Contractual Formation and Obligations: Edward James Property Services v. Robert Smith

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Here, the managing principal owner, Edward James, is in limbo of liability against Robert Smith over a renovation on a property. The main issue here is whether Edward James Property Services fully performed its contractual obligation and whether Robert Smith may litigate for alleged breach of contract. The concern is chronicled following an exchange of emails citing terms and conditions on how the renovation is being carried - supplies and fixing the tiles accordingly. The concern is also about Edward James having failed to refund the agreed £100, which has made everything worse. This is, therefore, in the central question that Edward James Property Services shall keep into its obligation under the contract, and in this extent, the refund agreement if there were to be any breach, as contended by Robert Smith.

Issue

The present case mainly puts into rather interesting question as to whether Edward James Property Services has fulfilled in contract with Robert Smith and whether Robert Smith is entitled to raise actions for the alleged breach of contract. Accordingly, under dispute, the lawsuit areas of specific dispute are presented in the following paragraphs.

1. Whether Edward James Property Services adequately performed the renovation work as per the agreed terms.

2. Whether Edward James' failure to refund the agreed £100 constitutes a breach of contract.

3. If the breaches of contract on the part of Edward James Property Services occur, then whether or not threats by Robert Smith to take legal advice are justified in relation to those alleged breaches.

Clarity on these aspects would be of the essence in determining the likely liability of Edward James Property Services, and the resolution to be confirmed concerning the dispute with Robert Smith.

Law

Contract Formation

The basic constituents towards the formation of a contract entail - an offer, an acceptance, a consideration, and an intention to create legal relations. Offer can be considered as clear indication of willingness to make a contract under some definite terms that need to be communicated to the offeree. Acceptance takes place when the offeree unambiguously agrees to the terms of the offer.[1] Consideration is value, in the sense of something given by the parties to the contract in question, and an intention to create legal relations is a statement of their intention to consider themselves as being legally bound by the contract.

Doctrine of Consideration

This is the basic tenet under contract law which consideration is normally based on; each party has to bring something with value in exchange for the other party's promise. It surely ensures element that contracts will not be gratuitous and will also be of mutual benefit.[2] A consideration may be a promise to do an act or a valid act, forbear from doing something or even giving a benefit. Without valid consideration, a contract may be void and unenforceable.

Force Majeure

Force majeure invariably means an important event or circumstance that will have taken place so as to prevent a party from performing a contractual obligation. This is in form of events beyond the parties' control, whether by natural occurrences, wars, or government acts. According to Tai (2018) where a force majeure occurrence does happen, it will in general excuse performance under the contract provided that

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[1] Shawn J Bayern, 'Offer and Acceptance in Modern Contract Law: A Needles Concept Essay 103 California Law Review 2015' (*Heinonline.org*2015) <https://heinonline.org/HOL/LandingPage?handle=hein.journals/calr103&div=5&id=&page=>.

[2] Clarence D Ashley, 'Doctrine of Consideration' (1912) 26 Harvard Law Review 429 <https://heinonline.org/HOL/LandingPage?handle=hein.journals/hlr26&div=39&id=&page=>.

reasonable steps are taken by the affected party towards the mitigation of its effects.[3] A typical force majeure clause will usually set out, so as to avoid any vagueness, the events which will be considered as force majeure, like in this particular instance, that can be found in the contract and will set out the consequences and the procedures for the purported defense.

Formation of a contract in a nutshell involves existence of an offer, acceptance, consideration and a genuine intention to contract under the law. Consideration establishes contracts of mutual benefit and that such contracts will be legally binding. In law, force majeure stands for a legal defense of the impossibility of a party to a contract to perform his obligations under it due to unforeseen circumstances. Comprehending these legal principles would therefore play an ultimate role in determining the dispute amidst a contract between Edward James Property Services and Smith Robert.

