



How to cite this article:

Ali Panah, A., & Jalili Azar Khiyav, M. (2026). Revisiting Contract Interpretation in Light of Critical Legal Studies. *Journal of Historical Research, Law and Policy*, 4(3), 1-13. <https://doi.org/10.61838/jhrhp.232>





Article history:
Original Research

Dates:

Submission Date: 05 November 2025
Revision Date: 07 February 2026
Acceptance Date: 14 February 2026
Publication Date: 01 May 2026

Revisiting Contract Interpretation in Light of Critical Legal Studies

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ABSTRACT

Contract interpretation is regarded as one of the most significant yet controversial topics in the field of civil law and obligations, and it has consistently attracted the attention of legal scholars from both theoretical and practical perspectives. The growing complexity of contractual relationships, the emergence of standard-form and adhesion contracts, and structural inequalities between contracting parties have further intensified the need to reassess conventional interpretive rules. The central question of this study is how the rules of contract interpretation can be reread and redefined in light of Critical Legal Studies. To address this question, adopting a comparative approach, judicial decisions and interpretive structures in four legal systems—Iran, France, England, and the United States—are examined. The findings indicate that interpretive rules, contrary to the traditional view, possess value-laden, ideological, and power-oriented characteristics. The study also reveals that these legal systems, to varying degrees, are undergoing a transition from text-centered interpretation toward context-sensitive and justice-oriented approaches. In Iranian law, the absence of codified regulations has been compensated for by a dynamic judicial practice, strengthening the tendency toward equitable interpretation. French law, through recent legislative reforms, has institutionalized interpretive justice by emphasizing the protection of the weaker party. In England, the integration of commercial rationality with textual fidelity has produced a more moderate model of interpretation; however, the legal system of the United States, by maintaining formal contractualism, has constrained the scope of interpretive justice. The innovation of this research lies in its integration of critical approaches with comparative studies to uncover the hidden mechanisms of power embedded in interpretive rules and to propose an analytical framework for redefining interpretive justice.

Keywords: *Contract interpretation, Critical Legal Studies, interpretive justice, textualism, contextualism, formalism.*

Introduction

Contract interpretation, long recognized as one of the most significant legal issues, has consistently been among the most challenging topics in legal theory and judicial practice. Because of its direct impact on the rights and obligations of the parties, it plays a pivotal role in determining the fate of private agreements. In many legal systems, rules of interpretation perform a foundational function in defining the scope and limits of contractual obligations. This importance becomes particularly pronounced where contractual terms are ambiguous or silent and the true intention of the parties cannot be clearly inferred. In the legal systems of Iran, France, England, and the United



States, different methods of contract interpretation have been adopted, each reflecting the conceptual and institutional structure of the respective system (1). The increasing complexity of economic relations, the expansion of adhesion contracts, and the intensification of inequality in transactional relationships have further amplified the need to reconsider interpretive rules. From this perspective, interpretation is no longer merely a technical operation of understanding a text but rather a mechanism for the reproduction of meaning and an active factor in the performance of contracts (2).

Adopting a comparative approach to the analysis of rules governing contract interpretation enables a more systematic examination of how different legal systems address the tension between the apparent meaning of contractual language and considerations of substantive justice, such that comparison clarifies the relative priority accorded to each element in the interpretive process. Each legal system, shaped by its own historical background and legal thought, has established distinct interpretive rules that in practice lead to divergent legal outcomes. In some systems, such as England, interpretation is predominantly text-centered and grounded in the explicit meaning of contractual language (3). By contrast, others, such as France or the United States, also take custom, equity, and the social context of the contract into account during interpretation. This diversity of approaches provides legal scholars with an opportunity to analyze the conceptual, philosophical, and economic foundations of these differences. Moreover, systems such as Iran, which lack codified interpretive rules, are particularly in need of drawing on comparative experiences to reform their interpretive structure (4). An exclusive focus on the intention of the parties without due regard to the institutional and social conditions of the contract may at times reinforce inequalities and conflict with principles of equity. From this standpoint, interpretive rules are not merely tools for discovering meaning but instruments for the equitable regulation of contractual relationships. Interpretation thus functions as a bridge between the formal order of the contract and the real needs of legal relations in society. The aim of this study is to propose a critical framework for rereading interpretive rules through the capacities of comparative studies. Through this analysis, an effort is made to present a comprehensive and justice-oriented account of interpretation across different legal systems.

