

## INDIAN CONTRACT CASE LAWS

| SR. NO       | NAME OF CASE   | JUDGEMENT   |
|--------------|--|---|
| <b>OFFER</b> |  |   |
| 1.           | <b>Lalman Shukla vs Gauri Dutt (1913)</b>                | A proposal cannot be accepted unless it comes to the knowledge of the person accepting it   |
| 2.           | <b>Carlill vs carbolic smoke ball company (1893)</b>     | <p>The court observed following points:-</p> <p>Offer a can be made to the world at large and contract is made with the person who comes forward and accept the offer</p> <p>In such a case communication of acceptance is not necessary. Performance of condition is a sufficient acceptance without communication.</p> <p>general offer is continuing in nature and it is open for acceptance to the number of person until it is retracted</p>   |
| 3.           | <b>Hyde vs Wrench (1840)</b>                             | <p>A offered to sell her estate for 20 £1,000. B offered to pay £950. A refused. B replied immediately, accepting the original offer of £1,000. A now refuses.</p> <p>It was held that A was no longer bound by the terms of her original offer because it had lapsed when B made the counter-offer to the original offer.</p> <p>Therefore, an offer lapses if a counter offer is made. A counter offer is considered a fresh offer, which must be accepted in order to give rise to a contract.</p> |
| 4.           | <b>Upton rural District Corporation Vs Powell (1942)</b> | The contract can be expressed or implied. In this case the fire broke out Independence farm and his some point the fire brigade services thinking them to be free. Defendant's house was not in the free service zone. The court held that the services were rendered upon an implied promise to pay.   |
| 5.           | <b>Harris vs Nickerson (1873)</b>                        | An Advertisement for auction is mere invitation to offer.   |
| 6.           | <b>Spencer Vs Harding (1870)</b>                         | An Advertisement inviting tenders and quotations is an invitation to offer.   |



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| 7.  | <b>Henderson Vs Stevenson (1875)</b>  | There must be reasonable notice to the offeree of the printed terms and conditions. If such notice is not given then the offeree is not bound by such terms and condition.  |
| 8.  | <b>Harvey v. Facey (1893)</b>   | The difference between an "invitation to offer", and "offer" has been laid down . for a contract to be valid, a proposal and an acceptance are needed and to make the contract binding. Further, acceptance of the proposal must be notified to the individual who is proposing because a legally enforceable agreement requires sureness to hold from both the parties to the contract.  |
| 9.  | <b>Pharmaceutical Society of Great Britain v. Boots Cash Chemist (1953)</b> | In this case, the defendant, a pharmaceutical company who introduced a new method of displaying the drugs for the shoppers, which could be used for purchasing drugs, and the plaintiff objecting to the same. The Court observed that "goods on a display are an invitation, not an offer" instead, the customers make an offer when they take the medicines to the register with the cashier being under the shopkeeper to accept the offer proposed. The Court reasoned that displaying medicines to the customers will be treated as an "invitation to treat", and not as an "offer". |
| 10. | <b>Fisher v Bell (1960)</b>   | <p>A shopkeeper was charged for offering for sale a flick knife prohibited by Restriction of Offensive Weapons Act 1959 s.1(1) that he had displayed the knife in his shop window.</p> <p>He was acquitted for the court held that displaying goods in window is an invitation to treat. He and the potential buyer can change their mind anytime.</p>  |
| 11. | <b>Spencer v Harding (1870)</b>   | Harding sent out a circular which stated an offer to the wholesale trade and must be cash payment. Spencer claimed that the advertisement was an offer which he should be accepted by submitting the highest tender. However, it held that the defendant didn't state in the circular that they will sell to the highest tender. A circular is not amount an offer unless it specific indicated.  |



## ACCEPTANCE

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| 12. | <b>Powell vs Lee (1908)</b>             | Communication must be received from the authorised person only. It should be communicated by the person who has authority to accept. Communication from the unauthorised person is no communication in the eyes of law   |
| 13. | <b>Felthouse vs bindley (1863)</b>      | Acceptance must be communicated to the offer only communication to any other person is no communication in the eyes of law. An offer cannot impose upon the offeree the burden of refusal of duty to reply. In other words silence cannot be prescribed as mode of acceptance.   |
| 14. | <b>Bhagwandas vs girdharilal (1966)</b> | In case where contract are concluded by postal communication the place of contract is where the letter of acceptance is dispatched. In case of instantaneous communication the place of contract is where the acceptance is heard  |
| 15. | <b>Adams v. Lindsell (1818)</b>         | <p>the defendant offered to sell the claimant fleeces of wool for a certain price. They requested that the response be made by post. This letter was misdirected by the defendant so that it was not received for 3 days after it was sent. The claimant decided to accept the offer and responded on the same day.</p> <p>This was posted on the 5th September but not received until the 9th September. However the defendant decided on the 8th September that as they had not received a response decided to sell the wool to someone else. The claimant argued that a contract had been created as he had accepted their offer.</p> <p>The Court confirmed that the delays were entirely the fault of the offeror. Had the letter been posted correctly then this scenario would in all likelihood not have arisen. Furthermore the contract was created on the 5th September when the acceptance was posted, not when it was received. While the agreement was not communicated to the offeror, it could not prevent the contract being created.</p> |



