

The Effects of Revocation of Offer in Iranian, English, and American Law in Light of Judicial Practice

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The offer, as the first pillar of contract formation, has always been the subject of debate regarding the possibility and scope of its revocation. The main issue of this study is the examination of the effects of revocation of offer in three legal systems—Iran, England, and the United States of America—with an emphasis on judicial practice. In Iranian law, based on jurisprudential foundations, the principle is the permissibility of revocation of the offer before acceptance, except in cases where the offer is accompanied by a condition of irrevocability or an implied undertaking. In contrast, the English legal system, due to its adherence to the doctrine of "offer and acceptance" and its strict interpretation of the principle of enforceability, requires the support of "consideration" for the creation of an obligation arising from an offer, and revocation is accepted in the absence thereof. In American law as well, influenced by English law and through the development of the doctrine of the "option contract," as well as the provisions of the Restatement (Second) of Contracts and the Uniform Commercial Code (UCC), certain limitations on revocation have been recognized. An examination of judicial practice in all three systems demonstrates that courts, in cases of conflict between the offeror's freedom of will and the legitimate reliance of the offeree, have adopted a balanced approach. The conclusion is that a comparative analysis reveals that Iranian law, relying on jurisprudential foundations, emphasizes more strongly the principle of revocability, whereas common law, through doctrinal and judicial mechanisms, tends toward protecting the offeree. This highlights the essential role of judicial practice in shaping the boundaries of revocation of offer in comparative law.

Keywords: offer and acceptance; revocation of offer; judicial practice; comparative law

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1. Introduction

The offer, as the first element in the process of contract formation, occupies a central place in contract law and has consistently been one of the core debates in legal literature. Every contract, before coming into existence through the final agreement of the parties, begins with an offer and acceptance. An offer is, in essence, the manifestation of one party's definite will to

enter into a contract under specified terms, and its acceptance by the other party brings about the agreement and the creation of binding legal effects (Treitel, 2015). Thus, the offer is not only the starting point of contract formation but also the basis of reliance and trust for the other party. Consequently, any uncertainty or ambiguity regarding the possibility and limits of revocation of an offer can endanger the legal and economic security of contractual relations (Beale, 2019).



The issue of revocation of an offer is significant because it reveals the tension between two fundamental principles: on one hand, the principle of freedom of the offeror to withdraw the proposal; and on the other hand, the necessity of protecting the legitimate reliance and expectations of the offeree, who may have made important legal or economic decisions based on the given offer (Chen-Wishart, 2022).

The place of revocation of an offer in legal doctrine, particularly regarding its effects on transactional security, is highly prominent. If the offeror could revoke their offer without restriction, the offeree would be placed in a state of instability and their trust in the transaction process would be undermined. Conversely, if an offer were regarded as absolutely binding immediately upon issuance, the offeror's freedom of will would be severely curtailed and the flexibility of contractual relations diminished. Therefore, legal systems have sought to strike a balance between these two fundamental values—freedom of will and legitimate reliance (Cartwright, 2020).

In Iranian law, jurisprudential principles and general rules provide the basis for recognizing the revocability of offers prior to acceptance. At the same time, however, exceptions exist, such as conditional offers or offers accompanied by implied undertakings, where revocation is not permitted (Hassanzadeh, 2015). In English law, the doctrine of offer and acceptance combined with the principle of "consideration" has led to the position that an offer becomes binding only when there is reciprocal obligation or specific agreement (Poole, 2016). American law, influenced by English law, has recognized institutions such as the "option contract" and incorporated provisions into the *Restatement (Second) of Contracts* and the *Uniform Commercial Code (UCC)*, thereby adopting a more flexible and partly protective stance toward the offeree (American Law Institute & Uniform Law Commission, 2017; Knapp et al., 2021).

The significance of revocation of an offer lies not only in the general theory of contracts but also in ensuring the stability and economic security of transactions.

The necessity of a comparative study between Iran, England, and the United States arises precisely from this point. Each of these three legal systems is rooted in distinct theoretical and historical foundations. Iran, drawing upon the principles of Shi'a jurisprudence, has developed a framework regarding offers and their

revocation that emphasizes the permissibility of revocation prior to acceptance (Katouzian, 2011). In contrast, English law, as a cornerstone of the common law tradition, has evolved through the doctrine of offer and acceptance and the institution of consideration (McKendrick, 2020). American law, while influenced by English law, has simultaneously introduced codified regulations and innovations in contract theory, representing a blend of tradition and modernity (Farnsworth, 2010).

