Jus Corpus Law Journal
Open Access Law Journal – Copyright © 2022 – ISSN 2582-7820
Editor-in-Chief – Prof. (Dr.) Rhishikesh Dave; Publisher – Ayush Pandey

Unjust Enrichment - An Insight

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Received 08 May 2022; *Accepted* 21 May 2022; *Published* 04 June 2022

Unjust enrichment occurs when Party A provides a benefit to Party B without getting the requisite reparation under the law. Unjust enrichment evolved as a source of accountability and an equal and fair idea in the legal system, but it now finds itself in a difficult position in American law. Theorists appear to spend a lot of time rectifying the judge's taxonomic "mistakes" in some circumstances. On the other hand, the judiciary does not appear to have the time to do so. What will the future bring? There's no reason to expect that interest in the thesis of "unjust enrichment" will wane.

Keywords: *bailment, unjust enrichment, natural justice, contract act.*

INTRODUCTION

Unjust enrichment occurs when Party A provides a benefit to Party B without getting the requisite reparation under the law. This usually happens in a contractual obligation when Party A fulfills his/her portion of the agreement while Party B fails to fulfill his/her side of the agreement in some way. Unjust Enrichment is distinguished from a gift in that a reward is given with the rational expectation of getting something in return. As a result, if Party A makes a gift to Party B, Party A has no lawful entitled to expect something like that in return. Unjust enrichment evolved as a legal system source of responsibility and an equal and fair concept, and it now occupies an awkward position in American jurisprudence. This is

surprising in some ways because unjust enrichment seems to be the most likely contender for perfect fusion. However, the half-steps obtained by the American fusion of natural justice, as well as the specifics of how this merging happened, have helped contribute to unpredictability about how to use unjust enrichment. Unjust enrichment evolved as a legal system source of responsibility and an equal and fair concept, and it now occupies an awkward position in American jurisprudence. This is surprising in some ways because unjust enrichment seems to be the most likely contender for perfect fusion. However, the half-steps obtained by the American fusion of natural justice, as well as the specifics of how this merging happened, have helped contribute to unpredictability about how to use unjust enrichment. By concentrating just on distinctive characteristics of unjust enrichment complaints, it attempts to highlight that, although there are major differences in how various countries approach and handle unjust enrichment claims, those systems also share many similarities. In law, the concept of unjust enrichment exists. Enrichment has fought a long fight for identification in civil law. It has been recognized as a system for centuries. The principle is supposed to play just a minor role in civil law countries. In the law, a residual and therefore non-threatening role appears to exist while it's been called upon, if any, to start serving as the base for the whole restitution law in common law countries. However, every common law has some characteristics in common with all legal systems. Sometimes in cases, there are even more similarities between systems that are derived from one another in some way. There is much more variation among systems within the same classification than among systems for different categories. Mixed legal systems, as one might expect, have characteristics. What follows is a look at the general method available for not only resolving unjust enrichment complaints but for the "structure" of such claims.

FINDINGS

Common law has always included restitution. A startling transition has occurred in recent years: an energetic and ascertained number of experts had also assembled earlier dispersed materials, continuing to insist that it's the only way such materials can be acknowledged; and have declared that, despite their obvious diversity, they are all obligated together with a single

belief, that of "unjust enrichment." A significant amount of time, as well as effort, has been invested in developing and protecting alternative meanings of this concept. The benefits of a proper definition have always been expected to be minor; the costs, not least in terms of academic time spent making an argument opposing viewpoints, are obvious; as well as the outcome is a straightjacket that cannot satisfy all types of liability. In short, there is no fundamental problem in defining a claim as an "unjust enrichment claim", but attempts to define "unjust enrichment" or the factors they intend to embrace have been so far. However, it has proven to be harmful. Unjust enrichment may clearly be expected to fall under common law, as both contracts and tort are sources of recognized obligations in the common law tradition, but the story is more complicated. The English distinction between "common law" and "equity" has been carried over into the tradition of American law. Despite the fact that the jurisdiction of separate common law and equity was significantly abolished in the early 20th century, American courts have struggled to determine the extent to which they should be "integrated." Unjust enrichment has evolved as a source of common law obligations and as a principle of impartiality. Plaintiffs who may be able to claim unjust enrichment have been hampered by characterization confusion**. After the integration of law and fairness, unjust enrichment was primarily classified as "fairness"[1].**

This has made unjust enrichment unpopular and misleading in the United States, as opposed to active scholarships for unjust enrichment in other countries. Some state courts confuse unjust enrichment with purely legitimate claims and create barriers such as the rule that impartiality does not apply if appropriate remedies are available.

