Contents

			eviations	
Tal	ole of	Cas	es	xxi
Tal	ole of	Leg	islationX	XXV
			Part I: An Introduction to the Common Law	
1.	The	'Co	mmon Law'	3
	I.		e 'Common Law' of England	
		1.	Meanings of 'Common Law'	3
		2.	Common Law and Equity	5
		3.	Common Law and Civil Law	8
	II.	Co	mmon Law Systems Around the World	
		1.	The Range of the Common Law	9
		2.	Differences Between Common Law Systems	
		3.	Some General Features of the Common Law Systems	. 12
2.	Fine	ling	the Law	. 15
	I.		e Sources of Law	
		1.	Legal Reasoning in the Common Law:	
			Where Shall We Begin?	. 15
		2.	Legislation and Case-Law as Sources of Law	
	II.	Th	e Judge as Interpreter and as Law-Maker	
		1.	Different Judicial Approaches to the Different	
			Sources	. 19
		2.	The 'Binding' Force of Case-Law:	
			The Doctrine of Precedent	
			(a) Case-Law as an Authority	
			(b) Case-Law as Binding	
			(c) The Rules of Precedent in English Law	22
			(d) Understanding the Case-Law in the Light	2.5
			of the Doctrine of Precedent	
		3.	The Interpretation of Legislative Texts	28
			(a) The Basic Test: Applying the Normal,	20
			Objective Meaning of the Words of the Statute	28
			(b) Some General Principles and Presumptions	20
			of Interpretation	29

viii CONTENTS

		(c)		
			Compliance with the European Convention	
			on Human Rights	30
		(d)		
			at the Time of its Enactment	31
		(e)		
			the Statute	
			asoning from the Cases in the Common Law	34
		(a)	The second secon	
			Does Not Simply Declare it	
		(b)		36
		(c)		
	***		Donoghue v Stevenson and its Aftermath	
	III.	English	Statutory Drafting	44
			e General Style of Statutory Drafting in	
			gland	44
			Illustration: The Contracts (Rights of Third	
		Pai	rties) Act 1999	45
			Part II: The Law of Contract	
3.	Intro		to the English Law of Contract	
	I.	The Pla	ace of Contract in Private Law	51
		1. Co	ntract within the Law of Obligations	51
			ntract and Tort	
			ntract and Property	55
	II.		eral Law of Contract: The Place	
		of 'Spe	cial' Contracts	57
		1. 'Ge	eneral' and 'Special': A Different Starting-Point	57
			e (Limited) Role of 'Special Contracts' in	
			glish Law	
		(a)		58
		(b)		
		(c)		61
		(d)		
			Rather than 'Special' Contracts in English Law	62
	III.		General Features and Some	
			nental Starting-Points	
			e Role of 'Good Faith'	
			jectivity, Reasonableness and Reliance	
			e Significance of the 'Intentions of the Parties'	68
			ntract as an Economic Instrument: Contractual	
			eedom, Certainty and the Commercial Model of	
		Co	ntracting	69

		5. Contract Drafting in the Common Law	71
	IV.	English Contract Law in a European Context	
4.	The	Negotiations for a Contract	74
	I.	The Starting Point: No General Duty	
	1.	between Negotiating Parties	75
		1. The General Approach	75
		2. No General Duty Because of a Reluctance to	
		Use General Principles?	75
		3. Difficulties in Defining the Duty?	76
		4. The Relationship between Negotiating Parties	
		is Adversarial; The Allocation of Risk in Negotiations	78
		5. Negotiations 'Subject to Contract'	
		6. No General Duty of Disclosure	
		7. Breaking off Negotiations is Not a Tort	81
		8. No General Liability Based on Estoppel	82
	II.	Particular Liabilities Arising During	
		the Negotiations	83
		1. Particular Liabilities Rather than General Duties	83
		2. Misrepresentation: Remedies in Tort	
		3. Contractual Liability in the Precontractual Phase	86
		(a) Express Contracts: Options, Rights of	
		Pre-emption, Lock-out Agreements and	
		'Letters of Intent'	86
		(b) Implied Contracts: Duties to Consider Tenders	90
		(c) Implied Duty to Maintain Offer of Unilateral	
		Contract	91
		4. Unjust Enrichment	. 92
		5. Breach of Confidence	. 94
5	Eom	mation of the Contract: Contract as 'Agreement'	05
5.	F011	The Meaning of 'Agreement': The 'Objective Test'	95
	1.	An 'Agreement' Requires Communication between	.) .
		the Parties	0.5
		2. 'Objectivity' and 'Subjectivity'	96
		3. Arguments in Relation to the Different Approaches	
		4. The 'Objective' Test in English Law	100
		5. The Objective Test in Context in the English	100
		Law of Contract	103
	II.	The Mechanisms of Contract Formation:	10.
	11.	The Rules of Offer and Acceptance	103
		1. 'Offer and Acceptance' as a <i>Rule</i>	103
		(a) Problems and Benefits of the 'Offer and	
		Acceptance' Analysis	104
		1 1000 ptuite 1 111u1 july	

