

Equitable Rights

An **equitable right** is a **legal right** guaranteed by **equity** as opposed to a legal right which derives authority from a legal source. An example of an equitable right could be seen in **Land law**, where mention is made of a beneficial interest i.e. vested interests in an estate which are protected by equity. In essence, a contributor to the purchase of a **property**, has an equitable right to that property albeit not being the registered proprietor.

Equitable Remedies

There are three characteristics of equitable remedies that differ from damages. First, the jury is not used in cases involving equitable remedies. Second, in sanctioning equitable remedies, the court does not make decisions based on precedents but tends to rely on the justice that needs to be served. Third, equitable remedies are not monetary. Rather, they include actions, properties, etc., that the court orders the defendant to perform in order to bring both parties in a lawsuit back to the position in which they were prior to their contract.

Types of Remedies in Equity

There are three types of equitable remedies: specific performance, injunction, and restitution.

Specific Performance

Specific performance is a judicial order to the promisor that he undertake the performance to which he obligated himself in a contract. Specific performance is an alternative remedy to damages and may be issued at the discretion of the court, subject to a number of exceptions. Emily signs a contract to sell Charlotte a gold samovar, a Russian antique of great sentimental value because it once belonged to Charlotte's mother. Emily then repudiates the contract while still executory. A court may properly grant Charlotte an order of specific performance against Emily.

Once students understand the basic idea of specific performance, they often want to pounce upon it as the solution to almost any breach of contract. It seems reasonable that the nonbreaching party could ask a court to simply require the promisor to do what she promised she would. But specific performance is a very limited remedy: it is only available for breach of contract to sell a unique item, that is, a unique item of personal property (the samovar), or a parcel of real estate (all real estate is unique). But if the item is not unique, so that the nonbreaching party can go out and buy another one, then the legal remedy of money damages will solve the problem. And specific performance will never be used to force a person to perform services against his will, which would be involuntary servitude. A person may be forced to stop doing that which he should not do (injunction), but not forced to do what he will not do.

Injunction

An injunction is the second type of equitable remedy available in contract (it is also available in tort). It is a court order directing a person to stop doing that which she should not do. For example, if an employer has a valid noncompete contract with an employee, and the employee, in breach of that contract, nevertheless undertakes to compete with his former employer, a court may enjoin (issue an order of injunction), directing the former employee to stop such competition. A promise by a person not to do something—in this example, not to compete—is

called a negative covenant (a covenant is a promise in a contract, itself a contract). Or if Seller promises to give Buyer the right of first refusal on a parcel of real estate or a unique work of art, but Seller, in breach of a written promise, offers the thing to a third party, a court may enjoin Seller from selling it to the third party. If a person violates an injunction, he may be held in contempt of court and put in jail for a while. *Madison Square Garden v. Carnera Corporation*, Section 16.6.3 "Injunctions and Negative Covenants", is a classic case involving injunctions for breach of contract.

Restitution

The third type of equitable relief is restitution. Restitution is a remedy applicable to several different types of cases: those in which the contract was avoided because of incapacity or misrepresentation, those in which the other party breached, and those in which the party seeking restitution breached. As the word implies, restitution is a restoring to one party of what he gave to the other. Therefore, only to the extent that the injured party conferred a benefit on the other party may the injured party be awarded restitution. The point is, a person who breaches a contract should not suffer a punishment, and the nonbreaching party should not be unjustly enriched.

Equitable Procedures

Equity was not bound by the writ system and cases were heard in English instead of Latin. The Chancellor did not use juries and he concerned himself with questions of fact. He could order a party to disclose documents. The Chancellor issued subpoenas compelling the attendance of the defendant or witnesses whom he could examine on oath.