Theoretical Foundations

Critical Legal Studies, by breaking away from classical paradigms, conceives law not as a neutral and rational structure but as a discursive and ideological system formed within historical and social contexts and serving the reproduction of power relations. By challenging assumptions such as the self-sufficiency of legal rules and the autonomy of interpretation, this approach demonstrates that legal rules and institutions perform political functions in stabilizing dominant orders and preserving the interests of ruling groups. Within this framework, justice and will are not treated as transhistorical concepts but as discursive constructs that must be reread in relation to power and domination. Legal interpretation, accordingly, is not merely a process of discovering meaning but a site for the exercise and reproduction of ideology. Drawing on post-structuralism and discourse theories, Critical Legal Studies seeks to move legal forms beyond their formal surface and situate them within social and political relations. The critique of claims to neutrality and objectivity in law, and the exposure of law's role in structuring social inequalities, constitute core elements of this theoretical apparatus. Thus, law is understood not as a neutral regulator but as a contested arena for challenging domination and rethinking justice.

Emergence and Assumptions of Critical Legal Studies

The emergence of Critical Legal Studies must be explained in close connection with the epistemological, social, and political transformations of the second half of the twentieth century. As a radical reaction against the theoretical foundations of liberal legal thought, this school emphasizes the historical, value-laden, and ideological nature of legal rules. By rejecting claims of objectivity and neutrality, it views law not as a self-contained and rational system but as a political mechanism for stabilizing power and reproducing class structures (5). Within this theoretical framework, concepts such as the rule of law and judicial independence are not transhistorical principles but instruments that legitimize capitalist order and perpetuate inequality. Critical Legal Studies denies any genuine separation between law and politics, arguing instead that legal rules emerge from, and derive meaning through, social forces and power struggles. From this perspective, legal analysis must move beyond formal abstraction and be situated within historical discourses and concrete conditions. By distancing itself from legal positivism, this school regards legal rules not as expressions of a pre-given universality but as constructions dependent on historical and discursive contexts (1). Legal critique in this sense entails exposing ideological functions and hidden layers of meaning concealed beneath the ostensibly neutral appearance of rules. The emphasis placed on conceptual openness and critical rethinking of legal institutions offers an alternative to traditional formal coherence. Accordingly, the rise of Critical Legal Studies is not merely a theoretical development but a response to the crises of liberal justice and its inability to confront deep structures of social inequality.

The emergence of Critical Legal Studies must also be analyzed against the backdrop of profound academic, social, and ideological transformations in the United States during the 1960s and 1970s—a period in which crises of racial, gender, and economic justice challenged the legitimacy of official legal narratives and revealed the need to reconsider their epistemological foundations. In response to the legal system's failure to address structural injustices, this school, drawing on emancipatory philosophies and critical social theories, developed a theoretical project aimed at breaking with the dominant order and exposing the operations of power within law. From this perspective, legal rules and institutions are not neutral reflections of rationality but discursive mechanisms that reproduce truth within the framework of power. Legal theorists demonstrated that fundamental concepts such as the rule of law, contractual justice, and freedom of will represent legal translations of dominant political and class preferences. By denying the neutrality of law, this approach views it not as a mere tool for regulating relations but as a form of representation of prevailing social and ideological orders. The weakening of this official narrative opened the way for a critical rereading of entrenched concepts and their reconstruction in light of lived and historical experience (6). Accordingly, legal critique within the critical framework is not merely a negative endeavor but an instrument for redefining justice and emancipation at both theoretical and institutional levels.

Critique of Neutrality, Formalism, and Power in Interpretation from a Critical Perspective

One of the most fundamental critiques advanced by Critical Legal Studies targets the assumption of neutrality in the interpretive process—an assumption that classical legal tradition, influenced by positivist rationality, has treated as self-evident and on the basis of which the role of the judge or interpreter is reduced to merely uncovering the meaning of the parties' intent or the literal content of legal rules. This technical and neutralized image of interpretation, by excluding the role of the human agent and social context, becomes an ideology whose primary function is to conceal power conflicts and legitimize predetermined outcomes. Critical studies demonstrate that

