Contents

Table of Cases		xvii	
Ta	Table of Legislation (Including Law Reform Proposals and Model Laws)		
Ta	Table of Frequently Cited Works		
Li.	st of Contributors	xxxvii	
1.	Introduction: British and American Perspectives Larry A DiMatteo and Martin Hogg	1	
	Comparative law approach	1	
	Challenges to US-British comparative contract scholarship	4	
	Consent and standard terms	5	
	Structure of the book	7	
	PART I. CONTRACT THEORY AND STRUCTURE		
2.	Saying What We Mean: Fundamental Structural Language		
	in Contract Law Martin Hogg	13	
	Introduction	13	
	Why is fundamental structural terminology used in contract law?	14	
	Examples of fundamental structural contractual language	15	
	Obligation and liability	15	
	Conditional and contingent Unilateral and bilateral	20	
	Conclusions	24 28	
	Conclusions	20	
3.	The Death of Consent? Peter A Alces	30	
	Introduction	30	
	Seminal cases	33	
	Carnival Cruise v Shute	34	
	Decisions of Judge Easterbrook	38	
	Arbitration, unconscionability, and consent	45	
	Constructing consent	52	
	Normative sense of consent	52 53	
	Inferring consent "There oughta be a law!"	53 55	
	More heat than light	58	
	Conclusion	59	
	Reply to Martin Hogg, "Saying What We Mean: Fundamental Structural Language in Contract Law" Peter A Alces	61	
	Reply to Peter A Alces, 'The Death of Consent?' Martin Hogg	65	
	Editors' Commentary on Chapters 2 and 3		
	(Language and Structure of Contract Law)	71	

x Contents

PART II. CONTRACT FORMATION

4.	The Nature and Timing of Contract Formation Shawn J Bayern	77
	Introduction	77
	The doctrinal distraction of "offer and acceptance"	77
	The interpretive nature of formation analysis	79
	Implicit and explicit recognition of the interpretive nature	
	of contract formation in modern legal systems	80
	Common law	80
	Other modern legal systems	87
	Moving beyond offer and acceptance: The timing of contract formation	87
	Conclusion	89
5.	Contract Formation between Distant Parties: The Scottish Experience $Hector\ L\ MacQueen$	90
	Contract formation in Scotland: Offer, acceptance, counterpart execution,	
	and agreement	90
	Law reform: Scotland in Europe	96
	The offer and acceptance model and contract as agreement	97
	Communication: Postal and other acceptances	99
	Protection against revocation of offers?	104
	When is an offer irrevocable?	105
	Withdrawal of irrevocable offer?	105
	Revoking or withdrawing acceptances?	106
	Conclusions	106
	Reply to Shawn J Bayern, 'The Nature and Timing of Contract Formation' $Hector\ L\ MacQueen$	109
	Reply to Hector L MacQueen, "Contract Formation between Distant Parties: The Scottish Experience" Shawn J Bayern	114
	Editors' Commentary on Chapters 4 and 5 (Formation of Contract)	118
	•	
ο.	Defects of Consent in English Law: Protecting the Bargain? Séverine Saintier	120
	Introduction	120
	A critical look at some defects of consent under English law	121
	Capacity	121
	(Economic) duress	124
	The future for defects of consent: Unification?	129
	Merging the doctrines	129
	Statutory intervention?	130
	Conclusion	131
7.	Quality of Consent and Distributive Fairness: A Comparative Perspective <i>Jeffrey L Harrison</i>	132
	Introduction	132
	The black letter law	133
	The hypothesis and methodology	134
	Four doctrines of legitimacy	135
	Capacity	135

	Contents	xi
	Duress Undue influence Unconscionability Concluding remarks	139 142 145 146
	Reply to Séverine Saintier, "Defects of Consent in English Law: Protecting the Bargain?" <i>Jeffrey L Harrison</i>	147
	Reply to Jeffrey L Harrison, 'Quality of Consent and Distributive Fairness: A Comparative Perspective' Séverine Saintier	149
	Editors' Commentary on Chapters 6 and 7 (Defects of Consent)	152
	PART III. POLICING OF CONTRACTS	
8.	Inequality of Bargaining Power and 'Cure' by Information Requirement Elizabeth Macdonald	157
	Introduction Background House of Lords, Court of Appeal, and the Supreme Court <i>Kásler</i> —the European Court of Justice weighs in Limitations of 'plain intelligible language' Conclusion	157 158 159 162 165 168
9.	Reassessing Assent-based Critiques of Adhesion Contracts Daniel D Barnhizer	170
	Introduction to particularized assent Roscoe Pound and the idealization of the horse Continuum from low-quality to high-quality assent Technological doppelgangers for assent—selective assent and à la carte contracting Selective assent and contracts of adhesion	170 170 172 177 181
	Reply to Elizabeth Macdonald, "Inequality of Bargaining Power and 'Cure' by Information Provision" Daniel D Barnhizer	184
	Reply to Daniel D Barnhizer, 'Reassessing Assent-based Critiques of Adhesion Contracts' Elizabeth Macdonald	189
	Editors' Commentary on Chapters 8 and 9 (Inequality of Bargaining Power and Adhesion Contracts)	193
10.	Good Faith in the Performance of a Contract in English Law Ewan McKendrick	196
	Introduction Yam Seng Pte Ltd v International Trade Corporation Ltd The facts	196 196 196

