

# BRITISH LEGAL CENTRE

## General Legal English Course Lesson 4

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# PART 1

## Contract Law

The screenshot shows a web browser displaying the British Legal Centre website. The URL in the address bar is [british-legal-centre.com/set/contract-law-course](http://british-legal-centre.com/set/contract-law-course). The website has a dark blue header with navigation links: Home, Test your English, Teachers, Services, About Us, Payment, Articles, and Contact Us. Below the header is the British Legal Centre logo and the tagline "LEGAL TRAINING FOR THE 21ST CENTURY". To the right of the logo are links for "Test Your English", a phone number "+ 44 208 144 6440", and "Sign In / Register". A dark red navigation bar contains links for "ONLINE COURSES", "LIVE TRAINING SEMINARS", "DUBAI CLPD TRAINING", "SUMMER SCHOOLS 2020", "INTERNATIONAL CENTRES", and a search bar. The breadcrumb trail reads "Home / Courses by area of Law / Contract Law Course". The main content area is titled "CONTRACT LAW COURSE" and features a left-hand sidebar with a menu of course categories. The "Contract Law Course" is selected and highlighted in red. The main content area includes an "OVERVIEW" section with a paragraph describing the course and a "COURSE INCLUDES" section with a bulleted list of course features.

Home / Courses by area of Law / Contract Law Course

### CONTRACT LAW COURSE

- Learn the Basics
- Courses by area of Law
  - Contract Law Course**
  - Arbitration Law and Practice Course
  - Oil and Gas Law and legal vocabulary
  - Company and Corporate Law
  - Intellectual Property English

#### OVERVIEW

The Contract Law course covers the law of contract and the vocabulary needed by lawyers working in this area of law. The course uses video-conference technology to deliver brief online speaking, reading and listening exercises and tasks. The exercises following each lesson include a variety of different multiple choice tasks. These are designed to help participants understand and learn the correct use of the vocabulary through its use in simulated work scenarios that occur in the daily working lives of lawyers in practice. All of your results are retained in our on-line archive which the participants can visit to check the rate of improvement.

#### COURSE INCLUDES

- 15 Live video-conferencing lessons
- On-line exercises to test reading ability
- On-line exercises to test listening ability
- On-line exercises to test writing ability
- On-line exercises and live discussions to test speaking ability
- On-line exercises and live discussions to teach the law of Contract

# 5 REQUIREMENTS OF A CONTRACT

A **contract** is an agreement entered into voluntarily by **two parties** with the **intention of creating a legal obligation**.

Contracts may have elements in writing and also be purely verbal or a mixture of both.



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# 5 REQUIREMENTS OF A CONTRACT

Roman Law gave us:

‘Pacta Sunt Servanda’ – A bargain must be kept

This developed the idea that a contract can be broken/breached and started to set remedies.



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# 5 REQUIREMENTS OF A CONTRACT

1. OFFER

2. ACCEPTANCE

3. CONSIDERATION

4. CAPACITY

5. INTENTION TO CREATE A CONTRACT



# OFFER AND ACCEPTANCE

The most important feature of a contract is that one party makes an **offer** for an arrangement that another **accepts**. This can be called a **concurrence of wills** or ***consensus ad idem*** (meeting of minds).



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# OFFER

The offer can be to one person or to the whole world  
e.g. an offer to pay a reward for finding a lost dog.

(Carlill V Carbolic Smoke Ball Company)



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# ACCEPTANCE

Acceptance must be unconditional.

A counter offer or asking for something extra is not an acceptance and kills the offer.

(Hyde V Wrench 1840)

There must be a meeting of minds – the parties must know and understand what they are agreeing to.

(Smith V Hughes 1871)





# ACCEPTANCE

A request for greater explanation of the terms is not a counter offer and does not kill off the offer.

(Harvey V Facey 1893) No implied offer to sell in merely quoting the price.



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# CONSIDERATION

Consideration is the thing of value which the parties must exchange in order for the contract to exist.

Consideration must have a value but does not have to be adequate, i.e. it does not matter if the value is very small e.g. US \$1 to buy a Company – the court is not there to set aside bad bargains.



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# CAPACITY

The law recognises any legal person or legal entity capable of forming the intention to enter into a contract.

There are restrictions on who may not enter into a contract.

Minors – Children under the age of 18 may not contract.

Mental Patients and Bankrupts may not contract.

Enemy aliens (Enemies at war with the state) and terrorists may not contract.

Serving prisoners, and Bankrupts (other than for necessities).



# INTENTION TO CREATE A CONTRACT

There must be a clear intention of the parties to create a contract – not just some loose arrangement.

