
CONTRACT

ELEMENTS OF A CONTRACT

1. Intention

More than an agreement

2. Agreement

Offer

i. Firm Promise

ii. Communicated

Carlill v Carbolic Smoke Ball Co

- Offer made to all the world still holds
- There was also intention (deposit of money)

iii. Cancel before acceptance

Counter-Offers

Hyde v Wrench

- A counter-offer cancels the original offer

Invitation to Treat

Pharmaceutical Society of Great Britain v Boots Cash Chemists (Southern) Ltd

- Offer occurs at checkout, not when item is taken from shelf

Request for Information

Harvey v Facey

- An enquiry is not an offer

Acceptance

i. In response to offer

R v Clarke

- Clarke attempted to claim reward for information, however he did not know about the offer until after

ii. Must be communicated (words/conduct)

Brogden v Metropolitan Railway

- Coal supplied for many years
- Contract drafted → approved, but not signed
- Effective by conduct

Empirnall Holdings v Machon Paull Partners

- Contract was not signed
- Regular payments was acceptance through conduct

Silence is not acceptance

Felthouse v Bindley

- Offer to buy horse
- Offeree claimed horse as his if he heard nothing more
- Plaintiff's silence is NOT acceptance

iii. Absolute/Unqualified

iv. Conditional Assent not binding

Masters v Cameron

- Subject to finance
- Parties do not intend to make concluded contract unless all written
- Have the ability to pull out

v. Clear & Certain

Scammell and Nephew Ltd v Ouston

- 'Hire Purchase Terms' – too many meanings

Postal Rule

Offer is effective when received

Acceptance is effective when posted

Cancellation must be received before acceptance is posted
