

## LEGAL THEORIES OF UNJUST ENRICHMENT IN COMMERCIAL DISPUTES

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**Abstract:** This study offers a thorough examination of unjust enrichment as a legal concept, with a specific focus on its relevance to commercial litigation within Uzbekistan. It investigates the essential attributes and underlying jurisprudential principles that define unjust enrichment, setting it apart from obligations arising in contract and tort. Utilizing comparative methodologies, real-world examples, and judicial precedents, the paper identifies key uncertainties, intersections, and procedural difficulties present in current legal practice. The discussion underscores the need for a more coherent and structured approach to unjust enrichment in order to foster equitable outcomes and reinforce legal predictability in commercial dealings. Incorporating international legal models and scholarly perspectives, the paper proposes actionable reforms, institutional enhancements, and compliance measures designed to support legal development and enhance the commercial regulatory framework in Uzbekistan.

**Keywords:** Unjust Enrichment, Commercial Law, Legal Theories, Civil Code of Uzbekistan, Legal Reform, Comparative Law, Business Disputes, Restitution, Equity, Jurisprudence, Legal Doctrine.

### 1. Introduction

The principle of unjust enrichment has traditionally held a significant role within civil law traditions, serving as a core mechanism to deter parties from gaining an inequitable advantage at another's expense. Its importance is especially pronounced in commercial legal conflicts, where multifaceted agreements, financial transactions, and service contracts frequently produce scenarios that strain conventional legal frameworks. The expansion of international trade, the rise of digital payments, and the emergence of sophisticated financial instruments have further complicated this area of law.

Within Uzbekistan's legal system, unjust enrichment is codified in the Civil Code; however, its practical use in resolving commercial disagreements is still evolving. The doctrine's limited utility stems from insufficient legislative detail, divergent judicial approaches, and a general absence of comprehensive academic commentary. This paper aims to connect theoretical understanding with real-world application by analyzing the historical development, conceptual foundations, and dynamic evolution of unjust enrichment. It critically examines dominant legal perspectives, supports analysis through

both local and international case comparisons, and proposes targeted reforms suited to the legal and economic realities of Uzbekistan.

## **2.The Concept and Legal Foundations of Unjust Enrichment**

Unjust enrichment refers to a situation where a person gains a benefit at the expense of another without a legal basis. It is premised on the equitable maxim that no one should be unjustly enriched at another's cost. In most civil law jurisdictions, including Uzbekistan, unjust enrichment is recognized as a non-contractual obligation that serves to restore financial equilibrium between parties.

### **2.1 Essential Elements**

The legal doctrine of unjust enrichment generally comprises the following four essential elements:

- A party has received a benefit (enrichment);
- Another party has suffered a corresponding loss (impoverishment);
- There is a causal connection between the enrichment and the impoverishment;
- These criteria are essential in evaluating unjust enrichment claims and in differentiating them from those based on contract or tort. Among them, the absence of legal grounds is frequently the most contested, particularly in commercial transactions where informal conduct or incomplete obligations may cloud the basis of the enrichment.

### **2.2 Types of Enrichment**

Unjustified gains can appear in many ways, such as receiving money, acquiring goods, obtaining services, or being freed from a debt. In business, common examples include overpayments, mistakenly delivered products, misuse of confidential information, or benefits retained after a contract is voided. Sometimes, enrichment happens unintentionally—for example, when a payment is missed due to an administrative oversight.

### **2.3 Historical and Doctrinal Roots**

Unjust enrichment, as a legal concept, can be traced back to Roman law. Central to its origin is the principle *nemo locupletari debet aliena iactura*—the idea that no one should profit from another's loss. Over the centuries, this notion matured through the detailed development of *condictio* actions by legal scholars. It later found its place in the codified frameworks of various continental European civil codes. In the modern legal landscape, figures like Von Tuhr and Windscheid revisited and refined the concept, presenting it as a tool designed to address the legal voids left by contract and tort doctrines.