A vague arrangement to work towards a common purpose or aim is insufficient.

It is understandable that the parties should wish to cloak their negotiations with immunity so that a contract will not come into existence by inadvertence.

(Masters V Cameron 1954)

(Rose and Frank Co v Crompton 1923)



# INTENTION TO CREATE A CONTRACT

The parties must intend to create a contract.

This is why the parties must be clear about all the terms of the contract.

There has to be a 'meeting of minds' The parties must understand what they are agreeing to.

Fraud, mistake, misrepresentation, duress can all invalidate a contract.



# PART 2

## Grammar

Using legal prepositions



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# PREPOSITIONS

Prepositions are words used with a noun or pronoun, which show place, position, time or method.

Prepositions such as **to, in, from, between, after, before**, etc. normally come before a noun or pronoun and give information about how, when or where something has happened ('she arrived before lunch', 'I travelled to London'). I expect that many of you are able to use these prepositions perfectly easily in your ordinary conversational English.

The problem with legal English is that the prepositions which are used in formal legal documents are difficult to master and, because there are no rules, the only way to learn is through constant practice.



# PREPOSITIONS

To understand the prepositions, first let's look at the general grammar rule from conversational English.

The preposition *between* should be followed by an object pronoun like *me*, *him*, or *us*, instead of a subject pronoun such *I*, *she*, and *we*. It is therefore correct to say 'this matter is between you and me' and wrong to say 'this matter is between you and I'. The main problem for the non-native speaker is remembering which preposition to use in legal writing.





# PREPOSITIONS

There are no clear rules to follow in this respect, but some examples of common usages are set out below:

- The parties to this agreement ...
- The goods must be delivered to the purchaser.
- The commencement/termination of this agreement ...
- The price list set out in Schedule 1 ...
- Royalties will be paid in accordance with this agreement for a period of five years.
- The goods must be delivered within 14 days.



# PREPOSITIONS

Here are some more very commonly used examples:

- The Company agrees to provide training for service personnel.
- The agreement may be terminated by notice.
- An arrangement between the Seller and the Buyer ...
- It is agreed that the goods will be collected from the Seller's warehouse at 21 Redwoods Road.
- It is agreed that the goods will be collected from the Seller's warehouse in/on Redwoods Road.
- Interest will be charged on any unpaid instalments after the expiration of a period of 28 days from the date hereof.
- He was charged with murder.
- The property at 2 Pond Road is sold with vacant possession.



# PREPOSITIONS

It is very important to note that sometimes it is possible to use more than one preposition, but that there may be small but important differences in meaning between them.

For example, the sentence:

**The goods must be delivered within 7 days.**

is subtly different from:

**The goods must be delivered in 7 days.**

The use of the word within, makes it clear that the goods may be delivered at any time up to the seventh day, while the word in implies that the goods should be delivered on the seventh day. This minor linguistic difference could be critically important in a contract for the sale of goods.



# PREPOSITIONS - EXERCISE

## Preposition Exercise:

Use of prepositions – Complete the sentences below using the prepositions:

**at, by, for, in, into, of, of, on, through, to, under, without**

1. Initially, company capitalisation takes place ..... the issuance of shares.
2. A company may authorise capital in excess ..... the mandatory minimum share capital but refrain from issuing all ..... it until a later date – or at all.
3. In return ..... the privilege of limited liability ..... law, shareholders' powers are generally restricted.



# PREPOSITIONS - EXERCISE

## Preposition Exercise:

Use of prepositions – Complete the sentences below using the prepositions:

**at, by, for, in, into, of, of, on, through, to, under, without**

1. Initially, company capitalisation takes place **through** the issuance of shares.
2. A company may authorise capital in excess ..... the mandatory minimum share capital but refrain from issuing all ..... it until a later date – or at all.
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# PREPOSITIONS - EXERCISE

## Preposition Exercise:

Use of prepositions – Complete the sentences below using the prepositions:

**at, by, for, in, into, of, of, on, through, to, under, without**

1. Initially, company capitalisation takes place **through** the issuance of shares.

2. A company may authorise capital in excess **of** the mandatory minimum share capital but refrain from issuing all **of** it until a later date – or at all.

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3. In return **for** the privilege of limited liability **under** law, shareholders' powers are generally restricted.



# PREPOSITIONS - EXERCISE

**at, by, for, in, into, of, of, on, through, to, under, without**

4. Someone with ownership rights ... a company can express their disappointment ... the company's performance by either getting rid of their shares or in some way expressing their concern.



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# PREPOSITIONS - EXERCISE

**at, by, for, in, into, of, of, on, through, to, under, without**

4. Someone with ownership rights **in** a company can express their disappointment ... the company's performance by either getting rid of their shares or in some way expressing their concern.