x CONTENTS

		(b	Rejection of the 'Offer and Acceptance'	
			Analysis by Lord Denning	10
		(c		
			Analysis by the House of Lords	10
		(d		109
		2. T	he Particular Rules of 'Offer and Acceptance'	109
		(a		110
		(b		
			or the Offeree	113
		(c) Acceptance	114
		(d		
		3. U	nresolved Negotiations: 'Battles of Forms'	120
	III.	Minin	num Content and Certainty	122
		1. A	n Agreement (and the Offer) Must Be Complete	122
		2. A	n Agreement (and the Offer) Must Be Certain	122
6.	Form			
0.	I.	II, COIIS	ideration and Intention	125
	1.	1 0	ality in the Formation of Contracts	126
		1. Sp	pecific Formalities for Specific Contracts	126
		2. A	General Formality: The Deed	127
	TT	3. Tl	he Avoidance of Formalities	129
	II.	The D	octrine of Consideration	131
		1. Co	onsideration: The Basic Principle	131
			onsideration: Particular Rules	132
		(a)	,	
			or promises to do, something at A's request	132
		(b		
			something which is to his detriment and/or	
			to A's benefit	133
		(c)	* 150 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
			must have some (economic) value	134
		(d		
			time as A's promise: 'past consideration'	
			is insufficient	138
		(e)	An act done, or promise made, by B which	
			he is already under a contractual obligation	
			to perform in favour of a third party can be	
			good consideration	138
		(f)	An act done, or promise made, by B which he is	
			already under a contractual obligation to perform	
			in favour of A, or which he has a legal obligation	
			to perform, cannot be good consideration, unless	
			A obtains some additional benefit	139
		(g)		
		(3)	for the release of the balance	142

	III.	Pro	missory Estoppel	143
		1.	The Core Principle of Estoppel: Reliance on a	
			Representation	143
		2.	The Modern Development of Promissory	
			Estoppel in English Law	144
		3.	The Elements of Promissory Estoppel in English Law	147
			(a) The Doctrine is Limited to the Variation of an	
			Existing Contract, in the Absence of Fresh	
			Consideration	148
			(b) The Representation	149
			(c) The Representee Must Have Relied on the	
			Representation—Altered His Position	149
			(d) The Representor Can Revoke His Promise:	
			Estoppel is Normally Only Temporary	150
			(e) The Representation May Be Irrevocable	
			(f) Promissory Estoppel Does Not Create New	
			Rights—It is a 'Shield' Not a 'Sword'	152
		4.	The Relationship between Consideration and Estoppel:	
			Differences within the Common Law, and Possible	
			Developments in England	153
	IV.	Co	ntractual Intention	
		1.	The Role of the Parties' 'Intentions' in the Formation	
			of a Contract	155
		2.	'Intention to Create Legal Relations'	156
7.	Vitio	tina	Factors: Void, Voidable and Unenforceable Contracts	150
/٠	I.	_	e Vitiating Factors in English Law; Void	130
	1.		l Voidable Contracts	150
		1.	An Overview of the Vitiating Factors	
		2.	'Void' and 'Voidable' Contracts	
		3.	The Range of Remedies for the Vitiating Factors	
	II.		stake	
	11.	1.	Different Ways of Categorising Mistakes	
		2.	Mistakes About the Terms of the Contract	
		4.	(a) Mistake in the Formation of a Contract	
			(b) Written Contracts: Rectification for Mistake	
			(c) Written Contracts: Non Est Factum	
		3.	Mistakes About the Identity of the Other Party	
		٥.	(a) Identity is Not Normally of Determining	107
			Significance	167
			(b) A Mistake of Identity Prevents the Formation	107
			of the Contract	160
		4.	Mistakes About the Subject-Matter	
		→.	(a) The 'Subject-Matter'	
			(a) The Subject-Matter	1 / 1

