

Acknowledgement format of AI tool use

I acknowledge the use of Gemini (<https://gemini.google.com/>) on 2 March 2026 to further understand some concept of contract law and to support my research using the prompt(s):

1. Please provide me with detailed information about offer, acceptance, consideration, and intention to create legal relations.
2. Please provide me with books and case laws that are related to offer, acceptance, consideration, and intention to create legal relations.
3. Please explain the concept of unilateral offer in detail.
4. Is there any legally binding contract made when a person committed an act without knowing that an unilateral offer was made? Can the person claim the reward upon gaining the knowledge of it post-act? Provide me with case laws to refer to.

I confirm that I have not presented any AI generated text as my own work. I confirm I have copies of my drafts, notes, and other resources I used before, and after the use of AI tools which I may be asked to provide in evidence.

In order to make a contract legally and effectively, all four conditions need to be present: offer, acceptance, consideration and a mutual intention to create legal relations. The courts apply an 'objective test' when deciding whether Martha is legally bound in her position or entitled to some redress. The cases of *Storer v Manchester City Council* [1974] and as explained by Ewan McKendrick in *Contract Law* (2023, p. 26) explain that the law does not look at what people are thinking (what is going on in the subjective mind) but rather on how a reasonable person would view their actions or communications in any given circumstance. This is necessary to provide contractual certainty in commercial situations, to ensure people can rely on what is appearing on the surface of a contractual relationship, as opposed to looking at intentions. The facts surrounding Martha's dealings with regard to her hotel refurbishment will then be considered, and finally, her acceptance of a unilateral offer made when searching for her lost cat.

SOL RED – MARIO V MARITH First of all for Mario's claim against Martha we must determine whether Mario's statement constituted an offer or an invitation to offer. An offer is a statement of such unambiguous character that, when it is accepted, the resulting contract is binding (O'Sullivan, 2022, p. 8). In the above scenario, Mario emailed Martha stating the price for the job would be £17,000 excluding materials for the SOL RED property after his visit to the site. Although the statement has all the characteristics that amount to a certain level of the contents of an offer, quotes are often treated as invitations to offer – a statement designed to elicit the offer from the other party to the contract (similar to *Gibson v Manchester City Council* [1979]), in which the statement "may be prepared to sell" is considered to be too ambiguous to amount to an offer. Taylor and Taylor in *Contract Law Directions* (2021, p. 58) claim that the determining factor is whether the parties involved intended for the quote to be a binding contract without need for further negotiations.

Whether Mario's statement was an intention to be bound or simply a price for Martha to consider, it is difficult to ascertain whether or not there was acceptance. Acceptance is defined in *Jurisprudence* (2nd Ed) (Stone, 2011) as unconditional and a 'mirror image' of the offer. In this case, Martha's response to accepting and amending the start date does not amount to a mirror image acceptance of the offer, but could more so be described as a request for further

information or a condition precedent to her intended acceptance. Even if we were to accept it as the latter, her statement of going to look into other quotes eliminates it from being a valid mirror image acceptance. There is clear indication that the negotiations are continuing. This of course is further evidenced by the fact that the actions of Mario, turning up at the hotel in preparation to start work, is not enough to bring about a contract through conduct. As per *Felthouse v Bindley* [1862] an unsolicited offer cannot be considered as being accepted on the grounds of silence or lack of objection, there must be some form of affirmative acceptance (Taylor and Taylor, 2021) Reference: Stone, J, et al (2nd Ed) (2011) Jurisprudence; Taylor and Taylor (2021, p. 58).

Furthermore, the element of consideration in the Mario scenario is also wrong. According to the law of contract, a promise is a *prima facie* offer for the sale of a promise and must be priced by the consideration of the benefit and detriment that each party must endure as is demonstrated in the case law *Dunlop Pneumatic Tyre Co Ltd v Selfridge & Co Ltd* [1915]. For example, in the case of Mario and Martha, although Mario endured a detriment to himself by going to the location where he worked, it was established that Martha did not give him any executorial consideration that Mario could uphold in a court of law, as she had not promised him anything in return for the work he provided. According to the law as stated by McKendrick in his book *Law of Contract and Security*, (2023, p.142) “Consideration must move from the promisee: if there is no promise or undertaking given by Martha to Mario, the act of work being undertaken by Mario, was done unilaterally. The intention to create legal relations can be a contentious factor, as argued in the case of *Edmonds v Lawson* [2000]. There is a presumption in law that intention to create legal relations is applicable in commercial relationships, however, it can be rebutted, as illustrated in the case at hand, where although there was a commercial relationship between the two protagonists, Martha clarified that she had yet to accept the quote for the work to be undertaken by Mario, and therefore as argued by Poole in *Textbook on Contract Law* (2023, p.44), the Courts would not find for a contract where the parties are still within the pre-contractual stages of negotiation. Hence, action taken by Mario towards Martha in relation to him not being paid would also be fallible and he therefore has no grounds to make a court case against her.

As we have seen, contract law is not the same in all situations. With Martha and Jonathan of the Yellow Building Company the situation is very different. Jonathan's letter of the 12th of January quotes for all labour and materials £16,000. Martha's letter of acceptance which she posted on the 16th of January invokes the 'Postal Rule'. The case law that established this rule is *Adams v Lindsell* [1818]. The letter of acceptance was effective at the time that it was put in the post box if the post was an adequate means of correspondence. As Martha and Jonathan had been corresponding by post the post was adequate. Therefore the contract was made on 16th of January. Whatever may be said for or against this rule as a matter of principle the practical effect in situations such as this is that Jonathan never receives the letter. The risk of non-sequiturs (non-delivery) of the post is the risk that the offeror in this situation has to accept that the acceptance has been posted. This is a small exception to the more general 'receipt rule' which we saw with the situation of the Email contract in *Entores Ltd v Miles Far East Corp* [1955]. Taylor and Taylor (2021, p. 64) comment 'The postal rule puts the risk of transmission of the acceptance on to the offeror.'

