



LEGAL BRIEFING

AMEC Group Ltd v Universal Steels (Scotland) Ltd

[2009] EWHC 560, TCC, Mr Justice Coulson

The Facts

AMEC Group Ltd (“AMEC”) applied for an interim mandatory injunction to require Universal Steels (Scotland) Ltd (“Universal”) to deliver up to AMEC quality assurance (“QA”) documentation. AMEC and Universal had entered into a contract for Universal to fabricate and deliver to AMEC four jetty restraint piles and pile caps for installation at a new berthing facility at the Naval Dockyard in Clyde (the “Contract”). AMEC would then install the piles and pile caps under their contract with their employer, the Ministry of Defence.

One of the terms of the Contract was that Universal would provide QA documentation to AMEC in 15 separate and indented categories. Universal refused to provide this QA documentation unless and until AMEC paid Universal outstanding sums Universal claimed to be owed by AMEC.

The Issue

Was AMEC able to obtain a mandatory injunction requiring Universal to deliver the QA documentation to AMEC?

The Decision

AMEC were granted the injunction. The QA documentation was required for the employer, the Ministry of Defence, because they needed to approve it before the jetty piles were installed. There was a “window” for the jetty piles to be installed in May 2009. If the jetty piles were not installed at this time, the piles could not be installed until October 2009. In order for the jetty piles to be installed during the May window, the Ministry of Defence required the QA documentation by 1 April 2009.

After considering the issues between the parties, the Judge was of the opinion that AMEC were likely to succeed at the trial of these issues. Further, damages would not be an adequate remedy as no other company could reproduce the QA documentation and AMEC would suffer serious financial loss if the piles were not installed in May. AMEC would not be able to recover these losses from Universal as Universal was an extremely modest company.

Comment

This case demonstrates that, at times, contractual documentation cannot be withheld as a bargaining tool pending resolution of other disputes between the parties. As the jetties could only be installed within a certain time period, the Judge considered the commercial losses that would result from any delay to their installation. Parties to a contract need to ensure that, if disputes arise, they honour their contractual obligations for the provision of documentation, particularly in cases where the non-provision of the documentation would result in the other party suffering significant losses.

Charlene Linneman
April 2009