

THE RIGHTS AND OBLIGATIONS OF THIRD PARTIES

Most of contract law focused on the obligations (and corresponding rights) of the parties to a contract. But contracts routinely impact third parties—individuals who were not parties to the contract. This section focuses on them.

The first part considers the parties' ability, at the time of reaching the contract, to grant a third party (which the law calls an intended third-party beneficiary) a right to enforce the contract. We then consider the abilities of each of the parties, during the performance of their contract, to insert third parties into their contractual relations through either the assignment of their rights or the delegation of their duties.

While third parties often receive brief treatment in a basic course on contract law, in practice, they are frequently involved in contractual relationships. Transactional lawyers, in particular, routinely deal with third parties, especially with the assignments of rights.