

LAWS4103: *Contract Law*

Question 1: 14 minutes (*7 marks*)

Question 2: 10 minutes (*5 marks*)

Question 3: 24 minutes (*12 marks*)

Question 4: 12 minutes (*6 marks*)

Question 5: 16 minutes (*8 marks*)

Question 6: 14 minutes (*7 marks*)

Question 7: 14 minutes (*7 marks*)

Question 8: 16 minutes (*8 marks*)

Total: 120 minutes (60 marks)

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ESTOPPEL

By Representation / Common Law Estoppel

- Estoppels enforce promises/representations outside of contract law
 - One person ('inducing party') induces another person ('relying party') to act upon an assumption of fact/state of affairs
 - The inducing party then 'asserts rights that are inconsistent' with the fact/state of affairs represented to the relying party
 - Estoppel prevents the inducing party from denying that fact, such as the fact of contract formation, thereby protecting the relying party against an inconsistent (rather than false) representation by the inducing party
 - The relying party must suffer detriment if the inducing party does not act in accordance with the assumption

Equitable Estoppels

- 'One of the principal functions of equity is to put right injustice to which the law is otherwise blind, by restraining the rigid application of legal rules where their implementation would be unconscionable'
 - Lord Briggs in ***Guest v Guest* [2022]**
- Equitable Estoppels relate to promises to do something in the future
 - 'A induces B to act upon an assumption as to the future conduct of A'
- Three types of estoppel
 1. Proprietary estoppel by encouragement, active action by inducing party
 - ***Kramer v Stone* [2024]**
 2. Proprietary estoppel by silence focuses on the inducing party knowledge of the relying party's mistaken belief regarding their legal rights
 - ***Kramer v Stone* [2024]**
 3. Promissory estoppel, applies to equitable estoppels that do not involve an interest in land
 - Unclear if 'encouragement'/'acquiescence' distinction applies

Expectation Interest v Reliance Interest

- Expectation interests seek to fulfil the express or implied promise to the claimant, whilst reliance interests compensate for detriment incurred due to reliance on that promise

Case Facts	Issue	Held/Reasoning
<i>Kramer v Stone</i> [2024] (HCA)		
<ul style="list-style-type: none"> Farm owner promised share farmer that they would inherit the farm Relying on this, the farmer worked under poor conditions and underpaid for 23 years Upon the owner's death, the farm was left to her daughter 	<ul style="list-style-type: none"> Whether proprietary estoppel required the promisor to encourage reliance after the promise and have knowledge of the promisee's reliance 	<ul style="list-style-type: none"> HCA held that proprietary estoppel does not require encouragement after the promise or actual knowledge of reliance, as long as the circumstances satisfy the elements of estoppel by encouragement
<i>Guest v Guest</i> [2022] (UK)		
<ul style="list-style-type: none"> Son worked on father's farm for years underpaid, and in poor conditions on the reliance that he would inherit a significant amount of the farm Father and son had a falling out and he was written out of the will 	<ul style="list-style-type: none"> Was the claimant was entitled to relief based on proprietary estoppel? If so, how should this remedy be framed? 	<ul style="list-style-type: none"> Held that the son had relied upon his father's promises, making substantial and irreversible decisions, and his claim for proprietary estoppel was granted

TERMS OF THE CONTRACT: Incorporating Express Terms

- No obligation for contractual terms to be contained within a written document
 - Terms usually in signed written document, however, unrequired unless mandated by statute
 - Other sources of terms include email, letters, telephone conversations, oral promises
 - [*Realestate.com.au v Hardingham* \[2022\]](#)

1. Incorporation of Terms by Signature

- A party is bound by the terms in a contract that they have signed, regardless of whether they have read and understood it or not
 - The general principles stems from *Toll v Alphapharm* [2004]

<i>L'Estrange v Graucob</i> [2024] (UK)		
<ul style="list-style-type: none"> • Pf signed a 'sales agreement' with Df for the purchase of a cigarette vending machine • Machine did not work properly, and so Pf brought an action for damages for breach of an implied warranty • Df relied on exclusion clause 	<ul style="list-style-type: none"> • Given that Pf had not read the contract, was the clause effective at displacing the implied warranty? 	<ul style="list-style-type: none"> • Held: Yes • The terms of the contract, including the clause excluding any express or implied warranties, were binding by reason of the signature
<i>Toll v Alphapharm</i> [2004] (HCA)		
<ul style="list-style-type: none"> • Agent of Alphapharm, a vaccine distributor, signed a form without reading it, which contained an exclusion of liability clause • Vaccines rejected due to mistake by Toll • A sued T for damages and T relied on clause 	<ul style="list-style-type: none"> • Were the terms on the back of the form included in the agreement? • Were the parties bound by signature, despite the agent not reading the terms? 	<ul style="list-style-type: none"> • Held that the terms upon which A and T contracted included the terms on the back of the form • Therefore, the parties were bound by effect of the signature

- There are certain exceptions, where a signed document will not be binding
 - Misrepresentation
 - ***Curtis v Chemical Cleaning & Dyeing Co* [1951]** tells us what sufficient for 'misrepresentation' for these purposes?
 - Behaviour, by words or conduct, that misleads the other party about the existence or extent of the exemption
 - That behaviour must create a false impression, knowingly or unwittingly
 - Misleading or deceptive conduct
 - Fraud

<i>Curtis v Chemical Cleaning & Dyeing Co</i> [1951] (UK)		
<ul style="list-style-type: none"> • P took dress to D for cleaning and asked to sign a 'receipt' • P informed that cleaners not liable for certain risks • P signed without reading, in reality it contained an onerous exclusion clause • Dress damaged • P claimed damages 	<ul style="list-style-type: none"> • Did the signing of the receipt deem to contract binding, in spite of the assistant's misrepresentation? 	<ul style="list-style-type: none"> • Held that the assistant misrepresented the breadth of the exemption clause, and therefore it did not form part of the contract