

LAWS1075/JURD7175 CONTRACTS

Term 1, 2026 — Lesson Summary

Key Concepts, Cases & Examples

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WEEK 1 — EXPRESS TERMS (Incorporation & Parol Evidence)

Class 1: Incorporation of Terms

(A) Incorporation by Signature

- **Rule:** A party who signs a contractual document is bound by its terms, whether or not they have read them (L'Estrange v Graucob).
- **Exceptions:** (i) Misrepresentation as to content (Curtis v Chemical Cleaning); (ii) Non est factum; (iii) Document not contractual in nature.
- **Toll v Alphapharm:** Affirmed signature rule in Australia. Objective theory of contract — what reasonable person would understand. The signature itself signifies assent regardless of subjective understanding.

(B) Incorporation by Notice

- **Test:** Reasonable steps must be taken to bring terms to the attention of the other party BEFORE or AT the time of contracting (Oceanic Sun Line; Thornton v Shoe Lane Parking).
- Timing is critical: notice AFTER contract formation = NOT incorporated (Thornton — ticket from machine)
- More onerous/unusual the term → more notice required ('red hand' test — Thornton)
- Document must be one a reasonable person would expect to contain terms (Causser v Browne — laundry ticket; cf. Baltic Shipping v Dillon)
- **Baltic Shipping v Dillon** — Terms in a brochure received AFTER booking the cruise were not incorporated — too late.

(C) Incorporation by Course of Dealing

- Terms may be incorporated through prior consistent dealings between the parties
- Requires REGULAR and CONSISTENT prior dealings (Hollier v Rambler — 3-4 transactions over 5 years insufficient)
- **La Rosa v Nudrill** — HC: course of dealing required actual knowledge or constructive notice; mere repeated dealings insufficient.

Class 2: Parol Evidence Rule & Statements as Terms

(A) Parol Evidence Rule (PER)

- **General Rule:** Where a contract is wholly in writing, extrinsic (parol) evidence cannot add to, vary, or contradict the written terms.
- **Equuscorp v Glengallen:** Strong presumption that signed written contracts are the entire agreement; oral statements typically excluded.