Torquay Hotel Co Ltd v Cousins [1969]

This case examines a labor dispute related to the interference of a third party in a contract.

Evidence

Mr. Cousins and other members of a trade union organized a strike at the hotels owned by the plaintiff. Consequently, the contractor Esso that provided oil to the plaintiff did not manage to make a delivery to the hotels being thus blocked. Subsequently, the plaintiff ordered a new delivery from another supplier with higher rates. The members of the union also refused to stop striking. The plaintiff issued a writ against the union members and Mr. Cousins requiring them to compensate for damages resulting from the breach of contact between Esso and the plaintiff. Members of the trade union along with Mr. Cousins responded with an appeal.

Problematics

Considering that a contract clause allowed any interference related to a labor dispute, it was vital to establish whether issuing an injunction against the third party was just.

Resolution

Since the plaintiff was not the employer of Mr. Cousins, according to the Trade Disputes Act 1906, s 4 (1), the actions of Mr. Cousins were not linked to the interference in trade disputes but rather were interpreted as an act against the manager. The primary difference between this case and Lumley v Gye [1853] 2 E & B 216 was the nature of other circumstances surrounding it, namely unlawful means of interference and indirect inducement. The contract between the plaintiff and Esso did not imply that Mr. Cousins and union members could count on the exception of a force majeure or labor dispute. The inducement of Mr. Cousins was established as he had intentionally interfered in the contractual obligations between the plaintiff and Esso. Hence, the request of the plaintiff to oblige Mr. Cousins to pay damages was justified.
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