# Contract law

chedia 1998@ yahoo. fr

### THE STUDY OF LAW

### Lead-in

to put into practice

( in most + plur No

It is difficult to imagine going very long before making some kind of agreement enforceable by law. Whenever we buy goods and services, we enter into a contractual relationship. 1 What kinds of contract have you entered into recently? Make a list of some of

the goods and services you have bought or used over the past 48 hours. Compare your list with a partner. Is it always clear whether the above are goods or services? How would you classify the electricity you consume every day?

a suck

### Reading 1: Contract law

This text deals with some of the main features of contract law

- 2 Read the first paragraph. What is necessary for a valid contract to be formed?
- 3 Now read the whole text. Which two remedies following a breach of contract ruplure slu C are mentioned? Are any other options available in your own jurisdiction?
- 4 Read the text again and decide whether these statements are true (T) or false (F).
  - 1 In all legal systems, parties must give something of value in order for a contract to be formed. F (PA, L 3)
  - 2 An offer must be met with a counter offer before a contract is agreed. F (22,L3)
  - 3 Oral contracts are not always valid # (P4, LAS) T
  - 4 If in breach, the court will always force the party to perform the contract. FLP6, L26).
  - 5 Assignment occurs when one party gives its contractual rights to another party.

to occur = to happen = to take peace

= the majority of + P. Noun = Contract law deals with promises which create legal rights. In most legal systems, a contract is formed when one party makes an offer that is accepted by the other party. Some legal systems require more, for example that the parties give each other, or promise to give each other, something of value. In commonlaw systems, this promise is known as consideration. In those systems, a one-sided promise to do something (e.g. a promise to make a gift) does not lead to the formation of an enforceable contract, as it lacks consideration.

When the contract is negotiated, the offer and acceptance must match each other in order for the contract to be binding. This means that one party must accept exactly what the other party has offered. If the offer and acceptance do not match each other, then the law says that the second party has made a counter-offer (that is, a new offer to the first party which then may be accepted or rejected).

For there to be a valid contract, the parties must agree on the essential terms These include the price and the subject matter of the contract.

Contracts may be made in writing or by spoken words. If the parties make a contract by spoken words, it is called an oral contract. In some jurisdictions, certain special types of contracts must be in writing or they are not valid (e.g. the sale of land).

Contracts give both parties rights and obligations. Rights are something positive which a party wants to get from a contract (e.g. the right to payment of money). Obligations are something which a party has to do or give up to get those rights (e.g. the obligation to do work).

When a party does not do what it is required to do under a contract, that party is said to have breached the contract. The other party may file a lawsuit against the breaching party for breach of contract. The non-breaching party (sometimes called the injured party) may try to get a court to award damages for the breach. Damages refers to money which the court orders the breaching party to pay to the non-breaching party in compensation. Other remedies include specific performance, where a court orders the breaching party to perform the contract (that is, to do what it promised to do). = Obligation to perform = to enforce

A party may want to transfer its rights under a contract to another party. This is called an assignment. When a party assigns ('gives') its rights under the contract to another party, the assigning party is called the assignor and the party who gets the rights is called the assignee.

5 Complete these sentences using the words in the box.

Key termes

breach counter-offer damages formation obligations contract terms

occurs when an offer is accepted. 1 Usually, contract / Pamatum

2 A new offer made by one party to another party is called a Counter-offer

3 The price and the subject matter of a contract are the essential evens of a contract.

4 A contract which is not in written form but has been expressed in spoken words is called an a contract

5 Under a contract, a party has delications (that is, certain things it has to do).

6 When a party does not do what it has promised to do under a contract, it can be sued for breach of contract. (to sue = to shoul a legal action) - against

7 A court can award domages to the non-breaching party.

# damage (accident) = 1 compensate to attribute
6 Match the verbs in the box with the nouns they go with in the text. break an agreement

accept enforce file form make negotiate award breach reject to collect doc to understand your case.

1 an offer = accept: make = reject

2 a contract = n'egociate = perform = form = breach.

3 damages - award = accept

4 a lawsuit = gies = law case ou

Which other verb-noun collocations are possible with the words in Exercise 6?