neutrality is not an objective reality but a discursive strategy employed to sustain the dominant order and preserve structural advantages. From this viewpoint, the judge as interpreter is an active agent who, through interpretive rules, contributes to reproducing the existing legal order and stabilizing unequal social relations. Interpretation in this approach is not a domain of meaning discovery but a field in which social and class conflicts are translated into legal language, thereby revealing the intrinsic link between law and politics. Critical analyses, particularly those advanced by Kairys, emphasize that legal neutrality is often designed in a way that ultimately serves dominant interests and reproduces power discourse (7). Critiquing neutrality in interpretation thus entails exposing the concealed relationship between legal language and power structures as articulated through ostensibly neutral rules. Moreover, within this theoretical framework, power is no longer understood as an external political force but as an internal, structural, and discursive component embedded in interpretive rules themselves. Contrary to traditional views that regard law as a constraint on power, Critical Legal Studies views law and interpretive rules as integral to the production and reproduction of power in society. By determining legitimate modes of reading texts, interpretive rules privilege certain pathways of meaning while excluding alternatives, thereby exercising power within the interpretive process. These analyses demonstrate that legal structures, including interpretive rules, carry institutional biases that serve to stabilize economic, gendered, or racial orders. As Fischel notes, interpretive rules provide an ideological framework through which power-oriented preferences are objectified (8), and any interpretive analysis that neglects power mechanisms remains incomplete and reductionist.

Legal formalism, as one of the theoretical foundations of modern law, is premised on the belief that legal rules possess internal coherence, formal logic, and objective applicability, and can therefore be applied without reference to values or social contexts. By emphasizing the autonomy of law from morality and politics, this approach confines interpretation to deductive reasoning within a normative hierarchy and rejects creativity or value-based judgment. The result is the transformation of law into a self-contained, static system detached from lived experience and social change. From the perspective of Critical Legal Studies and feminist theory, formalism operates as a conceptual tool for concealing the internal relationship between law and power; by presenting an appearance of neutrality, it masks social conflicts and structures of domination within neutral rules. By erasing the role of the interpretive subject and denying the plurality of meaning, this approach undermines the justice-oriented capacity and interpretive dynamism of the legal system (9). Consequently, the critique of legal formalism constitutes a critique of an exclusionary epistemological stance within modern legal tradition—one that strips law of its reflective and critical function in relation to social transformations.

Interpretive Approaches in Contract Law and Their Relationship with the Critical Approach

Contract interpretation is, in essence, a site where the parties' will, legal language, and the demands of justice intersect, and it theoretically delineates the boundary between formalism and justice-oriented reasoning. In this context, **textualism**—by emphasizing the determinacy of linguistic meaning and the principle of predictability—tends to preserve legal certainty, whereas **contextualism**, by taking into account objective circumstances and the parties' reasonable purposes, moves closer to achieving contractual equity. From a legal standpoint, reconciling these two approaches requires understanding interpretation as an institutional and value-laden process that must strike a balance between the self-sufficiency of rules and the dynamism of justice.

The Textualist Approach and Its Critical Analysis

The textualist approach in contract law rests on the premise that contractual meaning should be derived solely from the apparent wording and the written text, and that any resort to external contexts, motivations, or intentions threatens legal certainty and linguistic determinacy. However, the present analysis shows that this approach, contrary to common perceptions, is not a neutral interpretive method. Rather, by relying on the apparent autonomy of language, it constructs a form of “formal self-sufficiency” for the contract—whose institutional implications for judicial control, the identification of power asymmetries, and the possibility of justice-oriented intervention have been insufficiently examined in comparative terms. An exclusive focus on the text conceals the social and economic structures that shape contractual will and reduces contractual language—which is in fact produced within discourses and power relations—to a neutral and value-free phenomenon, even though seemingly clear linguistic rules themselves carry normative orientations (10). Within this framework, by foregrounding the internal mechanisms of textualism and explaining how formal interpretive rules may contribute to the reproduction of inequality, this article opens a new horizon for the reader and systematically, in an interdisciplinary manner, clarifies the connection between privileging language and the limits of contractual justice (11). This point has not been framed in the existing literature in such a structured way, and it is precisely here that the distinctiveness of the present discussion becomes apparent.