A comparative analysis of these three systems sheds light on both the theoretical and practical dimensions of revocation of offer, especially since today's global economic and commercial relations require knowledge of both the commonalities and fundamental differences in contract law. Moreover, comparative examination creates opportunities to draw from the experiences of other legal systems for reforming and improving domestic law and practice (Zweigert & Kötz, 1998).

The role of judicial practice in defining the scope and limits of revocation of offers is equally fundamental. While statutory law in many countries provides only general principles, the details and precise interpretations are shaped through case law. In Iran, judicial practice, grounded in jurisprudential principles and the provisions of the Civil Code, plays a significant role in determining the scope of revocation (Katouzian, 2011; Najafi, 2011). In English and American law, because of the common law structure, case law constitutes the backbone of the contract law system. Landmark decisions such as *Dickinson v. Dodds* in England or judgments concerning option contracts in the United States are prime examples of how judicial practice has significantly clarified the rules of revocation (Peel, 2015; Williston, 2018).

This demonstrates that a precise understanding of the scope of revocation is impossible without analyzing case law, as a mere study of statutory provisions does not suffice.

Accordingly, the main research question of this study is: what are the theoretical foundations of revocation of offer in the legal systems of Iran, England, and the United States, and what differences and similarities exist between them? Ultimately, how has judicial practice in each country contributed to defining the scope and effects of revocation of offer?

The objectives of this study, in line with these questions, are: first, to explain and analyze the theoretical bases of revocation of offer in the three selected legal systems; second, to examine and compare the role of judicial practice in shaping the relevant rules; third, to assess the effectiveness and practical consequences of these rules for the security of transactions and mutual trust between parties; and finally, to propose recommendations for strengthening and reforming the Iranian legal framework by drawing inspiration from comparative experiences.

Thus, this research is an attempt to shed light on one of the fundamental issues of contract law, which is significant not only from a theoretical perspective but also in terms of its practical implications for the stability and development of economic and legal relations.

2. Materials and Methods

In the present research, a descriptive-analytical method and library resources have been used for the preparation of the article.

3. Theoretical Foundations of Revocation of Offer

3.1. Concept and Nature of Offer

The offer is one of the most fundamental concepts in contract law and constitutes the starting point of agreement formation. An offer is defined as "the declaration of a person's serious and definite intention to be bound by the terms proposed if accepted by the other party"—a legal declaration which, if accompanied by acceptance, results in a contract (McKendrick, 2020; Treitel, 2015). In Iranian law, although the Civil Code does not provide an explicit definition, from the structure of the general rules of contracts one can infer the necessity of seriousness, clarity, and acceptability (Katouzian, 2011). Analytically, an offer is a unilateral legal act whose effect is suspended until acceptance is joined to it, and prior to that, it only creates an expectant situation (Chen-Wishart, 2022). Functionally, an offer establishes predictability and trust for the other party and plays a direct role in the stability of daily and commercial transactions. Therefore, any ambiguity about the scope and possibility of revocation of an offer can affect legal and economic security (Beale, 2019; Cartwright, 2020).

3.2. Distinction Between Offer and Similar Legal Acts

Distinguishing an offer from an "invitation to treat" is fundamental. Public announcements such as advertisements, catalogues, or shop displays are usually regarded as "invitations to make an offer," not offers themselves, so that individuals are not unintentionally burdened with extensive obligations (McKendrick, 2020; Treitel, 2015). Similarly, a "draft contract" is generally a preliminary stage of negotiation, and unless mutual intention to be bound is clearly expressed, it does not constitute an offer (Poole, 2016). Moreover, "statements of hope or intention," such as "I might sell at this price," lack binding intent (Chen-Wishart, 2022). These distinctions play a key role in judicial determinations, since courts, based on the understanding of a reasonable person and the surrounding circumstances, decide whether a statement is binding or not (Peel, 2015).

3.3. Concept of Revocation of Offer and Its Legal Bases

"Revocation of offer" refers to the withdrawal of a proposal that has not yet been accepted. In Iranian law, the principle is the possibility of revocation before acceptance unless the offeror has expressly waived the right of revocation for a fixed period or has become bound to maintain the offer through an implied condition or collateral undertaking (Katouzian, 2011). In English law, revocation is also possible before acceptance is communicated, provided that notice of revocation reaches the offeree. However, in an "option contract," the right of revocation is excluded (McKendrick, 2020; Treitel, 2015).