1 a party 2 the parties 3 the court 4 a lawyer	
EXAMPLE: Well, a party accepts an offer, and a lawyer can accept an offer. So think you can say that a court accepts an offer.	
Reading 2: Remedies for breach of contract	
9 Read this excerpt from a law textbook. What does the word remedy in the text mean?	
[write a paragraph about antracts in Tunisia] in favor of sen favour	2 4
REMEDIES FOR BREACH OF CONTRACT	
If a contract is broken, the injured party might be expected to demand any of the following:	
• to have what they gave returned to them ('restitution')	
<ul> <li>compensation for their loss ('damages') + gain = benefict = profit</li> <li>the other party to be forced to perform the contract ('specific performance')</li> </ul>	
In the common-law tradition, damages is the usual remedy that a court awards for	
a broken contract. Restitution and specific performance are available only in certain circumstances. (conditions).	
10 According to the text, what is the most common remedy for breach of contract Ly General Ide in the legal systems of English-speaking countries? What is the most common	Q
10 According to the text, what is the most common remedy for breach of contract in the legal systems of English-speaking countries? What is the most common remedy in your jurisdiction?  Listening 1: Asking for clarification and giving	2
10 According to the text, what is the most common remedy for breach of contract in the legal systems of English-speaking countries? What is the most common remedy in your jurisdiction?  Listening 1: Asking for clarification and giving explanations	
10 According to the text, what is the most common remedy for breach of contract in the legal systems of English-speaking countries? What is the most common remedy in your jurisdiction?  Listening 1: Asking for clarification and giving	in a
10 According to the text, what is the most common remedy for breach of contract in the legal systems of English-speaking countries? What is the most common remedy in your jurisdiction?  Listening 1: Asking for clarification and giving explanations  1.1 4 2.1 Listen to the first part of a short conversation between two law students, who are discussing the law textbook excerpt in Exercise 9. What is the first	
10 According to the text, what is the most common remedy for breach of contract in the legal systems of English-speaking countries? What is the most common remedy in your jurisdiction?  Listening 1: Asking for clarification and giving explanations  1.1 ◄ 2.1 Listen to the first part of a short conversation between two law students, who are discussing the law textbook excerpt in Exercise 9. What is the first student confused about?  1.2 ◄ 2.1 Listen again and tick (✓) the expressions the student uses to ask for	
10 According to the text, what is the most common remedy for breach of contract in the legal systems of English-speaking countries? What is the most common remedy in your jurisdiction?  Listening 1: Asking for clarification and giving explanations  1.1 €2.1 Listen to the first part of a short conversation between two law students, who are discussing the law textbook excerpt in Exercise 9. What is the first student confused about?  1.2 €2.1 Listen again and tick (✓) the expressions the student uses to ask for clarification.  1 What does that mean?  2 Sorry, I don't follow you.  3 I don't understand that.  4 I don't know what that word means.  5 That doesn't make sense to me.  6 I don't get it.  13 How would you explain to the student what the term damages means and how	
10 According to the text, what is the most common remedy for breach of contract in the legal systems of English-speaking countries? What is the most common remedy in your jurisdiction?  Listening 1: Asking for clarification and giving explanations  1.1 1 2.1 Listen to the first part of a short conversation between two law students, who are discussing the law textbook excerpt in Exercise 9. What is the first student confused about?  1.2 1.2 1.1 Listen again and tick (/) the expressions the student uses to ask for clarification.  1.3 What does that mean? 2 Sorry, I don't follow you. 3 I don't understand that. 4 I don't know what that word means. 5 That doesn't make sense to me. 6 I don't get it.  1.3 How would you explain to the student what the term damages means and how it differs from the word damage? Discuss this with a partner.  1.4 1.2.2 Listen to the second part of the dialogue and compare your answer with what the second student in the dialogue and compare your answer with what the second student in the dialogue and compare your answer with	
10 According to the text, what is the most common remedy for breach of contract in the legal systems of English-speaking countries? What is the most common remedy in your jurisdiction?  Listening 1: Asking for clarification and giving explanations  1.1	

