Contents

Preface	V
Table of Cases	XV
Table of Legislation	xxix
List of Abbreviations	xxxvii
Part I: An Introduction to the Common Law	1
1 The 'Common Law' I. The 'Common Law' of England 1. Meanings of 'Common Law' 2. Common Law and Equity 3. Common Law and Civil Law II. Common Law Systems Around the World	3
I. The 'Common Law' of England	3
1. Meanings of 'Common Law'	3
2. Common Law and Equity	5 8
3. Common Law and Civil Law	
	9
1. The Range of the Common Law	9
2. Differences Between Common Law Systems	10
3. Some General Features of the Common Law Systems	11
2 Finding the Law	15
I. The Sources of Law	15
1. Legal Reasoning in the Common Law: Where Shall We Begin?	15
2. Legislation and Case-Law as Sources of Law	17
II. The Judge as Interpreter and as Law-Maker	19
1. Different Judicial Approaches to the Different Sources	19
2. The 'Binding' Force of Case-Law: the Doctrine of Precedent	20
(a) Case-Law as an Authority	20
(b) Case-Law as Binding	21
(c) The Rules of Precedent in English Law	21
(d) Understanding the Case-Law in the Light of the Doctrine o	f 26
Precedent	
3. The Interpretation of Legislative Texts	27
(a) The Basic Test: Applying the Normal, Objective Meaning of the Words of the Statute	27

(b) Some General Principles and Presumptions of Interpretation	28
(c) Interpretation of European Law and Compliance with the	29
European Convention on Human Rights	
(d) The Relevance of the Context of the Statute at the Time of its Enactment	30
(e) The Court Does Not Generally Reason Beyond the Statute	32
4. Reasoning from the Cases in the Common Law	33
(a) The Judge Develops the Common Law and Does Not Simply Declare It	33
(b) Reasoning in the Common Law	34
(c) An Illustration of Common Law Reasoning: Donoghue v	37
Stevenson and its Aftermath	
III. English Statutory Drafting	43
1. The General Style of Statutory Drafting in England	43
2. An Illustration: the Contracts (Rights of Third Parties) Act 1999	43
Part II: The Law of Contract	47
3 Introduction to the English Law of Contract	49
I The Plane of Control in Prints I am	40
I. The Place of Contract in Private Law	49
1. Contract Within the Law of Chigations	49
2. Contract and Tort	51
3. Contract and Property	53
II. A General Law of Contract the Place of 'Special' Contracts	55
1. 'General' and 'Special': a Different Starting-Point	55
2. The (Limited) Role of 'Special Contracts' in English Law	56
(a) Formation of the Contract	56
(b) The Terms of the Contract	57
(c) Remedies	59
(d) Significance of the Adoption of a General Rule rather than	59
'Special' Contracts in English Law	<i>C</i> 1
III. Some General Features and Some Fundamental Starting-Points	61
1. The Role of 'Good Faith'	61
2. Objectivity, Reasonableness and Reliance	65
3. The Significance of the 'Intentions of the Parties'	65
4. Contract as an Economic Instrument: Contractual Freedom,	66
Certainty, and the Commercial Model of Contracting	C C
5. Contract Drafting in the Common Law	68
IV. English Contract Law in a European Context	68

4 The Negotiations for a Contract	71
I. The Starting-Point: No General Duty between Negotiating Parties 1. The General Approach	72 72
2. No General Duty because of a Reluctance to Use General Rules?	72
3. Difficulties in Defining the Duty?	73
4. The Relationship Between Negotiating Parties is Adversarial; the	75
Allocation of Risk in Negotiations	
5. Negotiations 'Subject to Contract'	76
6. No General Duty of Disclosure	77
7. Breaking Off Negotiations is Not a Tort	78
8. No General Liability Based on Estoppel	78
II. Particular Liabilities Arising During the Negotiations	80
1. Particular Liabilities Rather Than General Duties	80
2. Misrepresentation: Remedies in Tort	80
3. Contractual Liability in the Precontractual Phase	82
(a) Express Contracts: Options, Rights of Pre-Eruption, Lock-Out	82
Agreements and 'Letters of Intent'	
(b) Implied Contracts: Duties to Consider Tenders	86
(c) Implied Duty to Maintain Offer of Unilateral Contract	87
4. Unjust Enrichment	88
5. Breach of Confidence	90
5 Formation of the Contract: Contract as 'Agreement'	91
I. The Meaning of 'Agreement' the 'Objective Test'	91
1. An 'Agreement' Requires Communication Between the Parties	91
2. 'Objectivity' and 'Subjectivity'	92
3. Arguments in Relation to the Different Approaches	93
4. The 'Objective' Test in English Law	96
5. The Objective Test in Context in the English Law of Contract	99
II. The Mechanisms of Contract Formation: the Rules of Offer and	99
Acceptance	
1. 'Offer and Acceptance' as a Rule	99
(a) Problems and Benefits of the 'Offer and Acceptance'	
•	100
(b) Rejection of the 'Offer and Acceptance' Analysis by Lord	103
Denning	
e e e e e e e e e e e e e e e e e e e	103
House of Lords	
(d) 'Offer and Acceptance' is Normally a Rule	104