In the United States, the picture is more complex: according to the *Restatement (Second) of Contracts*, the mechanism of an option contract can render an offer irrevocable for a specified period, and the doctrine of *promissory estoppel* may prevent harmful revocation if the offeree has foreseeably relied on the offer (American Law Institute, 1981; Knapp et al., 2021). In commercial transactions, §2-205 of the *Uniform Commercial Code* provides for a "firm offer," which may be irrevocable for a reasonable time even without consideration (American Law Institute & Uniform Law Commission, 2017; Farnsworth, 2010). Thus, while Iran and England accept the principle of revocability until acceptance, American law, through legislative and doctrinal instruments,

imposes more significant protective limitations (Beale, 2019; Cartwright, 2020).

3.4. Analysis of the Relationship Between Freedom of Will and *Pacta Sunt Servanda*

The interplay between “freedom of will” and the “principle of *pacta sunt servanda*” lies at the heart of the debate on revocation of offers. Freedom of will dictates that an individual may withdraw their proposal before a contract is concluded, since no binding obligation has yet been created (Chen-Wishart, 2022; McKendrick, 2020). By contrast, the principle of *pacta sunt servanda*, for the sake of transactional stability and commutative justice, demands that the legitimate expectations of the other party, particularly in reliance cases, be protected (Farnsworth, 2010; Treitel, 2015).

Legal systems adopt different mechanisms to balance these values. In Iran, the acceptance of “non-revocation clauses” or the analysis of a “collateral duty to maintain the offer” serves to curb excessive freedom of will (Katouzian, 2011). In common law, an option contract supported by consideration binds the offer within the stipulated time (Poole, 2016; Treitel, 2015). In the United States, doctrines such as *promissory estoppel* and statutory firm offers are specifically designed to safeguard reliance and promote commercial efficiency. The result is a delicate balance: one scale of the balance is individual freedom, and the other is the security of transactions—a balance maintained jointly by doctrine and judicial practice (Beale, 2019; Peel, 2015).

4. Revocation of Offer in Iranian Law

4.1. Jurisprudential Foundations: The Rule of Revocability and Its Exceptions

Revocation of offer in Iranian law is rooted in the principles of Shi'a jurisprudence, especially the rule of revocability. This rule provides that the offeror may withdraw their proposal until the acceptance of the offeree is made. Its jurisprudential foundation rests on the individual's freedom of will in financial and legal matters, since until full acceptance occurs, no binding contract is formed (Najafi, 2011). However, jurists recognize exceptions to revocability. For instance, if the offeror promises not to revoke or takes actions inducing reliance by the offeree, the possibility of revocation is restricted. In Shi'a jurisprudence, this is explained by

concepts such as the implied obligation not to revoke and the protection of legitimate reliance. Some scholars also emphasize that when an offer is accompanied by a condition or promise, revocation without the consent of the offeree is not permissible, and the offer is considered binding (Motahari, 2009). Thus, while jurisprudential foundations stress freedom of will, they also pay heed to ensuring the offeree's trust, creating grounds for limiting revocation. This duality shapes the application of statutory law and judicial interpretation in Iran.

4.2. Approach of the Civil Code

The Iranian Civil Code contains several provisions relating to offers and acceptances that, through interpretation, explain revocation of offer. Article 190 stipulates that a contract is concluded when an offer and acceptance conform correctly and legally. This article underscores the necessity of complete conformity between offer and acceptance and implicitly suggests that until acceptance occurs, the offeror may change their mind. Article 191, however, indicates that the offeror cannot revoke if they have previously waived the right of revocation for a specific period or have attached a condition reinforcing the offer. This interpretation aligns with the exceptional jurisprudential rule, allowing limitation of revocation through agreement or special legal conditions. Analysis of these provisions reveals that the Iranian Civil Code strikes a balance between the offeror's freedom of will and the protection of the offeree's reliance. In practice, this balance is reflected in judicial interpretation, with the central issue being whether revocation has or has not produced legal effects in compliance with statutory and jurisprudential principles (Motahari, 2009; Najafi, 2011).