0

8 With a partner, take turns to look at each of the verbs in the box in Exercise 6

giving an explanation.	
1 Well, it's quite straightforward. 2 Allow me to clarify. 3 Let me explain. 4 What this word means is 5 It's like this. 6 In other words, (ie = idest)	que.
use this more formal way of giving an explanation?	
Speaking 1: Terminology	manage of the
17 With a partner, take turns choosing and explaining one of these terms in your own words. Can you guess which word your partner is defining?	The state of the s
o assignor o specific performance or restitution on the non-breaching party of the injured party or remedy	Constitution of the second
Listening 2: Contract law lecture	di do sin pi dad
18 € 2.3 Listen to the beginning of a lecture on contract law. What is the general subject of the lecture?	
19 € 2.4 Listen to the whole lecture and answer these questions.	Way 8 Tr
agreement counter-offer consideration	TOTAL OF
!0 ◀ € 2.4 Listen again and complete this excerpt from a student's to	elidacique
opace.	ethical page
Introductory lecture on Contract Formation	Possibility
· Three requirements for formation:	might -
1)	would
2)	Could
3) intention to create relations	should !
· Agreement: when 4)	may +
· When an offer is made and 5), there is agreement. · Questions about offers: e.g. who makes an offer in an auction? Is a	See Part 8
list an otter? Is an advertisement as accord	Lings thoo a second
questions about acceptance: does acceptance have to be	in the farmer E.1
? Accept by 8) ?	
· Consideration basically means the 9)	THE RESERVE OF THE PARTY OF THE
· Next week's lecture will cover rules of 11)	

#### Speaking 2: Summarising the lecture 21 A fellow student missed the introductory lecture on contract formation and has asked you to explain the most important points to him. Taking turns with a partner, explain in your own words what the lecturer said about the following topics. If you don't understand something, ask for clarification. When your partner has finished explaining, say whether your partner has left something out or whether you understand it differently. O agreement: what it is and when it occurs questions about acceptance O questions about offers O consideration: what it is LAW IN PRACTICE Lead-in Lawyers are often consulted by clients who need advice in contract disputes. What kinds of things could lead to such disputes? When meeting with a client to discuss a dispute, a lawyer will generally explain how the law relates to the contract in question. This may mean helping the client to understand technical terms and important legal concepts. It will often be necessary to examine a particular clause, or section of the contract, carefully. Reading 3: Contract clause 22 Read the clause from a contract and answer these questions. 1 Which word means ship or boat? Vessel (military or business Context). 2 What does the clause deal with? All the necessary info to the delivery of goods by ship. 3 What words are used to refer to each party to the contract? a buyin | seller 4 What do you think probable readiness means? I the first date on which is most circles 5 What does the word shall mean in the context of this clause? that the will will make a available to the seller for the (model: Polite way) transport of the goods mentionnes in the a The buyer shall nominate the date of shipment. The buyer shall give the seller at least two contract. weeks' notice of probable readiness of vessel(s) and of the approximate quantity to be loaded. b Upon notification of probable readiness of vessel(s), the seller shall nominate a port for the loading of goods. haveto = must (in this context) c Shipment is required no later than 22 May 2008. Shipment = load + carry = Transport. 23 Complete these lists of obligations using your own words. How are the obligations expressed in the actual contract clause? to be enaded. Buyer must: date of shipment Inotify the seller of the approximate quantity of goods? 2 decide on the date that the goods will be transported by ship. (will be shepted 3 notify the seler of this date at least 2 weeks in advance Seller must: 4 arrange at post at which the goods will be fooded 24 Discuss with a partner what can go wrong in connection with a clause like the one in Exercise 22. What might the consequences be? o compensate: to give in exchange of a loss. > boat ( ship ( vessel =) means of maritime transport

The Crow = Equipage

# Listening 3: Conditions and warranties

- 25 € 2.5 You are going to hear a conversation between a lawyer (Mr Dawe) and his client (Mr McKendrick, Director of Export Threads, the seller referred to in the contract extract in Exercise 22). Listen to them discussing the case and answer these questions.
  - 1 What is the name of the buyer in this dispute?
  - 2 Why does Export Threads want to terminate the contract?
  - 3 Does a breach of contract automatically allow one party to terminate the agreement?
  - 4 Does the lawyer think that Export Threads has a strong case?
  - 5 What legal grounds might Export Threads have for terminating the contract?
- 26 Read the audio transcript of the dialogue on pages 125-126. Underline the phrases which mean I don't understand and those used for giving an explanation. To have used
- 27 a In the dialogue, the lawyer says that his client relied on the seller to notify to rely on 5.0 Sthing him of the date of shipment. The term reliance refers to depending on على على someone's promises. Read these definitions of reliance (1-3) and match each with its source (a-c).

reliance

encourues o

- 1 The act of relying on someone or something; trust.
- 2 The condition of being reliant or dependent.
- 3 A person or thing which relies on another.