Critical studies, using methods such as discourse analysis, deconstruction, and genealogy, have examined the hidden assumptions embedded in textualism and have shown that the ostensibly neutral surface of the text often functions as a cover for the operation of institutional biases. The contractual text, contrary to textualist claims, not only lacks a single and definitive meaning but is always open to multiple interpretations and shaped by the parties’ social positioning (12). In other words, the contract text is not a closed entity but a field of contestation over the stabilization of meaning, in which powerful groups possess greater capacity to impose their preferred readings of language. Under these conditions, contract interpretation cannot be carried out solely on the basis of the literal appearance of words; the institutional and contextual setting of the contract must also be taken into account. Indifference to these factors reduces contractual justice to linguistic coherence and weakens the protective function of law. Moreover, the presumption of linguistic neutrality in textualism prevents the exposure of the ideology embedded in the contract—an ideology that, through legal vocabulary, secures the legitimacy of inequalities. Feminist and postcolonial analyses likewise emphasize that legal language consistently privileges a particular representation of social reality over other representations. Consequently, insistence on textualism may contribute to the reproduction of racial, gender, and class biases within contractual structures. Hutchinson’s critique of the formalist foundations of interpretation clearly demonstrates that the “objectivity of the text” is more a legal illusion than a dependable reality (13).

From the standpoint of critical epistemology, textualism is organized in a way that detaches interpretation from the social context and the conditions that shape the parties’ will, confining it instead within a closed framework of verbal indications and syntactic rules. By reducing interpretation to a formal matching of words with pre-given contractual meanings, such an understanding ignores the role of power in producing and stabilizing meaning and thus falls into a form of conceptual reductionism. A contract, as a legal–social act, is concluded within relations of domination, informational inequality, and structural asymmetry between the parties, and its text cannot be treated as a pure and unmediated reflection of free consent. In critical analysis, contractual language is not a neutral

instrument for expressing will but an ideological mechanism capable either of legitimizing inequality or of confronting it critically (7). Therefore, absolute reliance on the face of the written instrument may erase the material and historical contexts of the contract and marginalize silenced voices in the interpretive process. The theoretical foundation of textualism rests on the text/context dichotomy—a dichotomy that critical epistemology evaluates as artificial and unrealistic, because no text is intelligible independently of its social field and dominant historical horizon. Delgado shows that textual interpretation invariably reflects the position of the speaker, the audience, and the institutional power governing the production of meaning (14), and attention to the institutional consequences of this dichotomy highlights a dimension that earlier critiques have addressed less systematically.

The Contextualist Approach and Its Capacities for Interpretive Justice

The contextualist approach to contract interpretation stands in direct opposition to purely text-centered readings and argues that contractual meaning cannot be confined to the apparent wording and formal structure of the written instrument. Rather, the meaning of obligations and the limits of the parties' will can only be inferred in light of the economic environment, social position, institutional structure, and power relations within which the contract is concluded. This approach, rooted in legal realism and institutional analyses, conceives interpretive rules not as self-sufficient norms but as tools dependent on the changing realities of private relationships, thereby enabling the discovery of informational asymmetries, the identification of material inequalities, and the application of justice-oriented considerations. By adopting a multi-layered understanding of will and contractual responsibility, contextualism treats interpretation as a normative and moral act whose purpose is to prevent the consolidation of inequality and to ensure effective protection of the weaker party (15). In this article, explaining the institutional implications of contextualism for reshaping traditional interpretive models and demonstrating its capacity to expose hidden mechanisms of power foregrounds an aspect that has not been addressed in similar sources and contributes to a systematic understanding of interpretive justice.

A defining feature of contextualism is that, rather than relying exclusively on the abstract logic of the text, it attends to the institutional setting, professional custom, prior relations, and the socio-economic purpose of the contract. On this view, the meaning of obligations is intelligible through the context of contract formation, and interpretation should proceed by considering the parties' transactional relationship, market structure, and reasonable expectations—an approach that makes it possible to move beyond the formal surface of language and penetrate the reality of interactions. Hunt stresses that the social context of the contract is an inseparable part of the production of meaning, and that disregarding it effectively removes justice from interpretation (16). Contextualism also holds that linguistic meaning is not produced in a vacuum but is shaped within discourses, legal traditions, and institutional mechanisms (16). This approach has notable protective capacity in adhesion contracts, employment relations, and contracts characterized by informational imbalance. Schenck's research likewise shows that interpretation grounded in "ordinary understanding" and "practical contexts" strengthens clarity and justice (17). Beyond the commonly acknowledged dimensions, clarifying the function of contextualism in revealing hidden layers of power and recognizing the effects of institutional structures on the meaning of contractual will illuminates a layer that has received less attention in classical interpretive literature (17), thereby providing a new analytical scope for interpretive justice. From the standpoint of interpretive justice, contextualism translates principles of equity and fidelity to reality.