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# PREPOSITIONS - EXERCISE

**at, by, for, in, into, of, of, on, through, to, under, without**

4. Someone with ownership rights **in** a company can express their disappointment **at** the company's performance by either getting rid of their shares or in some way expressing their concern.



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# PART 3

**Legal Vocabulary**

Legal collocations



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# LEGAL COLLOCATIONS

In this presentation which relates to legal collocations I'm just going to look at 4 which are used when referring to companies and company law.

At the end of the lesson we will have a short exercise which we will run through together.



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# LEGAL COLLOCATIONS

You can use these collocations with the verb **exercise** , which means to make use of AND/OR apply something.

- exercise control
- exercise rights
- exercise authority
- exercise force
- exercise restraint
- exercise caution
- exercise influence



# LEGAL COLLOCATIONS

You can use these collocations with the verb **accrue**, which means to increase in number or amount over a period of time, especially in a financial sense.

- accrue benefits
- accrue revenue
- accrue interest
- accrue power
- accrue rights
- accrue capital





# LEGAL COLLOCATIONS

You can use these collocations with the verb **restrict**, which means to limit someone, or something.

- restrict powers
- restrict access
- restrict freedom
- restrict spending



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# LEGAL COLLOCATIONS

You can use these collocations with the verb **dismiss**, which has 2 meanings in legal terms:

1) to remove someone from their job, usually because they have done something wrong;  
2) to cease to consider, to put out of judicial consideration

- dismiss a case
- dismiss a charge
- dismiss a claim
- dismiss an employee
- dismiss members



# LEGAL COLLOCATIONS - EXERCISE

Let's try a short exercise using the 4 words:  
*exercise, accrue, restrict, dismiss.*

We will go through the questions together.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

A motion was filed by the lawyers to ..... the case.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

A motion was filed by the lawyers to ..... the case.

A motion was filed by the lawyers to **dismiss** the case.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

The chairman warned that if shareholders did not receive a dividend, they might ..... their rights to sell their shares.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

The chairman warned that if shareholders did not receive a dividend, they might ..... their rights to sell their shares.

The chairman warned that if shareholders did not receive a dividend, they might **exercise** their rights to sell their shares.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

The chief executive resigned when the board tried to  
..... control over the expansion plan.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

The chief executive resigned when the board tried to  
..... control over the expansion plan.

The chief executive resigned when the board tried to  
**exercise** control over the expansion plan.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

We will ..... spending while our sales remain weak.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

We will ..... spending while our sales remain weak.

We will **restrict** spending while our sales remain weak.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

Benefits ..... to the owners and operators of the factories as well as to the shareholders.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

Benefits ..... to the owners and operators of the factories as well as to the shareholders.

Benefits **accrue** to the owners and operators of the factories as well as to the shareholders.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

The Auditors advised shareholders to ..... caution in their share dealings until further investigations.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

The Auditors advised shareholders to ..... caution in their share dealings until further investigations.

The Auditors advised shareholders to **exercise** caution in their share dealings until further investigations.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

An important new law may ..... the freedom of directors to increase their salaries without shareholder approval.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

An important new law may ..... the freedom of directors to increase their salaries without shareholder approval.

An important new law may **restrict** the freedom of directors to increase their salaries without shareholder approval.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

The annual general meeting has authority to draw up or amend the constitution and power to elect or ..... directors of the board.



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# LEGAL COLLOCATIONS - EXERCISE

exercise, accrue, restrict, dismiss

The annual general meeting has authority to draw up or amend the constitution and power to elect or ..... directors of the board.

The annual general meeting has authority to draw up or amend the constitution and power to elect or **dismiss** directors of the board.



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# LEGAL COLLOCATIONS

How did you do?

If you got 4 or more correct then give yourselves a 'pat on the back' i.e. well done – we have only just gone through the list and you have had very little time for them to sink in.

You will note from this last typical sentence how idiomatic and complex both ordinary and legal English is – 'pat on the back' 'i.e.' 'sink in' Two idioms plus some Latin in one short simple sentence. But you are advancing your knowledge even if these lessons are stretching you.



# LEGAL COLLOCATIONS

To anyone who got all answers correct – very well done, indeed! Most non-lawyer native English speakers would not have been able to achieve your score!!!

Like so many other pieces of legal English, including phrasal verbs and idioms, there are no rules relating to the way in which collocations work. The only way to learn them is through constant repetition and practice. I advise you to watch this lesson several times so that the collocations sink into your memory and practice, practice, practice!



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Thank you for your attention

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