xii CONTENTS

		(b) Unilateral Mistake	171
		(c) Common (Shared) Mistake	172
	III.	Misrepresentation and Non-disclosure	
		1. Misrepresentation Contrasted with Mistake	
		2. The Range of Remedies for Misrepresentation	177
		3. Rescission of the Contract	
		4. Damages in Tort	180
		5. Damages under Section 2(1) of the	
		Misrepresentation Act 1967	182
		6. Right to Redress under the Consumer Protection	
		from Unfair Trading Regulations 2008	
		7. Remedies for Breach of Contract	183
		8. Choosing between the Remedies	184
		9. Exclusion of Remedies for Misrepresentation	185
		10. Non-disclosure	186
	IV.	Duress, Undue Influence and Unconscionable Bargains	189
		1. Pressure and Abuse of Position	
		2. Duress	
		3. Undue Influence	
		4. Unconscionable Bargains	
	V.	Capacity	198
	VI.	Illegality and Public Policy	199
8.	Find	ling the Terms of the Contract	201
•	I.	The 'Terms' of a Contract	
	II.	Finding and Interpreting the Express Terms	202
		Contracts Not Reduced to Writing	203
		(a) Finding the Terms	
		(b) Interpreting the Terms	205
		2. Written Contracts	205
		(a) Finding the Terms	
		(b) Interpreting the Terms	207
	III.	Implied Terms	
		1. Obvious Terms; Regular and Customary Terms	
		2. Terms Necessary to Give the Contract	211
		'Business Efficacy'	212
		3. Particular Terms in Particular Types of Contract	213
		(a) Terms Implied at Common Law	
		(b) Terms Implied by Statute	
		4. The Exclusion of Implied Terms: Drafting Styles in	217
		the Common Law	215
`	_		
€.		trolling the Content of the Contract: 'Unfair' Contracts	218
	I.	Indirect Controls over the 'Fairness' of the Contract	
		1. Procedural and Substantive Unfairness	219

		۷.	Juai	cial Controls over Uniair Terms: Incorporation	
			and	Construction	
			(a)	Incorporation of the Term	221
			(b)	Interpretation of the Term: Construction	
				Contra Proferentem	221
	II.	Di	rect C	controls over the 'Fairness'	
		of	the C	ontract	224
		1.	Con	trol by the Common Law	224
		2.	Con	trol by Statute	226
			(a)	Exclusion and Limitation Clauses in	
				Non-consumer Contracts: The Unfair Contract	
				Terms Act 1977	227
			(b)	Exclusion and Restriction of Liability for	
				Misrepresentation by Clauses	
				in Non-consumer Contracts:	
				Section 3 of the Misrepresentation Act 1967	229
			(c)	Exclusion and Limitation Clauses in Consumer	
				Contracts: The Consumer Rights Act 2015	230
			(d)	Unfair Terms in Consumer Contracts:	
				Part 2 of the Consumer Rights Act 2015	230
			(e)	Other Statutory Controls over Particular	
				Types of Term	233
10.	W/h	o ho	c tha	Benefit of the Contract? Who is Bound	
10.				act?	225
	I.			a 'Party' to the Contract? The Doctrine	233
	1.			y of Contracty	226
		1.		arty to the Agreement or to the Bargain?	
		2.		Link between Privity and Consideration:	230
		۷.		ddle v Atkinsonddle v Atkinson	227
		3.		elopment of Judicial Attitudes to the Doctrine	231
		٥.		rivity During the Twentieth Century	220
	II.	Δ.		g the Doctrine of Privity	
	11.	1.		ating Rights for the Third Party	
		1.	(a)	Make the Third Party a Party	
			(b)	Trusts	
			(c)	Assignment	
			(d)	Agency	
			(e)	Tort	
			(f)	Property Law	
		2	(g)	Third-Party Rights by Statute	247
		2.		procedure of the Contract by the Promisee for	247
				Benefit of a Third Party	247
			(a)	The Problem: The Loss is Suffered by	247
			(h)	the Third Party	
			(D)	Specific Performance	24 /