4.3. Judicial Practice in Iran and Court Interpretations of Revocation of Offer

Judicial practice in Iran plays a pivotal role in defining the scope of revocation of offers. National courts, drawing on the Civil Code and jurisprudential principles, determine the permissible boundaries for revocation. Two decisive factors emerge in case law: first, the timing of revocation; and second, the reliance of the offeree. Case examples reveal that if an offeror revokes before acceptance is communicated and without creating legitimate reliance, revocation is usually upheld.

However, where the offer is accompanied by a promise of non-revocation or by actions relied upon by the offeree, courts restrict revocation and may even order compensation. Court interpretations also examine conditional offers or those accompanied by implied undertakings, where revocation without the consent of the offeree or without observing legal conditions is not permissible. This jurisprudence demonstrates the close link between doctrinal principles of jurisprudence and codified law in practice, ensuring security and stability in transactions (Motahari, 2009; Najafi, 2011).

4.4. Challenges and Shortcomings in the Iranian Legal System

Despite the jurisprudential and statutory framework, revocation of offer in Iran faces several challenges and shortcomings. First, the ambiguity in defining the scope of revocation has led courts at times to adopt different interpretations of statutory provisions, resulting in a lack of uniform judicial practice (Najafi, 2011). Second, the absence of clear criteria for determining reliance and legitimate expectations of the offeree has produced divergent opinions in case law. While jurisprudence emphasizes the importance of reliance, the Civil Code does not provide practical and precise standards (Motahari, 2009).

Third, there is a deficiency in safeguarding transactional security; particularly in complex commercial transactions, the failure to specify definite time limits for revocation or to foresee the legal consequences of reliance may expose the offeree to harm (Najafi, 2011). Fourth, there is weak alignment with international standards; whereas common law systems provide mechanisms such as option contracts, firm offers, and the doctrine of promissory estoppel to balance freedom of will and transactional security, Iranian law has not yet systematically incorporated these instruments into its regulations (Farnsworth, 2010; Treitel, 2015).

Nevertheless, the Iranian jurisprudential and statutory framework has the capacity for reform and supplementation. Through comparative study and reference to the experience of other systems, clear criteria regarding revocation of offers, its limitations, and the remedies for its violation can be introduced to further guarantee stability and transactional security (Motahari, 2009; Najafi, 2011).

5. Revocation of Offer in English Law

5.1. Theoretical Foundations in Common Law

Revocation of offer in English law is rooted in common law principles and the doctrines of contract. Common law, built on the foundation of freedom of will, regards the offer as a declaration of intent that leads to a contract if accepted by the offeree (McKendrick, 2020; Treitel, 2015). In this system, the offeror is entitled to withdraw before acceptance unless actions have been taken that induce legitimate reliance on the part of the offeree. Classical English contract theory emphasizes that the creation of binding obligations requires mutual agreement and the presence of consideration. This principle restricts revocation, and in cases where the offeror makes a gratuitous promise, liability may arise toward the offeree (Poole, 2016; Treitel, 2015).

English law has also developed mechanisms to limit the right of revocation, such as firm offers, in which the offeror may not revoke for a specified period, even without consideration. These mechanisms are primarily designed to preserve commercial security and the offeree's trust, demonstrating a balance between freedom of will and the stability of contracts (Beale, 2019; Chen-Wishart, 2022).

5.2. The Doctrine of Offer and Acceptance and the Role of Consideration in Binding Force

In English law, the doctrine of offer and acceptance constitutes the foundation of contracts. An offer becomes binding only when accepted by the offeree. Where consideration exists, the offeror cannot easily revoke their proposal (Farnsworth, 2010; Treitel, 2015). An offer without consideration is generally revocable unless accompanied by a promise that induces legitimate reliance by the offeree. By contrast, an offer with consideration or a conditional offer creates a binding obligation, and revocation without the offeree's consent becomes impossible. English case law has repeatedly confirmed this principle, highlighting the importance of balancing freedom of will and transactional security (Cartwright, 2020).

Mechanisms such as option contracts and firm offers allow the offeror to restrict their right of revocation for a specific period. While these instruments limit freedom of will, they guarantee commercial stability and the

offeree's confidence (Chen-Wishart, 2022; McKendrick, 2020).

5.3. Landmark Judicial Decisions in England

One notable case in this field is *Dickinson v. Dodds*, which clarified the principles and limitations of revocation of offer. In this case, the offeror, prior to acceptance by the offeree, notified withdrawal of the offer through a third party. The court affirmed that revocation before acceptance is legitimate, and the offeror incurs liability only when a promise is made or actions are taken that induce reliance (Treitel, 2015).

