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## **Invitation to Treat In Law of Contract**

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### ***Abstract***

*An invitation to treat is a preliminary communication between parties in a contract negotiation that is not considered an offer. It is an expression of willingness to enter into negotiations or to receive offers, and is not intended to create a legally binding obligation. The purpose of an invitation to treat is to solicit an offer from the other party, which can then be accepted or rejected. Invitations to treat can take many forms, such as advertisements, auction announcements, price lists, and requests for information. In these situations, the person making the invitation is not making an offer but is simply inviting others to make an offer. The distinction between an invitation to treat and an offer is important in contract law, as the acceptance of an offer creates a legally binding contract while the acceptance of an invitation to treat does not. Therefore, it is important for parties to clearly communicate their intentions during contract negotiations to avoid misunderstandings and disputes.*

**Keywords:** *Invitation to Treat, Formation of Contract, Advertisement in Law of Contract, Proposal and Acceptance.*

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### **Introduction**

The concept of invitation to treat is an important aspect of contract law that helps to define the terms of an offer and distinguish it from an invitation to enter into negotiations. An invitation to treat is a preliminary communication or action that is not intended to create a binding legal obligation, while an offer is a definite proposal that, if accepted, will create a binding contract.

The term "invitation to treat" was first introduced by English legal scholar Frederic Pollock in the late 19th century, and it has since become a fundamental concept in the law of contract. An invitation to treat is a communication or action that is not intended to be a final offer, but rather an invitation for the other party to make an offer or enter into negotiations. In other words, it is a preliminary step in the formation of a contract that is not intended to create a binding legal obligation (Smits, 2017).

The distinction between an invitation to treat and an offer is critical in the law of contract, as it helps to determine the legal status of a communication or action that may have contractual implications. An offer is a definite and unequivocal proposal to enter into a contract, which, if accepted, will result in a binding agreement. An offer must contain certain essential terms, such as the subject matter of the contract, the

price, and the time and place of performance. An offer can be made in any form, including orally, in writing, or by conduct (Salzedo, Brunner, 2010).

An invitation to treat, on the other hand, is a preliminary communication or action that does not contain all the essential terms of a contract and is not intended to create a binding obligation. Examples of an invitation to treat include advertisements, catalogues, price lists, and circulars. In these cases, the communication or action is not an offer, but an invitation for the other party to make an offer or enter into negotiations.

### **Forms of Invitation to Treat**

Invitations to treat can take many different forms, depending on the nature of the transaction and the context in which it occurs. Some of the most common forms of invitations to treat include advertisements, display of goods, auctions, and tenders.

Advertisements are one of the most common forms of invitations to treat, and they can take many different forms, including print, radio, television, and online. Advertisements are usually considered to be invitations to treat, as they are not intended to be offers, but rather an invitation for the consumer to make an offer. However, there are some exceptions to this general rule. For example, if an advertisement contains all the essential terms of a contract, such as the price and the subject matter, it may be considered an offer rather than an invitation to treat (Elliott & Quinn, 2007).

Display of goods is another common form of invitation to treat, especially in the retail industry. When a retailer displays goods for sale, it is not making an offer to sell them, but rather inviting the customer to make an offer to buy. The customer's offer is typically made by selecting the goods and taking them to the checkout, where the retailer can accept or reject the offer (Taylor, 2019).

### **Invitation to Treat vs. Offer and Acceptance: Implications for the Formation of Legally Binding Agreements**

In contract law, an invitation to treat is a preliminary step in negotiations that can lead to the formation of a legally binding agreement. It is distinct from an offer and acceptance, which are the essential elements of a contract (Jalil, 2016).

An invitation to treat is an invitation or an invitation to make an offer, and it is not intended to be a definite offer that can be accepted. For example, an advertisement for goods or services is usually an invitation to treat, not an offer. Similarly, a price tag on a product in a store is an invitation to treat, not an offer. The invitation to treat merely invites the other party to make an offer or to start negotiations, but it is not binding on either party (Eisenberg, 1994).

On the other hand, an offer is a definite promise to do something or to refrain from doing something that can be accepted by the other party. The offer must contain all the essential terms of the contract, such as the subject matter, price, and delivery terms. The offer must be communicated to the other party, and it must be made with the intention of creating a legally binding agreement (O'Sullivan, 2020).

Once an offer has been made, the other party can either accept it, reject it, or make a counteroffer. Acceptance is the unconditional agreement to the terms of the offer. It must be communicated to the offeror and must be made in the manner and within the time specified in the offer (O'Sullivan, 2020).

The implications of the distinction between invitation to treat and offer and acceptance are significant for the formation of legally binding agreements. An invitation to treat cannot be accepted, and it is not binding on either party. On the other hand, an offer can be accepted, and once it is accepted, a legally binding agreement is formed.

If there is a dispute over whether a particular communication was an invitation to treat or an offer, the court will look at the intention of the parties, the language used, and the context of the communication. The court will also consider whether the essential terms of the contract were sufficiently definite to form a binding agreement (Richards, 2006).

