

LAW 1005

BUSINESS AND COMPANY LAW

ASSIGNMENT 1

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## Display of Goods

In point of sale transactions, the offer for sale and acceptance of that offer is deemed to take place at the checkout and that displaying goods on shelves does not constitute as an offer for sale. It was not accepted by the Queen's Bench or the Court of Appeal that displaying the good constituted an offer and placing goods in the basket an acceptance of offer.

Customers would place their intended purchase in a basket, and then take them to the checkout to make an offer to purchase.

Displays of goods with price tags are usually invitations to treat. **(Fisher V Bell) [1960]** Self-service shops such as supermarkets, stores are usually treated in the same way. **(Pharmaceutical Society of Great Britain V Boots) [1953]**. It was held that if the display of goods were an offer then we would not be able to change our minds once an article had been selected of the shelf. There is also the reason that a shopkeeper would have to do business with a rival and thus put himself out of business.

In Amy's first case she went to Bill's superstore and saw a DVD player on the shelf under a notice which stated, 'Special Offer –only £50- while stocks last'.

In this situation it was an invitation to treat. And also as the quantity was not stated and terms were not clear this would not be regarded as an offer. In fact in the cases of **(Fisher v Bell) [1960]** and **(Pharmaceutical society of GB v Boots) [1953] (CA)** showed that goods on a shop shelf and in a shop window are invitation to treat and customer makes the offer to purchase at the cash desk. By putting the DVD player in the trolley Amy did not accept the offer as the good was not an offer but an invitation to treat and it was up to Amy who would make the offer at the cash desk. Before she took the DVD player to the cash desk to make an offer to buy it, she changed her mind and put the DVD player back on the shelf. There was not an offer and acceptance at that time. Therefore as there was no binding contract between Amy and the shopkeeper she did not have to pay for the DVD.

## Auctions

The normal rule is-the bidder makes the offer.  
It is then up to the auctioneer to accept this offer.

In the second case, Amy went to Cyd's auction house. A Ming vase was put up for sale **without a reserve price**. Amy made the only bid of £100; but her bid was refused stating that the vase was worth £10,000.

In Amy's case she made the offer by bidding £100 on the vase but it was refused by the auctioneer that bidding price was too low to sell at that price. Indeed as there was no reserve price she was entitled to the vase.

It could be taken as an example from the case of **Barry v Heathcote Ball & Co (2000)** that where there was an auction without reserve there was a collateral warranty between the auctioneer and bidder to sell to the highest bidder. Accordingly where items in an auction without reserve were withdrawn by the auctioneer because he considered that the sole bid was too low. A refusal to sell was therefore a breach of warranty.

The measure of damages was the difference between the contract price and the current market price of the goods.

Therefore Amy could sue Cyd's auction house for breach of contract and claim to recover against the auctioneer the difference between the contract price and the market price of the goods.

## Unilateral Contracts

Unilateral contracts are often made to a number of people at the same time and they amount to a promise in return for an act. The contract is made when the act is done. There is no need to communicate to tell the offeror that you are accepting.

In the third case Amy found a black cat in the street. She took the cat home and noticed that it had the name 'Tibbles' on its collar. Then she realized after seeing the advertisement in the newspaper that it was a lost pet and there was a reward for the finder.

As a rule a person can only accept an offer if they know about it.

When Amy first found the cat she did not know about the cat that it was lost and there was a reward for it. If Amy did take the cat back to Don but did not claim the reward even if she knew about the reward but did not say anything about it, she would not be entitled to the £25 reward if she claimed it afterwards. Similar situation could be an example in the case of **R v Clarke (1927) (AUS)**. In this case Clarke gave the information to save himself as he was a suspect but he forgot about the reward then he claimed the reward later on. It was held that he was not entitled to the reward as he had forgotten about it.

On the other hand if Amy contacted Don and took the cat to Don and claimed the £25 reward she would be entitled to the reward as she found out about the prize before she took the cat to Don.

It identifies in the case of **Williams v Carwardine (1833)** that a person giving the information or doing the act no matter with what reason **as long as knowing about the offer, doing the act and claiming the reward** would be entitled to the reward. Therefore the claimant was entitled to the £20 as she knew about the reward in this case.