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| 16.                  | <b>Dunlop v Higgins, (1848)</b>      | <p>A offered, by post, to sell B some iron at a particular price. The letter reached B two days later, and B posted a letter of acceptance on the same day.</p> <p>Due to some delay, the letter reached A after over a fortnight, by which time the price of iron had risen. A refused to sell the iron to B at the original price. It was held that there was a binding contract.</p> <p>In case of communication by a non-instantaneous mode of communication, such as post or email,</p> <p>(a) an offer is complete as against the acceptor when the offeror puts it in a mode of transmission outside the control of the offeror, and</p> <p>(b) an acceptance is complete as against the offeror when the acceptor puts it in a mode of transmission.</p> |
| <b>CONSIDERATION</b> |                                      |  |
| 17.                  | <b>Durga Prasad vs Baldev (1880)</b> | If an act is done at the Desire of promise then it will furnish a good consideration .if the act is not done at the desire of promise then it will not be considered to be a consideration.  |
| 18.                  | <b>Tweedle vs Atkinson (1861)</b>    | It is necessary that the consideration must move from the promisee. Stranger to consideration cannot save  |
| 19.                  | <b>Chinnaya vs Ramya (1881)</b>      | Consideration for a contract need not necessarily flow from the parties to the contract.   |
| 20.                  | <b>Scotson vs Pegg (1861)</b>        | A Promise to do thing which the promisee is already bound to do under a contract can be a good consideration to support the contract.  |

# LINKING LAWS



## ESSENTIAL OF CONTACT

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| 21. | <b>Balfour v. Balfour (1919)</b> | <p>This case gave birth to the purpose behind the creation of the legal reaction theory in contract law.</p> <p>It was held that agreements that are made between a husband and his wife, specifically personal family relationships, to provide maintenance costs, and other related capitals are generally not categorized as contracts because in general, the parties to the agreement do not intend to enter into an agreement that should be attending legal ends. Therefore, a contract cannot be enforceable by nature if the parties to the same do not intend to create legal relations with each other.</p> |
| 22. | <b>White v Bluett (1853)</b>     | <p>A owed a sum of money as a promissory note to his father. He kept complaining of unequal treatment in the division of property, till his father told him that if he stopped complaining, he would waive A's debt.</p> <p>A stopped complaining and then refused to repay the debt when the father asked him to do so. It was held that A's stopping complaining did not amount to valid consideration.</p>  |

## PRIVITY TO CONTRACT

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| 23. | <b>Tweedle vs Atkinson (1861)</b>                        | <p>The Doctrine of Privity of contract was followed and it was held that no stranger to the consideration can take advantage of a contract also made for his benefit</p>  |
| 24. | <b>Jamna Das vs Pandit Ram avtar pandey (1911)</b>       | <p>position under Indian law- Supreme Court held that Doctrine of Privity of contract is applicable in India and stranger to the contract cannot sue.</p>   |
| 25. | <b>Dunlop Pneumatic Tyre Co. v. Selfridge Ltd (1915)</b> | <p>D supplied tyres to a wholesaler X, on condition that any retailer to whom X re-supplied the tyres should promise X, not to sell them to the public below Ds list price. X supplied tyres to S upon this condition, but nevertheless S sold the tyres below the list price. It was held that there was a contract between D and X and a contract between X and S. Therefore, D could not obtain damages from S, as D had not given any consideration for Ss promise to X nor was he party to the contract between D and X.</p> |



## CAPACITY TO SUE

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| 26. | <b>Mohri Bibi vs Dharamodas Ghose (1902)</b> | Indian Contract Act does not specifically Lays down the fate of agreement if it has been entered into by minor however it was authoritatively settled that minors. Agreement is absolutely void a minor can not make a promise enforceable by law. The court held that minor is not liable under section 64 and 65 of contract at to repay any money or compensate for any benefit  |
| 27. | <b>chappal versus Cooper</b>                 | Necessary is means such thing which are necessary to maintain a person according to his condition and life. What are necessary is may also depend upon the status of personnel and also his requirement at the time of actual delivery  |
| 28. | <b>Nash vs Inman (1908)</b>                  | The court held that in order to render minor's state liable for necessary to condition must be satisfied:-<br><br>Supply must be for goods reasonably necessary for his support in life, and<br><br>He must not already have sufficient supply of necessary at the time of delivery.  |
| 29. | <b>Leslie Ltd v. Sheill (1914)</b>           | The court laid down following proposition regarding doctrine of restitution in English law:-<br><br>If the minor obtained property or goods by misrepresenting his age he can be made liable to restore it but only so long as it is traceable in his possession<br><br>If minor has sold the goods are converted them he cannot be made to repay the value of the goods<br><br>Doctrine of restitution has no application with the minor has obtained money on cash instead of goods because restitution stops when repayment begins |



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