197 198

199 202

The basis for the implication of a good faith term The influence of comparative law

Recognizing the current role of good faith in English contract law The arguments against the duty are overstated

10.

xii Contents

	The scope and the content of the duty The reaction to <i>Yam Seng</i> The future	202 204 208
11.	History and Theory of Good Faith Performance in the United States Steven J Burton	210
	History of good faith performance	210
	Theories of good faith performance	214
	Good faith and bad faith distinguished	217
	Justifications	218
	Reply to Ewan McKendrick, "Good Faith in the Performance of a Contract in English Law" Steven J Burton	220
	Reply to Steven J Burton, 'History and Theory of Good Faith Performance in the United States' Ewan McKendrick	223
	Editors' Commentary on Chapters 10 and 11 (Good Faith in the Performance of Contracts)	226
	PART IV. CONTRACTUAL INTERPRETATION	
12.	Interpreting Commercial Contracts: The Policing Role of Context	
	in English Law Catherine Mitchell	231
	Introduction	231
	Contextualism as an interpretation method and as a contract law movement	233
	Contextual interpretation and the policing of contracts	235
	Features of contextual interpretation that facilitate contract policing	237
	Contextual interpretation: A single-stage or a two-stage process?	238
	Choice of context	239
	Commercial reasonableness and commercial common sense	
	as interpretative criteria	241
	Why interpretation?	245
13.	Contractual Interpretation in the Commercial Context Blake D Morant	248
	Introduction	248
	Context and the modern small business	250
	Small business in the United States	250
	Small business in the United Kingdom	252
	Common challenges: US and UK	253
	Contemporary contract theory and the salience of context	255
	Formalism, fairness, and the case for unconscionability	259
	Contractual formalism and small business contracting	259
	Unconscionability as a "remedy" for small business contractors Unconscionability's improved utility—lessons from US government	261
	contract law	266
	Rudiments of federal government contracts law	266
	Unconscionability in federal government contracts	267
	Lessons learned: Enhanced analysis of context in disputed contracts	269
	Conclusion	270

	Contents	xiii
14.	Can Judges Use Business Common Sense in Interpreting Contracts? The Rt Hon Lord Hodge	272
	Editors' preliminary note	272
	Introduction	272
	Developments in the judicial interpretation of contracts	273
	The basic rule of interpretation	274
	Interpretation of contracts in the United States	275
	Factors affecting the interpretative exercise	276
	The formality or informality of the process of formation	276
	The danger of an over-literal approach	277
	The effect upon third parties A long-term contractual relationship	277 277
	A purposive approach	278
	Five propositions of interpretation	280
	Controlling the cost of litigation	280
	Convergence and divergence in English and Scottish approaches	282
	Conclusion	282
	Reply to Catherine Mitchell, "Interpreting Commercial Contracts:	
	The Policing Role of Context in English Law" Blake D Morant	284
	Reply to Blake D Morant, 'Contractual Interpretation in	206
	the Commercial Context' Catherine Mitchell	286
	Editors' Commentary on Chapters 12, 13, and 14 (Contract Interpretation)	290
	PART V. DAMAGES	
15.	Market Damages and the Invisible Hand David Campbell	297
	•	207
	Introduction: Why does the invisible hand work?	297 298
	The invisible hand and the principal remedy for breach of contract Cover and market damages	302
	The justification of market damages (1): Vindication of rights	307
	The justification of market damages (2): Commodities trading	309
	Conclusion: Self-interest and cooperation in the law of market damages	310
16.	The Right to Perform after Repudiation and Recover the Contract Price	
	in Anglo-American Law	313
	Mark P Gergen	
	How White & Carter would be decided under American law	314
	The duty to mitigate and the power to continue performance on repudiation	314
	The damage rule for repudiation of a contract to purchase advertising space	319
	How English law handles the problem: In praise of the legitimate	
	interest requirement and the wholly unreasonable standard	321
	Legitimate interest: To avoid an uncompensated loss	321
	Wholly unreasonable	325
	Which approach is better? Conclusion	328 330
		550
	Reply to David Campbell, "Market Damages and the Invisible Hand"	222
	Mark P Gergen	333