By moving beyond legal formalism, the contextualist approach to contract interpretation is grounded in the idea that the meaning of obligations is formed within economic, social, cultural, and linguistic contexts, and that the written text is only one meaning-generating element in the interpretive process. A genuine understanding of the contract requires attention to the institutional and historical contexts within which the parties' will emerged; without them, linguistic indications remain incomplete and may even be misleading. This view, informed by feminist legal theory, shows that erasing individuals' social positions and structural inequalities can reproduce injustice; accordingly, it treats interpretation not merely as a technical exercise but as an ethical and justice-oriented act aimed at moderating inequality and safeguarding the weaker party. In commercial and international adjudication as well, contextualism is often seen as necessary for properly grasping the parties' true will. Glenn, by advancing the notion of the "multicultural character of interpretation," argues that disregard for diverse legal and cultural contexts leads to "interpretive violence" (18). Moreover, an institutional analysis of this approach shows that contextualism provides a means for uncovering hidden layers of power in contractual relations and thus offers jurists a horizon beyond purely linguistic interpretation.

Comparative Analysis of Contract Interpretation in Selected Legal Systems

A comparative analysis of the rules of contract interpretation makes it possible to assess how legal systems respond to the tension between the apparent meaning of the instrument and substantive justice. Each system, based on its own historical and institutional presuppositions, adopts a distinct mechanism for identifying common intention, applying good faith, and ensuring the balance of obligations. A comparison of Iran, France, the United States, and England shows that the degree of judicial intervention, the status of contextualism, and the limits of textual primacy are shaped by divergent conceptual patterns. This study is not merely a comparison of rules; rather, it investigates how interpretive justice is institutionalized and how it relates to traditional doctrines, so that the role of interpretation in consolidating the legal order of contract law becomes clearer.

Iranian Law

In Iranian contract-interpretation debates, although the Civil Code does not establish an independent chapter devoted to "rules of interpretation," a set of statutory provisions and juristic principles provides courts with a binding framework for interpretation. Article 220 of the Civil Code—by extending the scope of obligations to custom, the nature of the contract, and statutory requirements—operates in practice as one of the most significant interpretive mechanisms and requires the judge to read the contract in light of typical expectations and ordinary implications (19). Article 224, by emphasizing that words are to be understood according to customary meanings, makes the point of departure for interpretation the ordinary understanding of contractual language rather than purely lexical meaning or the parties' subjective intention. These two provisions, together with established juristic principles, form a set of interpretive rules that directly determine the import of language and the boundaries of common intention. Contemporary scholarship also emphasizes that, in practice, these provisions constitute the core of interpretation in Iranian law, and that the claim that the Civil Code lacks interpretive rules is tenable only if such provisions are ignored (20). Accordingly, contract interpretation in Iran is governed by objective and impersonal standards that constrain overly expansive or discretionary readings.

The principles governing language in Imami jurisprudence—recognized in Iranian law as authoritative sources of legal rules—play a foundational role in interpretation, and the judge, in uncovering common intention, must rely

on them. The principle of *asālat al-ḡuhūr* requires that the apparent meaning of words be preferred over speculative alternatives and that the contract be interpreted according to ordinary understanding. *Asālat al-ḡaḡīqa* likewise holds that, absent a contrary indicator, words are construed in their literal (real) meaning—a principle consistent with Article 224 of the Civil Code (20). In addition, under *asālat al-ṣiḡḡa*, the contract should be interpreted in a way that preserves its effectiveness and validity, and any interpretation leading to nullity or the practical negation of obligations is accepted only upon reliable proof. These principles, together with rules such as construing the absolute in light of the qualified, prioritizing the specific over the general, and linking contractual effect to intention, function as key tools for controlling the scope of interpretation. Comparative research likewise shows that these principles structure the dominant method of contract interpretation in Iran and that their role in judicial decision-making is decisive (21). For this reason, any interpretive analysis in Iran that disregards this framework of linguistic principles lacks comprehensiveness.

The practical operation of these rules is clearly observable in Iranian judicial practice. In Judgment No. 9309970221801376 of Branch 18 of the Tehran Court of Appeal (dated January 17, 2015), the judge, relying on the customary meaning of the term “automatically dissolved” (*monfaskh*) and invoking Article 224 of the Civil Code, interpreted the clause in the sale agreement as referring to automatic termination of the contract rather than the creation of a unilateral right of rescission for one party (19). At the same time, by examining the parties’ conduct and practical performance, the court relied on Article 220 to determine the scope and purpose of the contract and treated the parties’ supplementary understandings as indicia supporting the continuity of the original agreement. In this decision, principles such as *asālat al-ḡuhūr*, the requirement to construe words according to customary meanings, and (implicitly) interpretive constraints aimed at preventing opportunistic drafting were applied, producing an interpretation that was coherent, impersonal, and grounded in customary standards. Taken together, these elements show that—even in the absence of detailed codified interpretive provisions—the Iranian legal system draws on an organized network of statutory rules, linguistic principles, and customary criteria that supports fair and predictable contract interpretation.

