

# [Warehouse ltd vs security ltd essay sample](https://assignbuster.com/warehouse-ltd-vs-security-ltd-essay-sample/)

For advising Warehouse Ltd, whether they could win the case, the first thing to be pointed out is that they decided to purchase the cameras after seeing a piece of information adverted by Security Ltd. Unfortunately, the advertisement is not a offer but an invitation to treat. A piece of offer must consist of a definite promise to be bound provided and not a mere offer to negotiate. The advertisement is only an intention of the Security Ltd. to sell the good. They did not make any definite promise to sell the cameras only to Warehouse. So anyone could offer to buy it.

This was clearly illustrated in Partridge vs. Crittenden. In that case, although the claimant injured the wild animals, but the advertisement was defined as an invitation to treat in law not an offer. So it was nothing wrong with him to advertise to sell bird. After very lengthy negotiations with Warehouse Ltd. and made an offer for Security Ltd. to sell them the cameras for £80 each for at least 100. Security agreed. That means there had been a bilateral contract exist between the two sides, i. e. Security must supply the cameras as well as Warehouse had to pay the money.

But Security Ltd. refused to supply the goods to the Warehouse. They broke the existing contract. In law, if there is a contract existing between two parties, that means both of them have make the promise to another party. Therefore, both of them have to carry out the promise until it finished. There was a similar situation happened in the case of Carlill vs. Carbolic Smoke Ball co. In which the defendant made a unilateral contract to its customer to promise pay £100 after using their smoke ball. But they did not fulfil the promise after their product causing problems.

The court said that they have to pay the £100 to their customer as it had been stated in the contract. One main reason for Security Ltd. to refuse to supply the cameras is that they thought the E-mail is not a valid method for communication. As they had stated that the Warehouse should tell them they would take up the deal and let them know in writing for 9 a. m. Thursday morning. The Security had clearly stated the mode of acceptance. But Warehouse wrote E-mail to Security which is an electronic method of acceptance but not a writing method. That is not the way which Security prescribed in the offer.

In law, where an offer states that it can only be accepted in a certain way, the acceptance will only be valid if it is made in that way. Here, the only method of communication which Security Ltd. can accept is by writing. That means the only validation for Warehouse is to write a letter. Other ways of acceptance will all be invalid. In the case of Yates Building vs. Pulleyn, The mode of acceptance stated by the defendant is by registered or recorded delivery. But the claimant sent the acceptance by normal post so the defendant argued that the post option had not been properly exercised.

The offer made by Security Ltd. said Warehouse Ltd. had to make the acceptance by 9 a. m. Thursday morning. So Warehouse sent the E-mail at 8: 58 a. m. that morning and was transmitted to the Security at exactly 9. 00 a. m. But they said Warehouse did not accept the offer in time, as they did not read the E-mail until 11 a. m. Although the general rule prescribes that the acceptance must be communicated to the offeror. Since from this point, the Security did have the authorise to reject Warehouse’s acceptance. The general rule only applies to an instantaneous commutation like the telephone and fax.

But E-mail is not an instantaneous communication. Warehouse did not send the E-mail directly to Security. They firstly sent to their internet service provider. The service provider then transmits the message to Security’s ISP. After all, Security then downloaded the message from the net. So it should be considered by the postal rule, which indicates that the acceptance by post is valid from the time of posting. That means the acceptance will become a valid acceptance just after it is sent out. Whatever it is late to arrived to the offeror for how long.

Here, the E-mail was sent at 8: 58 a. m. which is still before 9 a. m. So the acceptance made by Warehouse had the validation started since 8: 58 a. m. whenever Security read it at 8: 59 a. m. Thursday morning or 8: 59 Friday morning. But, they had pointed out that ‘ let them know’ in the offer. That piece of phrase had clearly specified that the acceptance was not valid until they read it. They read the E-mail at 11: 00a. m. so the acceptance started at 11: 00, which has passed the dead line of 9: 00 a. m. So there were no contract between the two parties.

The law said that the postal rule will be disregarded if the offeror exclude the special postal acceptance rule in his offer by specifying that acceptance must be actually communicated to him. There was the similar situation happened in the case of Howell vs. Hughes. In which the defendant would like to purchase the premises from the claimant. The agreement providing that the option was to be exercised ‘ by notice in writing’, which means the acceptance has to be received. But it never arrived to the defendant, therefore there were not contract exist between the two parties.