xiv Contents

	Reply to Mark P Gergen, 'The Right to Perform after Repudiation and Recover the Contract Price in Anglo-American Law' David Campbell	338
	•	
	Editors' Commentary on Chapters 15 and 16 (Damages and Repudiation)	342
	PART VI. SPECIALTY CONTRACTS	
17.	Three Sales Laws and the Common Law of Contracts Qi Zhou and Larry A DiMatteo	347
	Introduction	347
	Legal landscape: UCC, SoGA, and Scottish sales law	348
	Scottish law of sales	349
	SoGA and UCC: Differences and influences	350
	History, enactment, and revisions	351
	Goals and purposes	351
	Coverage and comprehensiveness	352
	Divergence between UCC and American common law	353
	Basic principles and transformation	354
	Freedom of contract	354
	Reasonableness standard	354 355
	Regulatory principles: Duty of good faith and doctrine of unconscionability Good faith in English law	356
	Case studies	358
	Contract formation	358
	Transfer of title and transfer of risk	359
	Right to reject	362
	Unconscionability, inequality of bargaining power, and exploitation	
	of weakness	362
	Contextual interpretation	364
	Warranty law	367
	Impact of sales law on common law	376
	Conclusion	377
	Editors' Commentary on Chapter 17 (Sales Law)	379
18.	Defining Agency and Its Scope (I) Laura Macgregor	381
	Introduction	381
	Context: The use of agency to solve problems in other areas of the law	381
	Nature of agency law in Scotland	382
	Historical development of agency in Scotland	382
	Formation of agency in Scots law	383
	Nature of agency in English law	384
	Problem for a contractual analysis: The agent's lack of contractual capacity	385
	The conflict between the agency contract and the concept	
	of fiduciary duties	386
	Nature and source of fiduciary duties	386
	Contracting-out of fiduciary duties	387
	Conflicts produced by the differing sources of agency law	389
	The Scottish advocate	389

ΧV
X

Holding information on the principal's behalf	390
Holding funds on the principal's behalf	392
Conclusion	394
19. Defining Agency and Its Scope (II) Deborah A DeMott	396
Introduction	396
Defining agency	400
Definitional elements applied	400
The parties' own characterization	401
The scope of an agency relationship	402
Inclusions and exclusions from scope of relationship	403
Art auctions and agency relationships	404
Broader theoretical implications	406
Consent to conduct otherwise in breach	407
Agents for multiple parties	408
Terminal agreements: Releases of claims when an agency relationship	410
is at an end	410
Conclusion: Agreement and consent	411
Reply to Laura Macgregor, "Defining Agency and Its Scope (I)"	
Deborah A DeMott	414
Reply to Deborah A DeMott, 'Defining Agency and Its Scope (II)'	
Laura Macgregor	418
Editors' Commentary on Chapters 18 and 19 (Agency Law)	422
PART VII. LEGAL REFORM	
20. Standard Terms in Consumer Contracts: The Challenges	
of Law Reform in English Law Christian Twigg-Flesner	427
Introduction	427
Regulating standard terms in consumer contracts	427
Regulating standard terms in English law—from common law to statute	428
Common law	428
Statutory law	429
The impact of EU law	431
Reform of the law on standard terms in consumer contracts	435
The law reform process	436
Conclusion	438
21. At the Limits of Adjudication: Standard Terms in Consumer Contracts Aditi Bagchi	439
Introduction	439
Legal status of standard terms in the United States	441
Theoretical treatment of standard terms	443
Consent	443
Cognitive error	444
Market failure	446
Substantive unfairness	447

xvi Contents

	Democratic degradation	448
	Cumulative externalities	450
	Conclusion: Reforming the legal framework	451
	The idea of contract: Integrated regulative strategy	451
	Evidence	452
	Substantive interpretive rules	453
	Reply to Christian Twigg-Flesner, "Standard Terms in Consumer Contracts: The Challenges of Law Reform in English Law" Aditi Bagchi	455
	Reply to Aditi Bagchi, 'At the Limits of Adjudication: Standard Terms	
	in Consumer Contracts' Christian Twigg-Flesner	459
	Editors' Commentary on Chapters 20 and 21 (Law Reform)	462
Inc	dex	465