French Law

Developments in French contract interpretation—especially following the fundamental 2016 reforms of the Civil Code—reflect a shift from strictly textual interpretation toward more justice-oriented and contextual approaches. Prior to these reforms, former Article 1156 of the French Civil Code grounded interpretation in the “common intention of the contracting parties” (*intention des parties contractantes*), even where the contract’s wording pointed in a different direction (21). Under the newer framework, Article 1171 introduced, for the first time, a rule prohibiting unfair terms in adhesion contracts. It provides that any term that structures the parties’ obligations in an imbalanced manner is treated as “unwritten” and therefore ineffective (22). A decision of the Commercial Chamber of the French Court of Cassation dated January 26, 2022 (Case No. 20-16782) is a prominent example of this rule in operation. In that case, the court relied on Article 1171 to invalidate a clause granting one party an unconditional right of termination. The court’s reasoning was that, even if such a clause is linguistically clear and explicit, it seriously undermines the balance of obligations from a functional standpoint. This decision represents a turn in understanding interpretation—from a purely linguistic exercise to a substantive assessment of contractual fairness—and elevates the judge’s role from a “passive interpreter” to an “active arbiter of contractual justice.” In this sense, French law has moved toward a progressive, multi-layered approach to contract interpretation.

Another significant decision shaping contextual interpretation in France concerns the “Helvet Immo” case, decided on February 20, 2019 by the First Civil Chamber of the French Court of Cassation (Case No. 17-20.306). The dispute involved foreign-currency loan agreements between BNP Paribas and consumers who suffered severe financial losses due to exchange-rate appreciation. At the first stage, the court upheld the validity of the contracts, relying on the formal correctness of their terms; however, after the matter was referred to the Court of Justice of the European Union and that court’s 2021 ruling, the French court revisited its position. In its subsequent reasoning, the court emphasized that financial terms—even if linguistically explicit—may be unfair if they lack economic transparency and do not provide the weaker party with sufficient information. The judge was required to determine whether the consumer had the necessary information to understand the contract’s consequences and hidden risks. Accordingly, even seemingly clear clauses must be interpreted through the lens of the weaker party’s “capacity to understand” (*la capacité de compréhension de la partie faible*) (22). The Helvet Immo decision clearly entrenched a newer interpretive approach in which the judge moves beyond language alone and undertakes a structural analysis of the contract and its informational context. It treats inequality in informational capacity as a legally relevant criterion for interpretation. Ultimately, under this approach, interpretation becomes a tool for protecting fairness and transparency in economically unequal relationships.

In continuity with these developments, French contract law has increasingly embraced interpretation as a mechanism for regulating unequal economic relationships and ensuring substantive justice. The January 26, 2022 decision (Case No. 20-16782) underscores that a contract is not merely a set of words but a reflection of power structures and unequal wills between the parties. In that ruling, the court shifted from a formal reading of clauses to the practical function and real effects of those clauses in the parties’ interaction. Likewise, Helvet Immo treats contractual interpretation as dependent on the level of information disclosure and the weaker party’s ability to grasp the risk-laden nature of obligations. This approach elevates the notion of “common intention” from mere contractual will to a level that incorporates awareness and structural balance. In this view, the judge’s task is not only to discover the meaning of words, but also to analyze the legal relationship in light of economic, cultural, and informational contexts. Put differently, the judge, as an interpretive actor, is charged with examining the unequal consequences of contracts within social realities. In this way, the French legal system promotes a renewed understanding of hermeneutics in which interpretive justice is grounded in transparency, balance, and protection of the weaker party.