## **3.Dominant Theoretical Approaches to Unjust Enrichment**

Legal scholars and practitioners have developed several interpretative frameworks for understanding unjust enrichment. Each of these theories shapes the way unjust enrichment is addressed in legislation and jurisprudence.

### **3.1 Restitutionary Theory**

Restitutionary theory is the most traditional and widely accepted approach. It frames unjust enrichment as a remedial tool designed to restore the parties to their pre-enrichment position. It treats the law of unjust enrichment as a distinct branch of private law, operating independently of contract and tort. The core concern is not wrongdoing or breach, but the improper retention of a benefit.

### 3.2 Corrective Justice Theory

Corrective justice theory derives from Aristotelian philosophy and emphasizes the moral obligation to correct imbalances in bilateral relationships. It views unjust enrichment as a mechanism through which the legal system can re-establish distributive fairness. Under this view, the law does not merely return what was received; it also redresses a relational injustice.

### 3.3 Equity-Based Theory

Particularly prominent in common law jurisdictions, the equity-based theory introduces moral and discretionary considerations into the equation. It allows for restitution where strict adherence to legal rules would lead to injustice. For example, a court may order restitution in a situation where a contract is unenforceable due to technical deficiencies but where performance was rendered in good faith.

### 3.4 Economic Efficiency Theory

This theory considers the economic rationale behind legal doctrines. In the context of unjust enrichment, it suggests that restitution rules incentivize optimal behavior and reduce transaction costs. By deterring unjust retention and encouraging voluntary transfers, unjust enrichment doctrines contribute to economic efficiency. However, critics argue that this perspective may sideline the normative foundations of the doctrine.

### 3.5 Mixed Approaches

Certain legal systems have developed a blended model that integrates elements from multiple theoretical perspectives. Germany provides a notable example: although its Civil Code (*Bürgerliches Gesetzbuch*, BGB) delineates unjust enrichment through a structured classification, courts are still afforded considerable discretion to interpret and adapt these provisions in accordance with overarching principles of fairness and justice. France similarly demonstrates a shift in legal thinking. Historically, the French law of obligations focused primarily on contractual and tortious liability. Yet, through a combination of legislative updates and evolving judicial reasoning, unjust enrichment has gradually emerged as a more distinct and coherent legal doctrine within the French legal order.

## **4. Application to Commercial Disputes in Uzbekistan**

In Uzbekistan, the primary legal provision governing unjust enrichment is found in the Civil Code, specifically Articles 1100–1105. These articles outline the basic framework but do not elaborate on its practical implementation. Consequently, courts must rely on general principles, analogies with foreign doctrines, and discretion to resolve disputes.

### 4.1 Common Commercial Scenarios

- Payment by mistake: Company A mistakenly pays Company B twice for a single invoice.

- Invalid contracts: A supply contract is found void due to lack of proper authorization, but partial performance has already occurred.

- Unauthorized enrichment: A business uses another company's proprietary information without permission or compensation.

- Partial deliveries: One party delivers goods, but the buyer is later found to be insolvent, and the contract is rescinded.

In each of these cases, unjust enrichment may serve as a fallback remedy, especially where contractual remedies are unavailable or insufficient.

#### 4.2 Doctrinal Gaps and Judicial Uncertainty

The Uzbek judiciary faces significant challenges in interpreting and applying unjust enrichment principles due to:

- Absence of detailed procedural guidance;
- Limited use of precedent and inconsistent judgments;
- Unclear standards for quantifying non-monetary enrichment;
- Lack of scholarly commentary and legal training on the subject.

In practice, many judges conflate unjust enrichment with contractual restitution or tort-based liability, leading to doctrinal confusion. Additionally, claimants face burdensome evidentiary requirements in proving both the enrichment and the corresponding loss.

