

## Formation of a Contract – Offer

Parties to a contract	Offeror	The person who makes the offer		
	Offeree	The person who the offer is made to (remember a counter offer can result in the offeree becoming the offeror and vice versa)		
Offer	Offer or invitation to treat	Offer	A proposal (or promise) showing a willingness to contract on firm and definite terms. Words such as 'might' or 'may be able to' are not definite enough to be an offer	Gibson v Manchester City Council (1979)
		Advertisement	Adverts are generally not an offer unless the advert creates a bilateral contract	Partridge v Crittenden (1968)
			Bilateral Contract – this requires both offeror and offeree to do something. Both parties have obligations	Carlill v Carbolic Smoke Ball Co (1898)
			Unilateral Contract – an agreement to pay in exchange for performance, if the potential performer chooses to act. There is no obligation to perform the act.	
		Goods in a shop window	Goods in a shop window or on a shelf are generally an invitation to treat. When the customer presents the goods at the checkout or the self-scanner s/he makes an offer that the shop is free to accept or reject.	Fisher v Bell (1961) Pharmaceutical Society of Great Britain v Boots Cash Chemists (1953)
		Lots at an auction	The bidder makes the offer that the auctioneer can either accept or reject	British Car Auctions v Wright (1972)
		A request for information	A request for an information and a reply to that request is not an offer. A request for information is not a counter offer that would revoke the original offer	Harvey v Facey (1893)
	Making and ending an offer	Who can make an offer	Anyone! Including an individual, a partnership, a limited company or other organisation. Employees or agents can make offers on behalf of the businesses/ their employer. Offers can also be made via a notice on a machine.	Thornton v Shoe Lane Parking (1971)
		To whom can an offer be made	Offers can be made to named individuals, to a group of people or to the world at large. Remember the Hoover flight offer.	Gibson v Manchester City Council (1979) Carlill v Carbolic Smoke Ball Co (1893)
		How long does an offer last	Offers can only be accepted whilst they are still open. Once an offer is closed it can no longer be accepted. An offer comes into existence when it is communicated to the offeree. Communication requires the offeree to be aware of the existence of the offer. Timing is critical <b>(in an exam question create a timeline of events)</b>	Taylor v Laird (1856) Stevenson v McLean (1880)
		How can an offer end	<b>Revocation</b> – an offer can be revoked (withdrawn) at any time before acceptance. The offeror must communicate the revocation to the offeree before acceptance takes place. If the offer is to the whole world revocation can take place on one of three ways; <ul style="list-style-type: none"> <li>By setting a time limit on the offer</li> <li>By the expiry of a reasonable time</li> <li>By publishing revocation of the offer in the same way as the original offer was made</li> </ul> However if a separate contract is made to keep the offer open or to only sell to one person with the agreed time and the offeror refuses to sell the offeree can seek to have the offer enforced. The offeror does not have to directly communicate the revocation provided the revocation is reliable that is enough. The courts will look to see how revocation was communicated to decide if it was reliable.	Routledge v Grant (1828) Dickinson v Dodds (1876)
			<b>Rejection</b> – Once an offer is rejected it can't be accepted. The rejection must be communicated for it to end the offer. The easiest way is the offeree saying NO! A counter offer is also a rejection. However, enquires are generally seen as a request for information and not a counter offer.	Hyde v Wrench (1840)
			Lapse of time – clear when this a fixed period of time. When this ends so does the offer. Problems arise when no time is set, in this situation the time is a reasonable time. What is a reasonable time depends on the nature of the offer, you would expect an offer to buy a metal tank to be open longer than an offer to buy a cake.	Ramsgate Victoria Hotel v Montefiore (1866)
			Death – This depends of which party died and the nature of the type of contract involved. Offeree dies – offer ends and those dealing with the estate can accept on his/her part. However, the executors/ administrators of the estate can make a new offer. Offeror dies – acceptance can still take place until the offeree learns of the offeror's death. However, if the offer is to perform a personal service the offer ends on death.	
			Acceptance - Once an offer has been accepted there is an agreement, and assuming that the other essential features of a contract have been fulfilled, there is a legally binding contract.	