United States Law

One of the salient features of the United States legal system in the field of contract interpretation is its emphasis on the primacy of party autonomy and the priority of explicit contractual terms over justice-oriented considerations. Under this approach, contracts—understood as instruments for structuring private rights and obligations—are treated as conceptually autonomous, and judicial intervention in their construction is regarded as permissible only within the boundaries set by positive law. An examination of the interpretive architecture of this system shows that, in many instances, arbitration has displaced adjudication and transferred interpretive authority to a non-state actor. In *Henry Schein, Inc. v. Archer & White Sales, Inc.* (2019), the U.S. Supreme Court—relying on the Federal Arbitration Act—held that courts may not prevent referral to an arbitrator even where a claim appears facially groundless. This ruling reflects the priority of contractualism over judicial jurisdiction and conceptualizes interpretation as a purely contractual process. From a critical standpoint, the decision exemplifies the marginalization of institutional and distributive considerations of justice, because the arbitrator typically operates

within an environment in which the weaker contracting party is structurally disadvantaged. The absence of substantive criteria for assessing the fairness of arbitration clauses turns interpretation into an instrument that consolidates the dominance of the stronger party. Built on a linguistic analysis and strict fidelity to the contract's terms, the ruling reduces the judge's role to that of an involuntary executor of contractual will, thereby effectively sidelining interpretive justice and excluding contextualism from the interpretive process (5).

The U.S. legal system has likewise sustained a text-centered approach in employment and labor contracts, framing it as protection of individualized agreements even within contexts of unequal bargaining power. Narrow constructions of party intent and indifference to the structural position of labor constitute some of the most controversial aspects of the American interpretive stance. In *Epic Systems Corp. v. Lewis* (2018), the U.S. Supreme Court upheld and treated as binding individualized arbitration clauses in employment contracts, even where the practical effect was to deprive workers of collective-action mechanisms. By privileging the Federal Arbitration Act over protective labor statutes, the decision embodies the priority of formal contractual structure over social justice. A critical analysis suggests that such interpretation reinforces inequality in labor relations and constricts workers' defensive tools. The Court, in this ruling, confined the judicial role to text-fidelity and avoided any justice-oriented scrutiny of contractual content. From the perspective of interpretive justice, the decision represents a move away from substantive equity in favor of the supremacy of formalized will (7).

Beyond the foregoing decisions, recent U.S. case law has adopted a restrictive posture toward interpretive justice by foregrounding the dominance of specific contractual clauses even in consumer-facing contexts. A prominent example is *Lamps Plus, Inc. v. Varela* (2019), in which the U.S. Supreme Court held that ambiguity in an arbitration clause is not, by itself, sufficient to justify class arbitration. Contrary to earlier consumer-protective tendencies, the decision reiterates a narrow reading of arbitration clauses and privileges literal construction. The Court stated that an ambiguous term cannot be taken to delegate authority for collective arbitration unless such intent is expressly stated in the text. This underscores that even in asymmetric economic relationships, formal contractualism remains the governing principle and interpretive rules are mobilized to stabilize it (10). From a critical perspective, this approach narrows avenues for consumer redress and entrenches the structural position of large corporations. Once again, the Court departed from contextual interpretive reasoning and prioritized fidelity to wording and contractual form, treating legal interpretation not as a tool for assessing proportionality and equity but as a set of ostensibly neutral linguistic techniques (8).

English Law

In recent decades, the English system of contract interpretation has undergone substantial development, often described in terms of a shift toward reading contractual language through a commercial and purposive lens. Modern English doctrine emphasizes that the judge's task is not limited to a purely literal reading of contractual terms; rather, the text must be assessed within the logical and commercial setting of the parties' agreement. At the same time, the courts have warned that commercial purpose cannot be used as a pretext for overriding explicit contractual language. This posture attempts to preserve a balance between contractualism and interpretive justice and is commonly characterized as a form of "contextualized textualism," under which "reasonable interpretation" displaces crude literalism and the judge must infer a coherent and fair meaning by analyzing language, structure, and purpose (20).

A further refinement of this approach has emerged through decisions emphasizing that even language that appears clear in isolation may generate different meanings when situated within the contract as a whole. In such cases, the judge is expected to adopt a reasonable reading of the entire instrument and avoid isolated interpretation detached from context. This line of reasoning reaffirms the principle of “unitary and coherent interpretation,” according to which the construction of one clause should not contradict other provisions or the commercial logic of the agreement. In this framework, the English courts have underscored the need to attend to structural coherence and proportionality among contractual parts, preserving the legal form of the contract while directing judges toward analysis of the agreement’s economic content. From a critical-legal perspective, this tendency signals a softening of strict textual authority and a partial reopening of the space for interpretive justice (12).