x CONTENTS

2. The Particular Rules of 'Offer and Acceptance'	105
(a) Offer	106
(b) Termination of Offer by the Offeror or the Offeree	108
(c) Acceptance	110
(d) Time and Place of Acceptance	112
3. Unresolved Negotiations: 'Battles of Forms'	115
III. Minimum Content and Certainty	117
1. An Agreement (and the Offer) must be Complete	117
2. An Agreement (and the Offer) must be Certain	118
6 Form, Consideration and Intention	121
I. Formality in the Formation of Contracts	122
1. Specific Formalities for Specific Contracts	122
1. Specific Formatities for Specific Contracts 2. A General Formality: the Deed 3. The Avoidance of Formalities II. The Doctrine of Consideration 1. Consideration: the Basic Principle 2. Consideration: Particular Rules III. Promissory Estoppel	123
3. The Avoidance of Formalities	125
II. The Doctrine of Consideration	127
1. Consideration: the Basic Principle	127
2. Consideration: Particular Rules	127
III. Promissory Estoppel	138
1. The Core Principle of Estoppel: Reliance on a Representation	138
2. The Modern Development of Fromissory Estoppel in English Law	139
3. The Elements of Promissory Estoppel in English Law	142
(a) The Doctrine is Limited to the Variation of an Existing	143
Contract, in the Absence of Fresh Consideration	
(b) The Representation	143
(c) The Representee must have Relied on the Representation—	144
Altered his Position	
(d) The Representor Can Revoke his Promise: Estoppel is	145
Normally Only Temporary	
(e) The Representation may be Irrevocable	145
(f) Promissory Estoppel Does Not Create New Rights—it is a 'Shield' not a 'Sword'	146
4. The Relationship Between Consideration and Estoppel: Differences	147
Within the Common Law, and Possible Developments in England	
IV. Contractual Intention	149
1. The Role of the Parties' 'Intentions' in the Formation of a Contract	149
2. 'Intention to Create Legal Relations'	150
7 Vitiating Factors: Void, Voidable and Unenforceable Contracts	153
I. The Vitiating Factors in English Law; Void and Voidable Contracts	154
1. An Overview of the Vitiating Factors	154

2. 'Void' and 'Voidable' Contracts	155
3. The Range of Remedies for the Vitiating Factors	157
II. Mistake	158
1. Different Ways of Categorising Mistakes	158
2. Mistakes about the Terms of the Contract	159
(a) Mistake in the Formation of a Contract	159
(b) Written Contracts: Rectification for Mistake	159
(c) Written Contracts: Non Est Factum	161
3. Mistakes about the Identity of the Other Party	162
(a) Identity is Not Normally of Determining Significance	162
(b) A Mistake of Identity Prevents the Formation of the Contract	162
4. Mistakes about the Subject-Matter	165
(a) The 'Subject-Matter'	165
	166
(c) Common (Shared) Mistake	167
III. Misrepresentation and Non-Disclosure	170
(b) Unilateral Mistake (c) Common (Shared) Mistake III. Misrepresentation and Non-Disclosure 1. Misrepresentation Contrasted With Mistake 2. The Range of Remedies for Misrepresentation	170
2. The Range of Remedies for Misrepresentation	171
3. Rescission of the Contract	173
4. Damages in Tort	174
5. Damages under Section 2(1) of the Missepresentation Act 1967	176
6. Remedies for Breach of Contract	176
7. Choosing Between the Remedies 🔷	177
8. Exclusion of Remedies for Misropresentation	178
9. Non-Disclosure	178
IV. Duress, Undue Influence and Unconscionable Bargains	181
1. Pressure and Abuse of Position	181
2. Duress	183
3. Undue Influence	185
4. Unconscionable Bargains	188
V. Capacity	189
VI. Illegality and Public Policy	190
8 Finding the Terms of the Contract	193
I. The 'Terms' of a Contract	193
II. Finding and Interpreting the Express Terms	194
1. Contracts Not Reduced To Writing	195
(a) Finding the Terms	195
(b) Interpreting the Terms	197
2. Written Contracts	197
(a) Finding the Terms	197
(b) Interpreting the Terms	199