Reliance, trust I place complete reliance on his judgment

reliance n. the act of relying; taking action as a result of another person's promises or assurances. Compensation may be available for losses incurred by a claimant resulting from such reliance (reliance damages).

reliance /rɪˈlaɪəns/ noun [U] when you depend on or trust in something or someone: The region's reliance on tourism is unwise.

You place too much reliance on her ideas and expertise.

to suffer an injury = to haven

break demand

Verb

Herform

a The Cambridge Advanced Learner's Dictionary

- b an online legal dictionary 1
- Negociale c The Wiktionary (an online dictionary created by its users)
- b Which of the dictionaries did you find most useful? Why? Accept
- c What role do you think reliance plays in this contract?

damage = hurt (Not legal tearm)

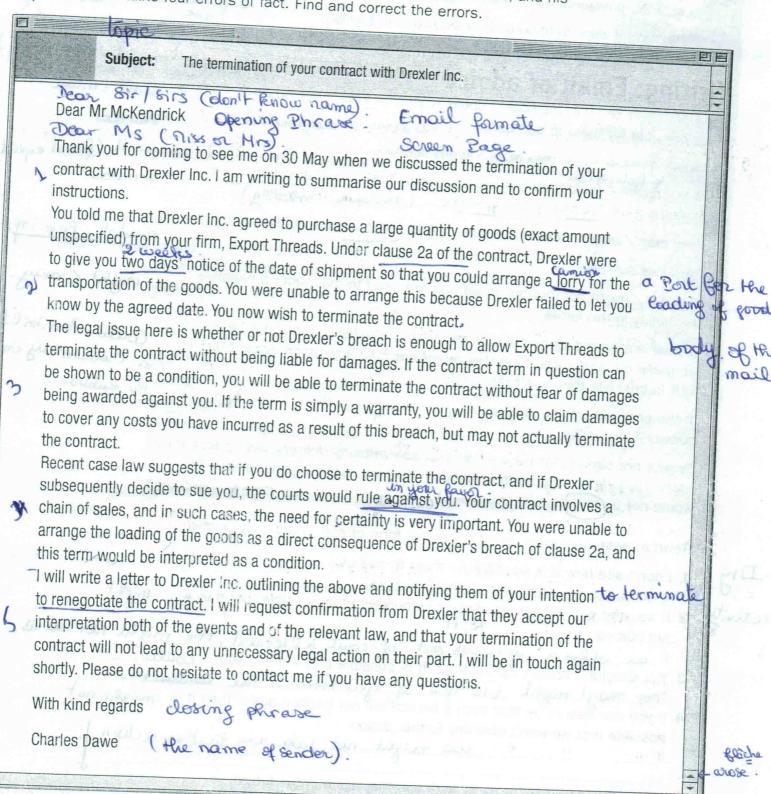
Noun breach / demand Restitution = Give back Performance = execution clarification es = 720 (for unjured

Acceptance

Language use: can / could / may / might 🔨 Models (extra impo In his conversation with his client, Mr Dawe talks about a number of possibilities, for example the possibility that Drexler might sue him for breach of contract. (absoluty) Could (Mahility Luformel There are several ways to talk about possibilities in English: C can / could (but not may / might) are used to say something is generally may (Possibility possible: might (Probability formel I really don't see how they can / could sue us. (= I don't see how it is / would Shall = must be possible for them to sue us.) (No arms or ourguments) I really don't see how they may / might sue us. will you form Should O may / might / could (but not can) are used to talk about the chance that ~ will (farmel request something will happen or is happening: ( michium Rossin City would They may / might / could sue you. (= It is possible they will sue you.) modal + Base inf; They can sue you. O may not / might not (but not could not) are used to talk about a negative might < may possibility in the future: Drexler are saying that we are unreasonably refusing delivery, but I guess if Could = Possibility we make our side clear, then they might not take any action against us? or Probability in (= It is possible they won't take action.) O In the above example, using could not would change the meaning from the future. possibility to ability: Drexler are saying that we are unreasonably refusing delivery, but I guess if we make our side clear, then they covidn't take any action against us? (= They would not be able to take action.) 28 Rewrite these sentences using a suitable form of can, could, may cr might. 1 I don't see how it is possible for them to sue us. I don't see how they can / could sue us. 2 If we offer a generous out-of-court settlement, it is possible that they will not sue us. If we offer a generous out of court settlement; the night not see Us. 3 You shouldn't breach the contract. It is possible they will sue you. They may might bue you if you breach the contract. 4 If you can assure us that such a breach will not happen again, then it is might not possible that we won't take any further action. we might not take any further action 5 I think it is possible for us to work together again in the future. I think we could work together again in the future. 6 If you raised your prices, it would not be possible for us to work together. If you raised your prices , we can't (couldn't come together - they can should comed ( would / may true you. I really dout'see why they can | might / could / may /couldn't / may not / shouldn't take any action against us. a price = a cost a prize = an award.