Although the contract with Jonathan was based on valid consideration ("a promise for a promise"), in *Thomas v Thomas* (1842) the law ruled that in all contracts consideration must be sufficient not necessarily adequate. This means that the price of the work on a house which is sufficient to satisfy a Contract, does not have to be commensurate with its worth on the open market. It was obviously a formal business type of agreement, rather than the normal Gentleman's agreement where an intention to create legal relations is pre-supposed not to arise. If so then when Jonathan failed to turn up on the 27th of January then Jonathan would have broken that contract. In addition to a formal Jurisprudence based cause of action to which the legal part of the courts will give rise to Court Action, to which an entitlement for Damages could then flow because, Martha would be then entitled in law to seek any genuine financial loss suffered in the interim which had arisen as a result of Jonathan's non-appearance of which one of the legitimate casualties of his failure could be expected to have been the increased costs involved, of approaching some other Building contractor, which may have been charged at the new higher rates prevalent after Jonathan had committed the Act complained of.

The final situation concerns the return of Martha's cat, Midnight, by her neighbour Mary. A unilateral contract is where a party does a certain act in response to an offer or advert for a reward. This act then creates a binding contract for a reward. This principle was exemplified in the *Carlill v Carbolic Smoke Ball Co* [1893] case where the Court decided that an advert promising a cash reward to anyone who caught influenza after using their product was a unilateral offer. Anyone catching the flu after using the product and returning the receipts for their purchases to the company could satisfy this condition and legally claim the reward. However, there must be unilateral knowledge of the terms of an offer in order to form a valid unilateral contract. In this situation it is shown that Mary finds the cat and returns her to Martha before spotting the poster. Therefore, as opposed to being motivated by a claim to the offered cash, Mary's actions are instead motivated by the desire to be a helpful neighbour to Martha. It is further stated in *Taylor v Laird* [1856] that there cannot be a valid acceptance to an offer if a party is unaware of its terms (O'Sullivan, 2022, p. 15).

In *Mary v Martha* the problem states that Mary sees a poster offering a £200 reward for the return of a cat and claims that she has already returned Martha's cat. However, because Mary had seen the poster after returning the cat, and because Martha did not promise to pay the reward when she asked Mary to return the cat, the rule in *Roscorla v Thomas* (1842) applies and Martha is not liable to Mary. Under the rule in *Roscorla v Thomas* a promise made after an act has been done is unenforceable on the grounds of a spent consideration. Mary had returned the cat before Martha's promise to pay £200 was made. Although there is an exception to this rule, as laid down in the case of *Lampleigh v Braithwait* (1615), where an act is done at the request of the promisor with the expectation of payment, this exception does not apply to this fact situation. Martha had not asked Mary to return her cat before promising to pay £200. As the parties are engaged in a social and domestic transaction as neighbours, the presumption in law is that they do not intend to enter into a legally binding contract, as laid down in *Balfour v Balfour* (1919). Martha is therefore not liable to pay Mary £200.

In summary of the law in relation to the four individuals, the law in relation to Martha and Mario is as follows: No contract exists. There was no acceptance by Mario, all

communications from Martha indicated that a deal had not been reached yet. There is a valid contract between Martha and Jonothan and so Jonothan will be in breach of contract. There is no contract between Martha and Mary, as the condition for sufficient consideration to be present is that the party must have knowledge of the terms of the offer, there is no suggestion that Mary was previously aware of the terms of the cat prize competition, and there is already one consideration given. Martha may wish to contact Mario to let him know that there is no contract in place, and also to sort out her claim against Jonothan as he will be in breach.

Reference List

Books

1. McKendrick, E. (2023) *Contract Law*. 15th edn. London: Bloomsbury Academic. (pp. 26, 142, 158).
2. O'Sullivan, J. (2022) *The Law of Contract*. 10th edn. Oxford: Oxford University Press. (pp. 8, 15, 254).
3. Poole, J. (2023) *Textbook on Contract Law*. 16th edn. Oxford: Oxford University Press. (pp. 44, 72).
4. Taylor, R. and Taylor, D. (2021) *Contract Law Directions*. 8th edn. Oxford: Oxford University Press. (pp. 58, 64).

Case Law

5. *Adams v Lindsell* (1818) 1 B & Ald 681.
6. *Balfour v Balfour* [1919] 2 KB 571.
7. *Brinkibon Ltd v Stahag Stahl* [1983] 2 AC 34.
8. *Carlill v Carbolic Smoke Ball Co* [1893] 1 QB 256.
9. *Dunlop Pneumatic Tyre Co Ltd v Selfridge & Co Ltd* [1915] AC 847.
10. *Edmonds v Lawson* [2000] QB 501.
11. *Entores Ltd v Miles Far East Corp* [1955] 2 QB 327.
12. *Felthouse v Bindley* (1862) 11 CBNS 869.
13. *Gibson v Manchester City Council* [1979] 1 WLR 294.
14. *Holwell Securities Ltd v Hughes* [1974] 1 WLR 155.
15. *Lampleigh v Braithwait* (1615) Hob 105.

16. *Parker v Clark* [1960] 1 WLR 286.
17. *Roscorla v Thomas* (1842) 3 QB 234.
18. *Storer v Manchester City Council* [1974] 1 WLR 1403.
19. *Taylor v Laird* (1856) 25 LJ Ex 329.
20. *Thomas v Thomas* (1842) 2 QB 851.
21. *Williams v Carwardine* (1833) 5 Car & P 566.