Other decisions confirm these principles, especially in cases involving legitimate reliance and implied non-revocation terms. Judicial practice illustrates that English law provides a precise framework to balance the right of the offeror to revoke and the protection of the offeree's reliance (Chen-Wishart, 2022; Poole, 2016).

5.4. Analysis of Strengths and Weaknesses

The analysis of English law reveals several important features of common law regarding revocation of offer:

- a. **Preservation of the offeror's freedom of will:** Revocation before acceptance is permitted, reflecting the principle of autonomy (Treitel, 2015).
- b. **Protective mechanisms for the offeree's reliance:** Option contracts, firm offers, and consideration prevent abuse of the right to revoke (Chen-Wishart, 2022; McKendrick, 2020).
- c. **Clarity and coherent judicial practice:** Case law provides a practical framework for applying these principles (Treitel, 2015).

However, English law also presents certain weaknesses:

- a. **Complexity of the consideration doctrine:** Determining the binding force of offers in varying circumstances requires careful analysis of consideration and implied terms (Farnsworth, 2010).
- b. **Dependence on judicial precedents:** In novel cases, court decisions may diverge from classical doctrinal principles, creating uncertainty (Cartwright, 2020).

In sum, English law has succeeded in balancing the offeror's freedom of will with transactional security, and with practical instruments and clear judicial precedents, it has enhanced contractual stability. This experience can serve as a useful comparative model for other legal systems, including Iran.

6. Revocation of Offer in United States Law

In this section, revocation of offer under United States law will be explained.

6.1. The Place of Offer in Contract Doctrine

In U.S. law, as in other common-law systems, the offer—understood as one party's manifestation of willingness to create a legal obligation—has fundamental importance. The doctrine of offer and acceptance forms the foundation of contract formation, and prior to acceptance the offeror is entitled to withdraw the proposal (Corbin, 1993; Farnsworth, 2010). In the United States, an offer is ordinarily framed against the background requirement of consideration. In other words, to make an offer binding, the other party must furnish something in exchange. This principle supplies a rational limit on revocation while also safeguarding the stability and security of transactions (Farnsworth, 2010).

6.2. Development of the "Option Contract" Doctrine

One of the important innovations of U.S. contract law is the development of the option contract. In this arrangement, the offeror limits the right to revoke for a specified period, and the offeree may, in exchange, provide a sum or other undertaking (Corbin, 1993; Farnsworth, 2010). This doctrine enables stability in contracting—particularly in complex commercial dealings that require extended decision periods for the offeree. The option contract exemplifies a balance between the offeror's autonomy and the protection of the offeree's reliance, and it is a key U.S. instrument to prevent abuse of the power to revoke (Williston, 2018).

6.3. The Restatement (Second) of Contracts and the Uniform Commercial Code

In the United States, two principal codified sources shape the framework governing revocation of offers:

- a. The *Restatement (Second) of Contracts*, drafted by the American Law Institute, sets out principles limiting revocation and articulates circumstances under which a promisor must perform. It gives a special role to the principle of promissory estoppel where the promisee has relied on the promise (American Law Institute, 1981).
- b. The *Uniform Commercial Code (UCC)*—in particular §2-

205—defines the “firm offer,” emphasizing that when a merchant makes a firm offer for a stated time, the offer is not revocable, even without consideration. These rules are designed to ensure security in commercial transactions and to reduce litigation (American Law Institute & Uniform Law Commission, 2017). The combination of these two sources provides a robust legal structure for restricting revocation and protecting the offeree’s legitimate reliance.

6.4. Leading Judicial Practice in U.S. Courts

Judicial decisions in the United States play a key role in delineating the limits of revocation. Classic cases elaborating reliance and early doctrines have reinforced the architecture that undergirds promissory liability; courts have stressed that where a promise is made and foreseeable reliance occurs, unilateral revocation without legal consequence is not permissible (Farnsworth, 2010). Comparative references—including to English decisions such as *Dickinson v. Dodds*—illustrate that the timing of acceptance and the creation of legitimate reliance are decisive factors in evaluating revocation (Corbin, 1993). U.S. case law also demonstrates that option contracts and firm offers function as practical tools to protect commercial certainty, while the application of promissory estoppel helps secure mutual trust between parties (Williston, 2018).

