

Contracts

Law



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Insert Wood v. Lucy, Lady Duff-Gordon (1917) Facts Lucy Lady Duff-Gordon was a popular public figure who attached her togoods in order to improve sales in return for compensation. She hired Mr. Wood to assist her and allegedly forfeited the exclusive rights of issuing licenses out to third parties to her new agent under an arrangement that would entitle her to half of the returns obtained therefrom. Mr. Wood sued her for the breach of contract following her direct participation in the same business, now alone and without sharing the proceeds with Mr. Wood (Smith 29).

Issue

The court was to determine whether Ms Duff-Gordon was in breach of the earlier contract.

Decision

The lower appellate court disallowed Wood's prayers by holding that without an explicit promise, the contract was void. The appellant proved that Woods did not seek an equivalent request for her explicit promise. In addition, she did not make any requests for any proceeds from Wood in a manner that would have provided a sense of her "consideration", which was vital for the validity of the contract.

In light of this, the court established that even though, Wood failed to create a binding contract by not seeking the input of the other party, it was naturally implicit for the party to conduct himself in a reasonable manner by delivering half of the proceeds he was to obtain. The primary rationale behind the ruling was that for a contractual term to be deemed as implicit, they must be very clear to validate the contract. This means that in common law, parties to a contract must foster a relationship that undercuts formalism of the document signing process.

Chandler v Webster (1904)

Facts

The English case law of Chandler v Webster [1904] 1 KB 493 involved frustration in the performance of contracts. Mr. Webster entered into an agreement with Mr. Chandler, in which the latter party would have an accommodation on a strategic street to witness the King's installation on June 26 1902. In the initial agreement, the tenant was supposed to pay 141£ 15s. Mr. Chandler had rented the room on behalf of another party who was not impressed by it; besides, the party could not use it due to other commitments elsewhere. In light of these changes, Mr. Chandler paid £100 on June 19 and requested Mr. Webster to raise money using part of the room, and promised to settle the shortfall in a letter dated June 10, if any occurred under the new arrangement. The King became unwell prompting the cancellation of the event (McKendrick 730).

Issue

The court was to determine whether Mr. Chandler could reclaim the £100; and whether Mr. Webster was entitled to the remainder of the payment the ceremony notwithstanding.

Ruling

The High Court ruled that the claimant could not reclaim the £100, and that his letter dated 10th June was clear enough that he would only settle the balance after the ceremony. The defendant was also disbarred from laying the counter-claim. On appeal, the court held that Mr. Chandler could not validly reclaim his damages prior to the cancellation of the procession, as his letter was explicit enough about his keenness to follow the procession.

Works Cited

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McKendrick, Ewan. *Contract Law: Text, Cases, and Materials*. Oxford: Oxford University Press, 2012.

Smith, A. Craig. *California Contract Law: Cases and Materials*. Raleigh: Carolina Academic Press, 2006.