

EQUITABLE ESTOPPEL

Promissory Estoppel

General definition: where someone makes a promise not to rely on one of their legal rights

Central London Property Trust v High Trees House Limited

Facts: C promised H to accept reduced rent during WWII because the flats were not all rented out. Tried to claim forgone rent at the end of the war.

Ratio by Denning J (which gives the elements of estoppel): 'where one party has, by words or conduct, made to the other a promise or assurance which was intended to affect the legal relations between them and to be acted on accordingly, then once the other party has taken him at his word and acted upon it, the one who gave the promise or assurance cannot afterward be allowed to revert to the previous legal relations as if no promise or assurance had been made by him, but he must accept their legal relations subject to such qualification which he himself had introduced, even though it is not supported in point of law by any consideration but only by his word'

Note: *High Trees* imposed two limitations that no longer form the common law position. Namely, 1) it required a pre-existing legal relationship between the parties; and 2) promissory estoppel on a defence – a shield but not a sword.

Proprietary Estoppel

General definition: where someone induces someone else to believe that they're going to get some kind of interest in property (can be personal or real)

Elements

Elements as set out in ***Walton Stores (Interstate) Ltd v Maher*** per Brennan J at 428-9, though applies to both promissory and proprietary

1. **Representation** - the plaintiff assumed that a particular legal relationship then existed between the plaintiff and the defendant, or expected that a particular legal relationship would exist between them and, in the latter case, that the defendant would not be free to withdraw from the expected legal relationship
2. **Assumption or expectation**
3. **Inducement** - the defendant has induced the plaintiff to adopt that assumption or expectation
4. **Reliance (must be reasonable)** - the plaintiff acts or abstains from acting in reliance on the assumption or expectation
5. **Knowledge and intention** - the defendant knew or intended him to do so
6. **Detriment (with a causal link)** - the plaintiff's action or inaction will occasion detriment if the expectation or assumption is not fulfilled; and
7. **Failure to avoid detriment** - the defendant has failed to act to avoid that detriment whether by fulfilling the assumption or expectation or otherwise