xii CONTENTS

III. Implied Terms	202
1. Obvious Terms; Regular and Customary Terms	202
2. Terms Necessary to Give the Contract 'Business Efficacy'	203
3. Particular Terms in Particular Types of Contract	204
(a) Terms Implied at Common Law	205
(b) Terms Implied by Statute	205
4. The Exclusion of Implied Terms: Drafting Styles in the Common Law	207
9 Controlling the Content of the Contract: 'Unfair' Contracts	209
I. Indirect Controls over the 'Fairness' of the Contract	210
1. Procedural and Substantive Unfairness	210
2. Judicial Controls over Unfair Terms: Incorporation	211
and Construction	
(a) Incorporation of the Term	211
(b) Interpretation of the Term: Construction Contra Proferentem	212
II. Direct Controls over the 'Fairness' of the Contract	215
1. Control by the Common Law	215
2. Control by Statute	216
(a) The Unfair Contract Terms Act 1977	216
(b) The Unfair Terms in Consumer Contracts Regulations 1999	219
(c) Comparison of the Unfair Contract Terms Act 1977 and	221
the Unfair Terms in Consumer Contracts Regulations	
1999; Proposals for Reform	
(d) Misrepresertation Act 1967, Section 3	223
(e) Other Statutory Controls over Particular Types of Term	224
· · · · · · · · · · · · · · · · · · ·	
10 Who has the Denefit of the Contract? Who is Bound by the Contract?	227
I. Who is a 'Party' to the Contract? The Doctrine of Privity of Contract	228
1. A Party to the Agreement or to the Bargain?	228
2. The Link Between Privity and Consideration: Tweddle v Atkinson	229
3. Development of Judicial Attitudes to the Doctrine of Privity	231
During the Twentieth Century	
II. Avoiding the Doctrine of Privity	233
1. Creating Rights for the Third Party	234
(a) Make the Third Party a Party	234
(b) Trusts	234
(c) Assignment	235
(d) Agency	235
(e) Tort	236

(f) Property Law	237
(g) Third-Party Rights by Statute	238
2. Enforcement of the Contract by the Promisee for the Benefit of	239
a Third Party	
(a) The Problem: the Loss is Suffered by the Third Party	239
(b) Specific Performance	239
(c) Damages Calculated to Cover the Third Party's Losses	240
III. Reform by the Contracts (Rights of Third Parties) Act 1999	241
1. The Law Commission's Proposals for Reform	241
2. The Contracts (Rights of Third Parties) Act 1999	242
3. Interaction of the Doctrines of Privity of Contract and	246
Consideration after the 1999 Act	
IV. Assignment and Novation of Contractual Rights and Duties	247
1. Assignment	248
(a) Assignment is of Only the Benefit, Not the Burden	248
(b) Legal and Equitable Assignments	248
(c) Rights which are Capable of Assignment	249
(d) The Effect of a Valid Assignment	249
2. Novation	250
(d) The Effect of a Valid Assignment 2. Novation 11 Change of Circumstances I. The Doctrine of Frustration	251
I. The Doctrine of Frustration	252
1. Development of the Doctrine of Frustration	252
2. Application of the Test for Frustration	255
3. Consequences of Frustration	257
II. Using Contract Terms to Anticipate Changes of Circumstances	260
12 Remedies for Breach of Contract	263
M_{ϵ}	
I. 'Breach of Contract'	263
1. What is a Breach of Contract? The Significance of the Obligation to Perform	263
2. The Range of Remedies	265
II. Specific Performance and Injunction	266
1. Specific Performance and Injunction as Equitable Remedies	266
2. The Content of the Order and the Remedy for Non-Compliance	267
3. Specific Performance in the Modern Law	267
4. Injunction	270
5. Damages in Place of Specific Performance or Injunction	271
III. Termination for Breach	271
1 The Nature of Termination	271

xiv CONTENTS

2. Availability of Termination	272
(a) Breach of Condition	272
(b) Fundamental Breach	272
3. Exercising the Right to Terminate	273
4. Consequences of Termination	275
5. Contractual Termination Clauses	275
6. Deposits; Relief Against Forfeiture	276
7. No General Right of Suspension	277
IV. Damages	278
1. Damages are to Compensate the Claimant's Failed Expectation	278
2. Valuing the Expectation	279
3. Damages for Distress and Other Intangible Losses	281
4. Whose Expectation? Losses Suffered by Third Parties	282
5. Punitive Damages	282
6. Damages to Deprive the Defendant of a Profit	283
7. Limits on Recovery and Defences: Remoteness, Mitigation,	284
Contributory Negligence and Limitation Periods	
(a) Remoteness of Damage	284
(b) Mitigation of Loss; Contributory Negligence	285
(c) Limitation Periods	286
8. Damages for Delay	286
V. Debt	286
VI. Consumer contracts for the Sale or Supply of Goods: Rejection,	287
Repair, Replacement or Reduction in Price	
VII. Agreed Remedies	288
VIII. Learning About a Contract from the Remedies for Breach	289
Annandix	291
Appendix Index	
inuex	299