6.5. Comparative Analysis and Evaluation

A comparative assessment of revocation of offer in the United States and Iran shows that both systems seek to balance the offeror’s autonomy with protection of the offeree’s reliance. Important differences remain, however:

a. **Codified instruments.** In the United States, tools such as option contracts, firm offers, and promissory estoppel are explicitly defined in the Restatement and the UCC, whereas Iranian law relies more heavily on jurisprudential principles and judicial interpretation (Farnsworth, 2010).

b. **Transactional security.** The U.S. codified framework affords stronger guarantees to parties who rely on promises, particularly in complex commercial transactions (American Law Institute, 1981).

c. **Judicial clarity.** U.S. courts, drawing on the Restatement and the UCC, offer a clearer framework for revocation, whereas in Iran divergent judicial views and uncertainty regarding criteria for legitimate reliance at times produce non-uniform outcomes (Motahari, 2009). Accordingly, U.S. experience may serve as a useful model for the Iranian legal system to enhance contractual stability through the adoption of clearly articulated statutory instruments.

7. Comparative Analysis and the Role of Judicial Practice

In this section, the comparative approaches of Iran, England, and the United States are set out.

7.1. Comparing Theoretical Foundations in Iran, England, and the United States

Revocation of offer in the three systems rests on distinct foundations. In Iran, the principal basis is Imamiyyah jurisprudence and the rule of revocability, permitting withdrawal prior to acceptance unless a non-revocation promise exists or legitimate reliance has been induced (Hassanzadeh, 2015). In English law, the theoretical foundation is autonomy and consideration; revocation is permitted before communication of acceptance, while mechanisms such as firm offers and option contracts are designed to limit revocation (Burrows, 2017). U.S. law is similar to English law but completes the framework through the Restatement and the UCC, which clearly set forth limits on revocation and the role of promissory estoppel (Kessler & Miller, 2018). Thus, Iran depends more on jurisprudential bases and judicial analysis; England balances through contractual doctrine and party autonomy; and the United States, via codified rules and judicial institutions, provides a strong structure for transactional stability and security.

7.2. Analyzing Similarities and Differences in Judicial Approaches

Courts in all three systems play a decisive role in setting the contours of revocation, but their approaches differ:

a. **Iran.** National courts, guided by the Civil Code and jurisprudential principles, determine permissible revocation; divergence of opinions and uncertainty about criteria for legitimate reliance are frequently observed (Shariati, 2014).

b. **England.** Judicial practice, relying on leading cases such as *Dickinson v. Dodds*, provides a clearer framework, with emphasis on the timing of effective acceptance and the conduct of the parties (McKendrick, 2020).

c. **United States.** Courts, drawing on the Restatement and the UCC, articulate codified limits on revocation and promote the use of option contracts and firm offers to preserve commercial stability (Friedman, 2020).

The common thread among the three systems is the central importance of protecting the offeree's legitimate reliance and preventing abuse of the right to revoke; the differences lie in the degree of legal clarity and the availability of codified instruments to constrain revocation.

7.3. *The Impact of Legitimate Reliance of the Offeree on the Limitation of Revocation*

The legitimate reliance of the offeree plays a vital role in all three legal systems, though the mechanisms differ:

a. **Iran.** Criteria for legitimate reliance are mainly derived from judicial interpretation and jurisprudential principles. Courts, when deciding, evaluate the circumstances and conduct of the offeree to determine whether revocation is permissible (Hassanzadeh, 2015).

b. **England.** Legitimate reliance is implicitly embedded in the doctrine of offer and acceptance and in instruments such as option contracts and firm offers. Judicial decisions provide practical standards for assessing reliance and its effect on restricting revocation (Burrows, 2017).

c. **United States.** Legitimate reliance is formally recognized in codified doctrines such as promissory estoppel and in statutory provisions on option contracts. If the offeree has relied on the promise, unilateral revocation without legal responsibility is not permitted (Kessler & Miller, 2018).

In sum, all three systems acknowledge the significance of legitimate reliance, but the codified framework of U.S. law and the judicial instruments of English law offer more clarity and predictability compared to Iran.

