

# **Contract With One-Sided Termination Enforced – Not a Perpetual Contract**

An article by Stephen M. Proctor of Masuda Funai illustrates the balance courts strike between the policy that disfavors perpetual contracts versus the policy that allows parties freedom of contract. Courts will strike down perpetual contracts but will allow parties to restrict their ability to terminate an agreement.

The article discusses the case of *Burford v. Accounting Practice Sales, Inc. and Gary Holmes*, which was decided recently in the 7th U.S. Circuit Court of Appeals.

The ruling shows that a party to a contract can limit its ability to terminate a contract except on specified conditions or specified causes, the article says.

**Read the article.**