. Assessment of the deception option depends on the terms of the contract as well.

The Good Faith Principle

A dynamic or evolutionary interpretation can be applied through the Principle of Good Faith, which guarantees the rational exceptions that any of the parties can have of the contract and the contract must be interpreted based on the principle of loyalty and mutual trust. Destroying the expectations that are formed due to contractual obligations and commitments will be contrary to the Good Faith Principle. This has been mentioned many times in the rulings of International Courts (Ibrahimi, 2009).

A comparative Study in International Documents

The Good Faith Principle has been explicitly predicted in many important international documents, including the Convention on Contracts for the International Sale of Goods and all parties of the contract are required to follow it.

The Good Faith Principle has been mentioned in paragraph 1 of Article 7 of the Convention on Contracts for the International Sale of Goods. According to this Article, "the international specifications of the provisions of this convention, the necessity of coordination in its implementation and the observation of the Good Faith Principle in the International Trade should be considered in interpreting the convention". Most jurists believe that this principle should be extended to these relations as well (Rahimi Dehsuri *et al.*, 2016).

This principle has been mentioned in Article 7-1 of the Principles of International Commercial Contracts. This principle and concepts similar to it have been predicted in various chapters, including in articles 15-2, 16-2, 18-2, 5-3, and 8-4.

Iranian Law

Some of the principles governing the contracts have been mentioned in Iranian Law. However, there is not an explicit statement about the Good Faith Principle or the obligation to observe it. Nonetheless, the prediction of the Good Faith Principle in Iranian Law can be confirmed by examining the rules and regulations.

Article 40 of the Constitution is the most important Article that refers to the Good Faith Principle. According to this principle, "no one can use the exercise of their right as a means to harm others or to violate the public interest". Although this principle is not the same as the Good Faith Principle, its concept can also be regarded as an indication of the Good Faith Principle. Article 132 of the Civil Law indicates the same concept. According to this article, "no one may seize their property if it requires harming the property of their neighbor unless they seize is conventional, aims to meet their need or eliminate their loss". The Good Faith term was firstly introduced in Article 8 of the Civil Liability Law. This principle was also stated in Article 154 of the Commercial Code approved in 1932, Article 6 of the Check Issuance Law approved in 1965 which was abrogated due to the Check Issuance Law approved in 1976, Article 35 of the Electronic Commerce Law approved in 2003, paragraph 4 of Article 15 of the Patent Law approved in 2007, and Articles 12 and 13 of the Insurance Law approved in 1937.Nevertheless, this principle has not been explicitly mentioned in the Civil Law, although many years ago, the Legal Doctrine stated that this principle should be included in the Iranian Law (Jafari Langerudi, 2020). In Iranian law, it is assumed that all contracts are based on the Good Faith Principle. Therefore, it can be argued that this principle can be regarded as an

exception in some contracts. However, some people believe that the extent to which the Good Faith Principle is required varies based on the nature of the contract.

Good Faith and Contract Balance

In cases where the economic balance and the initial balance of the contract are disturbed, it becomes difficult to implement the contract with the same conditions. In such situations, the implementation of the contract becomes very expensive. Therefore, aquestion arises: Can the obligee be regarded as the creditor in good faith if they demand full execution of the contract (under any circumstances)?

Some jurists argued that firstly, the obligee plays no role in creating such conditions, and secondly, all parties of the contract must be committed to executing it at any time, based on the Good Faith Principle. Thus, the principle of *pacta sunt servanda* in such circumstances not only does not contradict the principle of Good Faith but complies with it.

Furthermore, some jurists argue that the contracting parties should cooperate in the execution of the contract and must avoid any actions that make it difficult for a party to do so. They also believe that it is contrary to the Good Faith Principle to expect the obligor to execute the contract in any circumstance.

Execution of contracts in good faith is accepted in the law of countries such as Germany, Switzerland, and France. Accordingly, in cases where the value of a payment made by the obligee loses its value due to an increase in the prices and the parties still demand the full execution of the contract following the conditions of the time of the conclusion of the contract, this conduct is contrary to the Good Faith Principle.

In the Iranian Law, the following statement has been presented by a jurist in association with the interpretation of the contract based on the Good Faith Principle and its modification: "assuming that this obligation related to the Good Faith Principle can be deducted from the law, the application of this principle is still quite difficult. This is because this principle is in contrast with *pacta sunt servanda* and the commitment of both parties to the content of the contract. Undoubtedly, any kind of deception in social relationships is not accepted and contractual relationships are no exception. However, the contradiction between the strictness of obtaining one's right and execution of obligation in good faith is rather doubtful. The question that is raised in this regard is: Should the Principle of Good Faith be applied to confirm the provisions of the contract and to fully execute it or should it be applied for the parties to be exempted from implementing the contract?" (Katouzian, 2019).