In a notable decision concerning the interpretation of a force majeure clause in the context of economic sanctions, the English appellate court confronted the question whether a party’s refusal to accept payment in an alternative currency—despite the feasibility of payment—could qualify as force majeure. The majority, while affirming the primacy of the contract’s linguistic structure, concluded that deviation from the specified currency without mutual agreement constituted a breach of the contractual allocation. This illustrates a text-fidelity reading that privileges explicit party intention over commercial rationality even where the economic outcome may appear suboptimal. By contrast, the dissent favored a more contextual and commercially rational interpretation grounded in trade usages and the principle of *pacta sunt servanda* under supervening disruption. The decision indicates that even under externally imposed constraints such as sanctions, priority is generally accorded to the apparent meaning of the contract unless the parties have expressly provided otherwise (22).

Conclusion

In light of the findings of this article, it became clear that contract interpretation goes beyond a purely legal technique and must be analyzed as a process shaped by social relations, institutional settings, and structures of power. Traditional approaches that reduce interpretation to a mere rereading of words are incapable of responding to the demands of today’s evolving and unequal contractual relationships. The comparative analysis of the four legal systems of Iran, France, England, and the United States demonstrated that, in practice, contract interpretation is governed by principles such as equity, transparency, and institutional balance, rather than by formal conformity of language alone. In Iranian law, the absence of explicit interpretive regulations has been compensated for through the development of judicial practice, strengthening tendencies toward functional and purpose-oriented interpretation. In French law, recent reforms of the Civil Code and decisions of the Court of Cassation indicate that interpretation is no longer confined to the language of the instrument, but also incorporates criteria such as balance of obligations, informational transparency, and commutative justice. English law, while preserving the authority of the text, has embraced commercial logic and structural coherence in the interpretive process. By contrast, the United States legal system has remained committed to formal contractualism and has accentuated the role of arbitration in constraining interpretive justice. Taken together, these findings confirm that contract interpretation requires conceptual, legislative, and doctrinal reconsideration in light of contemporary theoretical and empirical developments.

Within the framework of Critical Legal Studies, this article showed that interpretive rules are neither neutral nor independent of social context; rather, they are consistently shaped by logics of domination, institutional inequalities, and discursive preferences. Common assumptions concerning the neutrality of the interpreter, the formal coherence

of contracts, and the neutrality of language are, from a critical perspective, not legal realities but strategies for legitimizing the existing legal order and silencing marginalized voices. The findings indicated that contractual legal language, despite its technical appearance, carries value-laden and political implications and is capable of representing the interests of unequal parties. Interpretive rules in most of the legal systems examined—whether manifested through custom or judicial practice—function as mechanisms for translating institutional and economic structures, rather than as mere tools for uncovering pure intent. The critique of formalism, neutrality, and linguistic authority advanced in this article opened interpretive space to institutional and contextual considerations. Accordingly, interpretation should be understood as part of the broader process of regulating justice in private relations, not merely as an instrument for safeguarding contractual will. This perspective places the relationship between legal language, social justice, and economic order at the center of analysis and paves the way for developing rules that are sensitive to context, power, and vulnerability.

In response to the research question concerning the possibility of rereading interpretive rules through critical approaches, the article's findings clearly demonstrate that a conceptual and normative reassessment of interpretive rules is not only possible but also necessary and urgent. Judicial practices in Iran, France, England, and the United States show that judges are inevitably required to arbitrate between apparent meaning and the demands of structural justice, thereby elevating interpretation from the level of textual reading to that of legal policymaking. In the Iranian legal system, the absence of codified interpretive rules has enabled courts to infer the parties' real will and the practical purpose of the contract by relying on general principles, custom, and contextual analysis of conduct. In French law, rules governing unfair terms have transformed the judge's role from that of a passive interpreter to an active arbiter of contractual justice. In England, efforts to achieve structural coherence and commercial rationality in interpretation have produced a balanced model that combines fidelity to text with purpose-oriented analysis; however, in the United States, the absolute emphasis on arbitration clauses and the deprivation of weaker parties' access to collective litigation have posed serious challenges to interpretive justice.

Acknowledgments

We would like to express our appreciation and gratitude to all those who helped us carrying out this study.

Authors' Contributions

All authors equally contributed to this study.

Declaration of Interest

The authors of this article declared no conflict of interest.

Ethical Considerations

All ethical principles were adhered in conducting and writing this article.

Transparency of Data

In accordance with the principles of transparency and open research, we declare that all data and materials used in this study are available upon request.

Funding

This research was carried out independently with personal funding and without the financial support of any governmental or private institution or organization.

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