Application

Here, subjected to the legal principles applied to the case on hand, several relevant issues can be pointed out. Firstly, the mail interchange between Edward James and Robert Smith represents offer and acceptance, hence create a valid contract. This sets intention to settle mutual obligations through a legal agreement between the concerned parties. This was laid down in Entores Ltd v Miles Far East Corporation [1955] 2 QB 327[4]: where a telex (certainly now, with the spread of email into the early 21st century, by necessary extension, an email) is an offer, acceptance takes place at the place and time where and when the acceptance is received. It means parties still able to form a valid contract, on communication process similar to offer and acceptance, through email which manages intention to be bound legally. Such the example occurs

[3] Eric Tjong Tjin Tai, 'Force Majeure and Excuses in Smart Contracts' (2018) 26 European Review of Private Law <https://kluwerlawonline.com/journalarticle/European+Review+of+Private+Law/26.6/ERPL2018055>.

[4] LawTeacher, 'Entores v Miles Far East Corporation' (*Lawteacher.net*2019) <https://www.lawteacher.net/cases/entores-v-miles.php>.

between Edward James and Robert Smith through their email exchanges. This is, therefore, equivalent to valid contractual agreement between Edward James and Robert Smith.

On the other hand, Edward James Property Services provided a good price breakdown of the supplying and laying of the tiles, the price of each pack, and what the cost came to in total. The only issue on the untimely completion of the project maybe linked with the force majeure conditions in respect of the sick laborers. The general rule was succulently laid down in Taylor v. Caldwell (1863) 3 B. & S. 826[5]; and if by an act of God the subject of the contract itself is destroyed, without fault on either side, that excuses the contract.

In an ask for a repayment of £100 to Robert Smith, the operative issue and relevant issue is just one, i.e., there were separately agreed terms. Here, the original contracted sum was £1,600, but then, by a promise of reduction, Edward James slashed the agreement down to £1,500, of which Robert Smith accepted. They subsequently refused to repay £100, saying that the original £1,600 contract price included a discount already and that they had completed the work on time before Robert Smith occupied the property and the standards anticipated [Combe v. Combe[6]].

Further, Brogden v Metropolitan Railway Co. [7]set a precedent of what the interpretation of contract terms should take into consideration the parties' intention. The court pronounced to give more emphasis on the objective intention of the parties rather than the subjective beliefs or intention.

Conclusion

[5] LawTeacher, 'Taylor v Caldwell [1863] 3 B&S 826 Case Summary' (*Lawteacher.net*2014) <https://www.lawteacher.net/cases/taylor-v-caldwell.php>.

[6] 'Combe v Combe - 1951' (*www.lawteacher.net*) <https://www.lawteacher.net/cases/combe-v-combe.php>.

[7] 'Brogden v Metropolitan Rly Co' (*Lawteacher.net*2019) <https://www.lawteacher.net/cases/brogden-v-metropolitan.php>.

In conclusion, the evaluation related with contractual dispute between Edward James Property Services and Robert Smith has clearly evidenced that issuance of considerations of the formation and terms of contract along with obligations and rights is imperative to ensure that both the parties might be facilitated equally. The exchanged emails between Edward James and Robert Smith might have formed a valid contract under consideration of different legal precedents like that of Entores Ltd v Miles Far East Corporation not forgetting the Brodgen v Metropolitan Company one.

This therefore applies to Edward James Property Services which was facing problems of a kind with fulfilling contractual obligations because labourers were partially sick, the said company will be fully bound by such contracts in the situation unless the force majeure liberates it the effectiveness of the force majeure as proved in the Taylor vs. Caldwell case. Further, if Edward James was admittedly held to be under any obligation to give back the amount already agreed upon, £100 will fall subject to further tests if the negotiations can be held binding, and there is further consideration, under Combe v. Combe[8].

It is thus imperative that Edward James Property Services takes into account the precise provision of the contract, and find a means to negotiate in good faith with Robert Smith on the questions raised affably. A solution cannot be reached that is clearer, more amicable and one where neither party is liable to suffer a legal fine; as is obvious under the above three examples, without drawing up and hashing over this. Ultimately, the more robust understanding of the basic principles of contract law and the strict adherence to the contractual obligations is what promises to better form trust and continue the professional relations in contracts.

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