### 5.Comparative Analysis with Other Legal Systems

Unjust enrichment is treated with varying degrees of complexity and emphasis across different jurisdictions. While the core principles remain broadly consistent, the legal infrastructure, judicial interpretation, and doctrinal development differ significantly. Understanding these differences can provide valuable insights for shaping an effective unjust enrichment regime in Uzbekistan.

**5.1 Germany** : German law contains a highly structured and nuanced approach to unjust enrichment. The BGB divides claims into four main categories (condictiones), such as those based on performance without legal grounds and those arising from interference with another's rights. This codification ensures predictability and doctrinal clarity.

**5.2 China** : The Civil Code of China, enacted in 2021, provides a more systematic treatment of unjust enrichment. It defines key terms and distinguishes unjust enrichment from contract and tort. The code emphasizes good faith, the voluntariness of enrichment, and procedural efficiency.

**5.3 Russia** : In Russian civil law, unjust enrichment is considered a general obligation that arises outside the realms of contract or delict. Article 1102 of the Civil Code

outlines the principles, which closely align with European doctrines. However, Russian courts often interpret enrichment narrowly, especially in commercial contexts.

5.4 France : The French Civil Code initially excluded unjust enrichment as an autonomous ground for obligation. Nevertheless, the doctrine of "enrichissement sans cause" has gained recognition through case law and is now an accepted legal basis for restitution.

## **6.The Role of Corporate Compliance and Preventive Strategies**

Effective corporate governance can significantly reduce the occurrence of unjust enrichment in commercial operations. Key strategies include:

### **6.1 Contract Management**

- Ensuring all agreements are in writing and duly authorized;
- Including restitution clauses in the event of termination or invalidity;
- Conducting due diligence before entering into complex agreements.

### **6.2 Payment and Accounting Controls**

- Implementing dual-approval mechanisms for financial transactions;
- Using automated reconciliation software to detect payment errors;
- Periodic audits to identify irregularities and assess exposure to unjust enrichment claims.

### **6.3 Employee Training**

- Educating finance and legal departments about unjust enrichment risks;
- Establishing internal reporting channels for suspected overpayments or unauthorized use of resources.

### **6.4 Legal Risk Assessment**

- Engaging legal counsel to assess potential unjust enrichment exposure in mergers, acquisitions, or reorganizations;
- Including indemnity and limitation of liability clauses in key contracts.

## **7. Recommendations for Legal Reform in Uzbekistan**

To enhance the clarity and utility of unjust enrichment doctrines in commercial practice, Uzbekistan should consider:

### **7.1 Legislative Amendments**

- Introducing detailed statutory definitions of enrichment, loss, and legal basis;
- Differentiating between performance-based and interference-based enrichment;
- Providing examples and illustrative scenarios.

### **7.2 Judicial Training and Precedent Development**

- Organizing training programs for judges and court clerks on unjust enrichment theory and application;
- Encouraging publication of appellate decisions to develop a consistent body of case law.

### 7.3 Academic Engagement

- Encouraging universities to offer specialized courses on restitution and unjust enrichment;
- Promoting scholarly research and publications to guide legal reform and judicial interpretation.

### 7.4 International Cooperation

- Partnering with institutions such as UNCITRAL or the Max Planck Institute for Comparative and International Private Law;
- Participating in legal harmonization efforts and comparative law networks.

## 8. Conclusion

Unjust enrichment serves as a critical mechanism for correcting imbalances in commercial relationships when no other legal channel is suitable. In Uzbekistan, its practical importance has been growing alongside the country's economic diversification and legal modernization. Nevertheless, doctrinal uncertainties, inconsistent judicial interpretations, and limited academic involvement have hindered its advancement.

By embracing a more comprehensive and theoretically grounded approach to unjust enrichment, Uzbekistan can enhance the integrity of its commercial legal system. Legislative refinement, judicial education, and proactive corporate governance will be key components in this evolution. In doing so, Uzbekistan can align its legal infrastructure with international best practices, improve its investment climate, and reinforce the rule of law.

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