PROVISIONS UNDER THE INDIAN CONTRACT ACT

The Indian Contract Law 1872 makes provision for "some ties resembling those generated by contract" under Chapter V[2] of the Indian Contract Act 1872. In sections 68-72[3] of the Indian Contract Act, five forms of quasi-contractual responsibilities are described. The first section in

[1] Brice Dickson, 'Unjust Enrichment Claims: A Comparative Overview' (1995) 54 (1) The Cambridge Law Journal, 100-126 <https://www.jstor.org/stable/4508037> accessed 27 April 2022

[2] Indian Contract Law, 1872, Chapter V

[3] Indian Contract Law, 1872, ss 68-72

this regard is 68[3][4], which deals with the provision of necessities. Section 68 of the ICA stipulates that if a person gives required supplies to someone who is unable to contract on his own, he has the right to be compensated from the unable contractor's profits or held property. The incompetent individual, in this case, could be a minor who is not eligible to contract under section 11[4][5] of the Indian Contract Act. This part is or could be the basis of unjust enrichment because anyone can supply products to minors and then claim a reimbursement in lieu of doing so. As a result, the definition of a requirement had to be clarified. In order for the minor's estate to be liable for "necessaries," two conditions must be met:

- The contract item must be an essential item for the individual to improve or minimize his position in life, and (b) there must not be an adequate supply of these "necessaries" prior to the signing of the contract. Any item provided or supplied outside of this range is an act of unjust enrichment that can be compensated under the restitution doctrine as forth in section 65[5][6] of the Indian Contract Act.

As an example, if A supplies B, a homeless lunatic, with bedding and clothing, he has the right to be reimbursed from B's estate because he is providing the incapable to contract, B with 'necessities,' but if he knowingly supplies B with a plasma TV and demands reimbursement from B's property, he is unjustly enriching on B's inability to contract and is not eligible for such reimbursement. Things necessary are those without which a person cannot reasonably exist, according to **Chappel v Cooper, (1844)**[7] 13 M&W 252' [6]. It contains items such as food, clothing, and a place to stay, among other things.

Section 69[7][8] of the ICA 1872 allows you to be reimbursed for paying money on behalf of someone else in order to protect your own interests, such as paying a zamindar's land leaser's fees to avoid his lease being annulled, making the leaser eligible to be reimbursed by the zamindar to avoid unjust enrichment. The key elements of Section 69[9] of the ICA are that the

[4] Indian Contract Law, 1872, s 68(3)
[5] Indian Contract Law, 1872, s 11(4)
[6] Indian Contract Law, 1872, s 65(5)
[7] Chappell v Cooper (1844) 13 M&W 252 [6]
[8] Indian Contract Law, 1872, s 69(7)
[9] Indian Contract Law, 1872, s 69

party must be interested in paying, not obligated to pay, and there must be a legal force to complete the transaction. The duty to pay for non-gratuitous conduct is addressed in Section 70[8][10] of the Indian Contract Act of 1872. When a person benefits from an act that was not intended to be gratuitous, he is obligated to pay for it. As an example, suppose A, a salesperson, unintentionally leaves his product at B's house and B begins to use it as if he owned it. B is responsible for paying for the merchandise. The purpose of Section 71[9][11] is to explain how a finder of commodities cannot gain himself from whatever good he has discovered. In such circumstances, he bears the same level of responsibility as a bailee. The Indian Contract Act of 1872, Section 72[10][12], provides for the responsibility of a person toward whom money is given by mistake or things are delivered by force. This is also considered unjust enrichment.

Fibrosa SA v Fairbairn[13]

FACTS

ISSUES

- Did the express provision on the war in Clause 7 of the contract prevent the frustration of the contract?
- Were the appellants entitled to recover the deposit money?

DECISION

The appeal was allowed.

(1) Clause 7 was limited only to a delay in respect of which a reasonable extension might be granted. The war was not such a delay because it involved prolonged and indefinite

[10] Indian Contract Law, 1872, s 70(8)
[11] Indian Contract Law, 1872, s 71(9)
[12] Indian Contract Law, 1872, s 72(10)
[13] *Fibrosa Spolka Akcyjna v Fairbairn Lawson Combe Barbour, Ltd.,* [1942] 2 All ER 122

interruption of the prompt contractual performance. Therefore, Clause 7 did not prevent the frustration of the contract.