RESULTS AND DISCUSSION

Legal rules should be so strong and strict that they do not change with the taste and interests of individuals. However, these rules shall be able to respond to the changing needs of society as well. There are some obstacles and unpredictable conditions and incidents that disturb the economic balance of the consideration. So, it is considered unfair to impose such rules. Accordingly, some rules and regulations have been predicted in the laws of most countries, as well as international documents, to recreate the balance. The purpose of dynamic interpretation is to discover the new intent of the parties to the contract. Such discovery is made by the

interpreter and it revives the contract in a way that it would respond to the changing needs. A good understanding of the subject and purpose of the contract is obtained through a dynamic interpretation. It offers a new and comprehensive understanding of the contract to the parties. Dynamic interpretation indicates that no rule can escape the requirements of the time. Nevertheless, some commentators believe that the concept of dynamic interpretation is flawed. However, it has been embraced by various legal systems and international documents. In some cases, it has been the main focus of the independent discussions of Civil Law. Nonetheless, Iranian Law is rather ambiguous in this regard, and the principles and rules of interpretation of contracts have not been explicitly expressed in Iranian Law.

Law and its essential specifications play crucial roles in the dynamic interpretation of the contract. When a contract is against the law and contradicts good manners, judicial authorities will set it aside. However, when the obligation is disjunctive, its validity depends on the willingness/unwillingness of the party, and therefore, the contract is a good case for interpretation. Also, when contracts are dynamically interpreted, two main criteria, i.e. the mutual intention and will of the parties and the contract requirements, are considered.

One of the principles used in interpreting the contract is the principle of interpretation to the detriment of the regulator of the contract. According to this principle, any ambiguity in the contract is only removed through a dynamic interpretation when it is detrimental to the regulator of the draft or terms of the contract. Additionally, the focus of dynamic interpretation is on the benefit of the weak party, as this party has less bargaining power due to their lack of information or economic weakness. The Doctrine of Irrationality is one of the most effective legal measures to support the weaker parties of contracts in the modern legal systems and international documents.

Furthermore, principles such as Fair Transaction and Good Faith are also focused on in the dynamic interpretation of the contract.

CONCLUSION

Legal rules should be able to respond to the changing needs of society but sometimes the contract has not enough balance.

Contract Balance means balancing the obligations of all parties by decreasing or increasing them. A dynamic interpretation of the contract is one way to create the lost balance. Dynamic interpretation indicates that no rule can escape the requirements of the time so it focuses on events that have occurred before, after, and at the time of formation of the contract and the customs and conventional practices.

Moreover, the parties must conclude a contract that is dynamic enough to withstand changing circumstances.

ACKNOWLEDGMENTS: None

CONFLICT OF INTEREST: None

FINANCIAL SUPPORT: None

ETHICS STATEMENT: None

References

Afzali, A., Shahabi, M., & Alsharif, M. (2018). Going from contract interpretation to contract transformation, Reflections on the socialization of contract law. *Private Law Research Quarterly, 7*(72).

Akhlaghi, B., & Imam, F. (2021). *Principles of international trade contracts*. Shahr-e Danesh Press.

Al-Omar, H. A. (2020). Cost-conscious medications-prescribing behavior among physicians working in Saudi Arabia. *Archives of Pharmacy Practice, 11*(1), 143-152.

Asadi, B. (2019). Jurisprudential and legal analysis of contract interpretation. *Legal Research of GhanunYar, 2*(6).

Asghari Aghmashhadi, F., & Taghipur Darzi Naghibi, M. (2017). A comparative study of the effect of custom and habit in the interpretation of the contract in the Convention on the International Sale of Goods and Iranian Law. *Comparative Law Studies, 8*(2).

Barati, R. (2019). Examining the rules and principles of contract interpretation and its effects, Internal *Quarterly of the Bar Association,18*.

Bigdeli, S. (2015). *Contract Modification*,4th ed, Mizan Publication.

Boss, A. H., & Kilian, W. (2008). *The united nations convention on the use of electronic communications in international contracts: an in-depth guide and sourcebook*. Kluwer Law International BV.

DarabPur, M. (2019). *Principles and foundations of international trade law*, volume 1, 2th ed, Gnaje Danesh publication.

DarabPur, M. (2019). *Principles and foundations of international trade law*, Volume 6, 2th ed, Gnaje Danesh publication.

Eisenberg, M. A. (2001). The emergence of dynamic contract law. *Theoretical Inquiries in Law, 2*(1).

Eliot, T. S. (2006). Contractual Interpretation the Intolerable Wrestle with words and meanings, Hope Trust Research Fellow, School of Divinity, University of Edinburgh, 117(12), 496-501.