xiv CONTENTS

		(c)	Damages Calculated to Cover the Third	
			Party's Losses	249
	III.	Reform	by the Contracts (Rights of Third Parties)	
		Act 199	9	250
		1. The	Law Commission's Proposals for Reform	250
		2. The	Contracts (Rights of Third Parties) Act 1999	250
		(a)	Which Contracts are Covered?	251
		(b)	In what Circumstances does a Third Party	
			Acquire the Right to Enforce a Term?	251
		(c)	Parties can Always Contract out of the	
			Act Expressly	252
		(d)	What Rights does the Third Party Acquire?	252
		(e)	The Act also Applies to Exemption Clauses	253
		(f)	Can the Third Party's Right to Enforce be	
			Taken Away by the Contracting Parties?	253
		(g)	The Position of the Promisor	253
		(h)	The Position of the Promisee	254
		(i)	Interaction of the Act with Other Remedies for	
			Third-Party Losses	
		3. Inte	raction of the Doctrines of Privity of Contract	201
		and	Consideration after the 1999 Act	255
	IV.	Assignm	nent and Novation of Contractual	233
			nd Duties	256
			gnment	
		(a)	Assignment is of Only the Benefit,	250
		()	Not the Burden	256
		(b)	Legal and Equitable Assignments	250 257
		(c)	Rights Which are Capable of Assignment	257 257
		(d)	The Effect of a Valid Assignment	258
		2. Nov	ration	259
	CI			
11.		nge of Cir	rcumstances	260
	I.	The Doc	etrine of Frustration	261
		1. Dev	elopment of the Doctrine of Frustration	261
		2. App	dication of the Test for Frustration	264
		3. Con	sequences of Frustration	266
	II.		ontract Terms to Anticipate Changes	
		of Circu	mstances	269
12.	Rem	edies for l	Breach of Contract	272
	I.	'Breach	of Contract'	272
			at is a Breach of Contract?	212
			Significance of the Obligation to Perform	272
		2. The	Range of Remedies	274
	II.	Specific	Performance and Injunction	275
		L - CILIO	and injunction	

	1. Specific Performance and Injunction as	
	Equitable Remedies	275
	2. The Content of the Order and the Remedy	
	for Non-compliance	276
	3. Specific Performance in the Modern Law	
	4. Injunction	
	5. Damages in Place of Specific Performance or	
	Injunction	281
III.	Termination for Breach	281
	1. The Nature of Termination	281
	2. Availability of Termination	281
	(a) Breach of Condition	
	(b) Fundamental Breach	
	3. Exercising the Right to Terminate	283
	4. Consequences of Termination	
	5. Contractual Termination Clauses	
	6. Deposits; Relief against Forfeiture	286
	7. No General Right of Suspension	
IV.	Damages	
	1. Damages are to Compensate the Claimant's Failed	
	Expectation	288
	2. Valuing the Expectation	
	3. Damages for Distress and Other Intangible Losses	
	4. Whose Expectation? Losses Suffered by Third Parties	
	5. Punitive Damages	
	6. Damages to Deprive the Defendant of a Profit	
	7. Limits on Recovery and Defences: Remoteness,	
	Mitigation, Contributory Negligence and	
	Limitation Periods	294
	(a) Remoteness of Damage	294
	(b) Mitigation of Loss; Contributory Negligence	295
	(c) Limitation Periods	
	8. Damages for Delay	296
V.	Debt	297
VI.	Consumer Contracts for the Supply of Goods, Digital	
	Content or Services: Rejection, Repair, Replacement,	
	Reduction in Price and Repeat Performance	297
VII.	Agreed Remedies	299
VIII.	Learning About a Contract	
	from the Remedies for Breach	300
Appendix		303