(2) As there was a total failure of consideration and under the contract, the payment of the £1,000 deposit was not an absolute, final, and "out and out" payment, but a conditional payment on account of the purchase price, the appellants are entitled to recover that sum from the respondents.

INTERNATIONAL ESSENCE

After Slade's Case, in England, if the parties had not specified the specific amount of the worth to tend, the contract was not deemed enforceable, and if it was done, there was no way to recover damages. This approach appeared to be highly unjust, especially after the procedure had been completed. So, just seven years after Slade's Case, English courts concluded for the first time that an innkeeper was entitled to be paid for actual services given, despite the lack of a prior agreement on the amount to be paid (quantum meruit). Similarly, a tailor was allowed to collect for services given a year later without any prior agreement on the value. This solution was largely embraced after these decisions. Whoever had rendered services or delivered wares in fulfillment of a contract that was deemed unenforceable due to a lack of determination of the amount of the consideration, or for other reasons, was entitled to have his services (quantum meruit) or his wares purchased (quantum valebat). From a comparative standpoint, we can see a distinction between the English and Roman approaches to quasi-contracts, particularly in the case of the Roman condictio. While a condictio gave the person who supplied goods or wares in fulfillment of an invalid contract the right to obtain his specific things back, the English law of quasi-contracts merely gave him the value of the products (quantum valebat). This guideline is less punitive; specific compensation is frequently awarded for specific things. Whoever had rendered services or delivered wares in fulfillment of a contract that was deemed unenforceable due to a lack of determination of the amount of the consideration, or for other reasons, was entitled to have his services (quantum meruit) or his wares purchased (quantum valebat). From a comparative standpoint, we can see a distinction between the English and Roman approaches to quasi-contracts, particularly in the

case of the Roman condictio. While a condictio gave the person who supplied goods or wares in fulfillment of an invalid contract the right to obtain his specific things back, the English law of quasi-contracts merely gave him the value of the products (quantum valebat).

JUDICIAL POINT OF VIEW

The judicial reputation as "unjust enrichment" recognizes that there may be serious problems that many judges perceive as "compensation" and pronounces blessings using fashionable phrases limited to the fact. All other cases unfairly strengthen the accused. The term "unjust enrichment" is used almost slightly, as if it did not require a similar explanation. Some judges were "accepted" because it was just a label and plaintiffs needed to justify their statement as if they had "unjust enrichment" if no one had heard of it. He frankly said he had to face the "head of salvation." The reference to "unjust enrichment" is the catchphrase of traditional remedies for many judges without going into the substance of these remedies. "Unjust enrichment", like "debt", seeks little advice on the concept of selected liability.

CONCLUSION

But this cannot be said about the reason for the order. In summary, in some cases, there is a keen interest in the issue of compensation and a willingness to make very dramatic changes to the law if the judge's moral sense is sufficiently offended. "Unjust enrichment" theorists claim to support these developments only if the judiciary accepts the narrow and accurate theoretical notions of the problem. As a result, theorists seem to spend a lot of time correcting the judge's taxonomic "misunderstandings."

The judiciary, on the other hand, doesn't seem to have time to do this. In summary, in some cases, there is a keen interest in the issue of compensation and a willingness to make very dramatic changes to the law if the judge's moral sense is sufficiently offended. "Unjust enrichment" theorists claim to support these developments only if the judiciary accepts the narrow and accurate theoretical notions of the problem. As a result, theorists seem to spend a lot of time correcting the judge's taxonomic "misunderstandings." The judiciary, on the other hand, doesn't seem to have time to do this. No mere classification of butter parsnips. What will

happen in the future? Sure, this is a newly formed tradition, but the best traditions are often new. There is no reason to believe that interest in the "unjust enrichment" theory diminishes. These are convenient ways to discuss minor injustices that can be corrected by minor changes to legal norms. And the increased use of them in statutory law, and the potential for an influx of European legal ideas, will give them even greater traction. However, the very different ways they are used in these different contexts put additional pressure on diversity. After handing over this shiny new toy, theorists will notice that they are annoying their use and their own ideas of their own. The increase in contract freedom and decline are compatible with incorrect enrichment at the expense of personal Victorian ideals. Theoretic of "unfair emphasis" received only half of this message. They discovered that the claim of "unfair strengthening" will be popular. The American people against the strict formalism of theoretic must be limited to the "unfair reinforcement" increase and continue and are not limited to the field of continuous legal discourse. It spreads like beach sand. Whether these ideas are trooping stones for a more complete understanding of the law, is not all, but some of the necessary understandings recognize that their prospects become dark in the long run.