## lext analysis: Email of advice

29 This email summarises the discussion between the lawyer, Mr Dawe, and his ✓ client. It contains four errors of fact. Find and correct the errors.



The email in Exercise 29 follows a standard pattern for an email of advice from

a lawyer to a client. Match each paragraph (1-5) with its correct label (a-e). adverse of the e-mail (receiver)

a Opening paragraph

b The lawyer's proposed action

c The lawyer's advice 5

d Summary of the facts 2

e The legal issue(s) 3

MINITED | believed believed

advice. Read through the email in Exercise 29 and highlight any phrases that would be useful in your own legal correspondence.

EXAMPLES: Thank you for coming to see me on 30 May when we discussed ...

## Writing: Email of advice xx. (for correction)

32 Use these notes of an interview with a client to write an email of advice. Use the email in Exercise 29 as a model.



7 November

Client – Berlingua Language School (Joanna Staines) Other party – Simon Burnett, Burnett TV Supplies

#### **Facts**

Ms Staines (Director of Studies, Berlingua) bought a new satellite system (including built-in hard drive) at 50% of the normal price from Burnett TV Supplies for educational use. She mainly wanted to use it to record foreign-language TV programmes for use during lessons.

When she first set it up and tried to record, she realised that the timer function was broken. This means someone has to physically press 'record' and 'stop' whenever they want to record something.

Ms Staines has asked for a replacement, but was told that she couldn't expect it to work perfectly at such a cheap price. They have refused to replace it, but have offered to repair it at a cost of £130.

#### Legal issues

Defect not pointed out at time of purchase; if reduction due to imperfections, seller MUST inform client (Sale of Goods Act).

#### Advice/Action

Ms Staines is entitled to either a full refund or a replacement system (her choice). I outlined the options, Ms Staines is considering which to go for. I'm pretty sure that it will only take one letter from us before Burnett backs down – he'd have no chance in the small claims court!

Now turn to Case Study 1: Contract law on page 118.

Language Focus . to inform officially after that (as a nosult) . to give a summary = summarise be in contact = · to put an end to = to attest, to agree on = · ho inform you = · to lony = · Responsible for compenso 1 Word formation Complete this table. to ask for of legally Verb Abstract noun Personal noun assign **Adjective** assignment assignee breach assigned breach. negotiate (non-)breaching negociation negociator negociable negociating offer offeror/offeree rely reliance 2 Prepositions Complete the following sentences about contract law using the reliable (aboutity prepositions in the box. against for for into to under 1 An individual or a business may enter \_\_\_\_ into \_\_\_ a contract. 2 Anyone who is not a party \_\_\_\_\_ the contract is considered a third party and cannot be obligated to do anything required \_\_\_\_\_ the contract. 3 If one of the parties breaches a contractual obligation, the non-breaching party may file a lawsuit \_\_\_\_\_ the breaching party. 4 Furthermore, a party will not be required to perform its contractual obligations if another party is \_\_\_\_\_ 5 Damages are awarded \_\_\_\_\_ a party \_\_\_ any loss that the party has suffered as a result of a breach of contract. 6 However, a party will not always be able to recover all losses when suing damages. 3 Language functions Unscramble the following phrases for asking for clarification.

- 1 that What mean? does What does that mean?
- 2 I you follow don't
- 3 that I understand don't
- 4 I means don't what that know word
- 5 make That sense to doesn't me

Verb-noun collocations Choose the correct verbs.

- 1 My client has requested me to make / file / award a lawsuit against you for breach of contract.
- 2 You accepted / awarded / admitted the offer my client made to you.
- 3 When you signed the contract, legal rights were called / claimed / created which are enforceable under the law.
- 4 Since you have not carried out your obligations under the contract, you have clearly assigned / rejected / breached the contract.
- 5 My client intends to claim / accept / enforce damages for all of the losses incurred as a result of the breach.