7.4. *The Role of Judicial Practice in Filling Legal Gaps and Balancing the Interests of Parties*

Judicial practice in the three systems supplements statutory provisions and theoretical foundations:

a. **Iran.** Courts, by interpreting the Civil Code and invoking jurisprudential principles, fill the legislative

gaps created by the absence of codified tools such as option contracts. They attempt to balance the offeror's right of revocation with the protection of the offeree's reliance (Shariati, 2014).

b. **England.** Judicial decisions provide a clear and coherent framework, giving practical effect to the balance between freedom of will and transactional security (McKendrick, 2020).

c. **United States.** Judicial practice, building upon codified sources such as promissory estoppel, firm offers, and option contracts, not only clarifies the limitations on revocation but also enhances stability and predictability in transactions (Friedman, 2020).

Overall, judicial practice plays a key role in aligning theory and legislation with practical realities, in ensuring contractual security, and in preventing abuse of the right to revoke. In Iran, this role is less codified and more reliant on judicial reasoning, whereas in England and the United States, clearer frameworks and codified instruments provide greater efficiency.

8. Conclusion

A comparative analysis of revocation of offer in Iranian, English, and American law reveals that, despite structural and cultural differences, all three systems strive to balance the offeror's freedom of will with the protection of the offeree's reliance. In Iran, jurisprudential principles and the rule of revocability guarantee the offeror's right to withdraw prior to acceptance, though exceptions exist in cases of promises of non-revocation or the creation of legitimate reliance. This jurisprudential and statutory framework is interpreted by national courts, which determine the permissible scope of revocation on a case-by-case basis. Nevertheless, ambiguity in the standards for legitimate reliance and divergence in judicial opinions constitute major challenges for ensuring stability and security in contractual transactions.

In English law, contract doctrine and party autonomy form the foundation of revocation of offers. Mechanisms such as firm offers and option contracts provide tools to limit the right of revocation, while ensuring commercial security and protecting legitimate reliance. English judicial practice, drawing upon landmark decisions and practical analysis of circumstances, offers a clear and consistent framework, thereby effectively balancing autonomy with contractual stability.

American law, though similar to English law, differs by providing a more codified and sophisticated framework. The *Restatement (Second) of Contracts* and the *Uniform Commercial Code*, alongside doctrines such as promissory estoppel and option contracts, clearly articulate the limitations on revocation and the circumstances under which the offeror incurs legal responsibility. This codified structure enhances stability and predictability in transactions, while case law, by relying on statutory provisions, reinforces a coherent framework for revocation.

A comparison of the three systems shows that Iran's strength lies in its flexibility and judicial interpretation grounded in jurisprudential principles and case-specific considerations. However, this flexibility, without clear standards, may lead to inconsistency and instability in transactions. By contrast, the strength of English and American law lies in the presence of codified mechanisms and consistent judicial precedents that secure the offeree's position and restrict abuse of the right to revoke. In particular, the United States, through its combination of codified rules and judicial institutions, provides a comprehensive model for ensuring contractual stability and predictability.

Based on these comparative findings, specific reform proposals can be made to improve the efficiency of the Iranian legal system. First, codifying legal instruments similar to firm offers and option contracts could limit the offeror's right to revoke while simultaneously strengthening transactional security. Second, establishing practical standards for assessing the offeree's legitimate reliance, either through legislation or implementing regulations, could reduce judicial inconsistencies and create greater uniformity in court decisions. Third, improving the judicial system through training and publication of analytical case law could foster a more coherent and predictable judicial practice, enabling courts to balance autonomy and reliance more effectively.

Ultimately, the findings highlight the vital role of consistent judicial practice in filling legislative gaps, interpreting theoretical principles, and balancing the interests of contracting parties. Developing such practice in Iran, informed by the comparative experiences of English and American law, could significantly enhance contractual security and increase mutual trust in transactions. This is particularly important in complex

commercial dealings and long-term contracts, where the absence of legal stability and predictability may give rise to disputes and economic losses.

In general, the comparative study of revocation of offer shows that integrating Iran's jurisprudential and statutory foundations with codified mechanisms and consistent judicial practice could not only enhance transactional stability and security but also improve Iran's alignment with international standards of contract law. Implementing these reforms alongside the development of a coherent judicial practice would allow the Iranian legal system to benefit from global comparative experience and, while preserving its jurisprudential roots, ensure greater security, predictability, and fairness in contractual relations.

Authors' Contributions

Authors contributed equally to this article.

Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

Transparency Statement

Data are available for research purposes upon reasonable request to the corresponding author.

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