Epstein, W. N. (2014). Facilitating Incomplete Contracts. *Case Western Reserve Law Review, 65*, 335.

Eskridge, W. N., & Eskridge Jr, W. N. (1994). *Dynamic statutory interpretation*. Harvard University Press.

Fontaine, M., & Ly, F. (2015). *Drafting International Contracts: An Analysis of Contract Clauses*. 2nd ed. Brill – Nijhoff.

Ghanavati, J. (2010). The principle of contractual freedom: Unfair contracts and terms. *Islamic Studies: Jurisprudence and Principles, 85*(1), 135-157.

Habibi, M. (2018). *Interpretation of Internatinal Commercial Contracts.* 3nd ed. Mizan Publication.

Horton, D. (2009). Flipping the Script: Contra Proferentem and Standard Form Contracts. *University of Colorado Law Review, 80*, 1-46.

Hviid, M. (2000). Long-term contracts and relational contracts. *Encyclopedia of Law and Economics*, *3*, 46-72.

Ibrahimi, Y. (2009). A comparative study of the concept and the effects of the Good Faith principle in the conclusion, interpretation, and implementation of contracts. *International Journal of Law*, (4), 85.

Islami, S. M. H., & Ghanavati, J. (2019). Preference of interpretation against the regulator of the contract. *Comparative Law*, (1), 72.

Jafari Langerudi, M. (2020). *General philosophy of law based on the originality of action. Balance theory*, 6th ed, Ganj Danesh Publication.

Katouzian, A. (2019). *General theory of obligations*. 9nd ed. Mizan Publication.

Kim, S. (2005). Evolving Business and Social Norms and Interpretation Rules, California Western School of Law. *Nebraska Law Review, 84*(2), 508-555.

Kubanov, S. I., Savina, S. V., Nuzhnaya, C. V., Mishvelov, A. E., Tsoroeva, M. B., Litvinov, M. S., Irugova, E. Z., Midov, A. Z., Sizhazhev, A. A., Mukhadieva, L. B., et al. (2019). Development of 3d bioprinting technology using modified natural and synthetic hydrogels for engineering construction of organs. *International Journal of Pharmaceutical and Phytopharmacological Research, 9*(5), 37-42.

Moridi Far, H., Sukuti Nasimi, R., & Masudi, N. (2018). The place of the principle of validity of contract terms in the interpretation of contracts. *Jurisprudence and Principles of Islamic Law, 11*, 3.

Mouritsen, S. C. (2019). Contract Interpretation with Corpus Linguistics. *Washington Law Review, 94*, 1409.

Orsinger, R. R. (2007). *The Law of Interpreting Contracts*. McCurley, Orsinger, McCurley, Nelson & Downing, L.L.P. Dallas Office: 5950 Sherry Lane, Suite 800 Dallas, Texas 75225 214-273-2400 and San Antonio Office: 1616 Tower Life Building San Antonio, Texas 78205 210-225-5567, State Bar of Texas Advanced Civil Appellate Practice Course, Four Seasons Hotel, Austin, Texas

Parsapoor, M. B., & Zakerinia, H. (2015). Types, rulings, and effects of excuses for non-execution of contracts (a comparative study in the Iranian Legal System, Roman-German Law, Common Law, and other International Documents). *Comparative Law Research, 19*(2), 36.

Rahimi Dehsuri, R., Shahbabayi, H., & Omidi Fard, A. (2016). The role of verbal custom in interpreting the contract in subject law with a jurisprudential approach. *Knowledge of Civil Law, 6*(2).

Sauvant, K. P. (2010). *Yearbook on International Investment Law & Policy 2009-2010*. Oxford University press.

Shams, A. (2020). *Civil Procedure Code.* Vol. 3. 33th ed. Derak Publications.

Shiravi, A. (2020). *International Commercial Law*, 12th ed, Samt Publication.

Shoarian, I., & Torabi, E. (2016). *Principles of European Contract Law and Iranian Law (Comparative Study)*. 2nd ed. Forouzesh Press.

Soltani, S. M. (2016). Supporting the weak part of contracts. *Legal Discourse*, (29), 98.

Von Bar, Ch., Clive, E., Schulte-Nölke, H., Beale, H., Johnny Herre, J., Huet, J., Storme, M., Swann, S., Varul, P., Veneziano, A., et al. (2009). *Principles, Definitions and Model Rules of European Private Law, Draft Common Frame of Reference (DCFR)*. Articles and Comments [Interim Edition, to be completed].

Yazdanian, A., & Arayi, H. (2016). A Comparative Study of the Extensive and Narrow Interpretation of the Contra Proferentem Rule in Insurance Contracts. *Legal Research*, 29.