

Contract law assignment

Law



Albert should have disclosed to Becky that he indeed sold and or had discussion with a third party in relation to the sale of the machinery. In the case of *Wallboard v Miles* [1992] 2 AC 128, Mr. and Mrs. Miles agreed to negotiate with Wallboard for the sale of a photographic processing business. They also agreed to terminate negotiations for the sale of the business to any other purchaser (which they did), provided Wallboard confirmed they were manically able to proceed with a purchase (which they did).

However, the Miles' subsequently decided not to proceed with the negotiations for the sale and eventually sold to a third party. Wallboard sued for breach of contract. Wallboard succeeded at trial. Mr. and Mrs. Miles succeeded in an appeal. On further appeal – Lord Cancer: ' There is clearly no reason in the English contract law why A, for good consideration, should not achieve an enforceable agreement whereby B, agrees for a specified period of time, not to negotiate with anyone except A in relation to the sale of his property. Lord Cancer noted the commercial benefits f such an arrangement and stressed that such an agreement is ' a negative agreement' which does not lock B into negotiations with A. Conclusion: Becky and Albert had indeed agreed for Albert to hold the machinery for a period of one week, a verbal contract was formed when both parties agreed to these terms. Therefore the contract was breached by Albert when Albert started negotiations which led to the eventual sale of the machinery to a third party without consultation with Becky.

However as stated in the case of *Wallboard v Miles* [1992] 2 AC 128, such an agreement is a negative agreement or Albert which does not lock Becky and Albert into negotiations. The issue of Becky's compensation for her return

travel cost is warranted. Becky could have prevented these costs if the communication between the two parties was fluent and Albert relayed the information of possible negotiations and eventual sale to a third party.