The vagaries of contract law in the united states of america essay sample

Business, Customers



Office floor cleaning is held as a service offered by the UCC. Since the UCC article 2 & article 9 covers only sales and/or cleaning as a franchise service or as an added complementary action to a sale, Serviceco's contract will not be enforceable under the Uniform Commercial Code. Therefore, we need to subject it to the common law.

For our analysis, let us first do the following

Step I: The conditions of a contract which make it legally enforceable.

A contract is an agreement between two parties under which there is a

- An expression of interest from one party

- An offer from the second party.

- There is mention of consideration which will be involved in the process.

- An Acceptance from the second party

Now, we will analyze the case and try to answer the questions posed by it.

We will now try to list the process and the various activities which took place chronologically.

- On July 1st , Acme expresses interest

- On July 2nd, Services makes an offer with clearly mentioned terms &

conditions with the consideration mentioned.

- On July 3rd, Serviceco makes a similar offer to thirty five customers whom they had served within the last three years.

- On July 7th, they put an advertisement in the newspaper saying the same thing to whoever may be interested.

The answers to the questions will be

(a) Yes, Serviceco has indeed made offers offering their services in all the cases listed above. They have appealed to only those clients who need their type of services.

(b) Serviceco has revoked only a part of the offers by putting a revocation notice in the newspaper. By doing this, it has revoked the offers made to people by the newspaper advertisement. However, they are also supposed to send separate revocations in writing to the thirty five customers as they had sent the offers. Serviceco has no idea whether these thirty five companies take business inputs from the newspaper.

(c) Finally, in what is known as the 'mailbox' effect, Acme's letter of acceptance is lost in post. However even that , Acme's acceptance will send. Serviceco will have to fit Acme out of the schedule somehow. Serviceco had not put a validity clause or ultimatum asking Acme to reply within a fixed period if they agree to the proposal. Had there been such a condition, matters would have been different.

At the end we can see that Serviceco has learned from this experience and in an offer to a new customer, has changed the content of their offer which they should have done from the first as they only have a fixed capacity of flooring for cleaning every week. Beyond this capacity, they will not be able to execute orders.