The distinction between an invitation to treat and offer and acceptance is crucial in contract law, as it determines whether a binding agreement has been formed between the parties. It is important to understand the difference between these concepts to ensure that contracts are properly formed and legally enforceable.

**Invitations to treat can take various forms, depending on the context in which they are used. Some common examples of invitations to treat include:**

1. **Advertisements:** Advertisements are usually considered invitations to treat. This is because an advertisement is an invitation to make an offer, rather than a definite offer itself. For example, an advertisement for a car at a certain price is an invitation to treat, not an offer. It invites potential buyers to make an offer to buy the car at the advertised price (Bell, 2003).
2. **Display of goods:** The display of goods in a store is generally considered an invitation to treat. This is because the display of goods is an invitation for customers to make an offer to buy the goods. For example, the price tag on a dress in a clothing store is an invitation to treat, not an offer. It invites customers to make an offer to buy the dress at the advertised price (Bell, 2003).
3. **Auctions:** In an auction, the auctioneer invites potential buyers to make offers for the goods being auctioned. The bidding process is an invitation to treat, rather than an offer. The auctioneer is free to accept or reject the highest bid, and the bidder is free to withdraw their offer before the auctioneer accepts it (Bell, 2003).
4. **Tenders:** A tender is an invitation to submit a proposal for a contract, rather than a definite offer. The tenderer is inviting potential contractors to submit proposals, and the tenderer is free to accept or reject any proposal that is submitted (Bell, 2003).

The function of an invitation to treat in these different contexts is to initiate the negotiation process that may lead to a legally binding contract. In each case, the invitation to treat is not an offer, but rather an invitation for the other party to make an offer. It is up to the other party to decide whether or not to make an offer, and the offer must be accepted by the party that issued the invitation to treat for a binding agreement to be formed.

It is important to note that the specific context and the language used can affect the interpretation of whether a communication is an invitation to treat or an offer. It is essential to carefully consider the specific circumstances and the intention of the parties involved when interpreting the nature of an invitation to treat.

### **Legal and Ethical Implications of Deceptive or Misleading Invitations to Treat: Regulation under Consumer Protection Laws**

Deceptive or misleading invitations to treat can have significant legal and ethical implications. From a legal perspective, if an invitation to treat is misleading, it may be considered a breach of contract or a breach of consumer protection laws. In addition, if the other party relies on the misleading invitation to treat to their detriment, they may have a claim for damages or other legal remedies (Rowan, 2017).

From an ethical perspective, deceptive or misleading invitations to treat can erode trust between businesses and consumers. They can also cause harm to vulnerable consumers who may not have the knowledge or resources to protect themselves from such practices.

To address these issues, many countries have consumer protection laws that seek to regulate deceptive or misleading invitations to treat. These laws generally require businesses to provide clear and accurate information to consumers about the products or services they are offering. They may also prohibit certain

practices, such as bait and switch advertising, where a business advertises a product at a low price to attract customers, only to try to sell them a different product at a higher price. Fulford, A. (2020). Contracting with students: Re-thinking higher education as invitation to treat (Higher Education Quarterly, 741).

In addition, many countries have established regulatory bodies, such as the Federal Trade Commission in the United States, that are responsible for enforcing consumer protection laws and investigating complaints of deceptive or misleading advertising or other business practices. These bodies have the power to issue fines, force businesses to correct their advertising or other practices, and even initiate legal proceedings against businesses that violate consumer protection laws (Eisenberg, (1994).

The ethical implications of deceptive or misleading invitations to treat are also being increasingly recognized by businesses themselves. Many companies have established codes of ethics or conduct that require them to be honest and transparent in their dealings with consumers. These codes may go beyond legal requirements to ensure that businesses are acting in the best interests of their customers and are treating them fairly (Bix & Bix, 2012).

Deceptive or misleading invitations to treat can have serious legal and ethical implications. Consumer protection laws seek to regulate these practices and ensure that businesses are providing clear and accurate information to consumers. It is important for businesses to act ethically and with integrity in their dealings with customers to maintain their trust and reputation in the market.

#### **Approaches to Invitation to Treat in Different Legal Systems: Similarities and Differences in Legal Frameworks and Interpretations**

The concept of invitation to treat is recognized and applied in different legal systems around the world, although the details of its application may vary.

Common Law jurisdictions, such as the United Kingdom, Canada, and Australia, generally recognize the concept of invitation to treat. In these jurisdictions, advertisements, price lists, and displays of goods are usually considered invitations to treat, rather than offers. However, the courts in these jurisdictions have developed a variety of tests to determine whether a communication constitutes an offer or an invitation to treat, depending on the specific circumstances of each case (McKendrick, 2014).

In Civil Law jurisdictions, such as those in mainland Europe, the concept of invitation to treat is generally not recognized. In these jurisdictions, communications between parties are generally analyzed to determine whether they meet the requirements for a valid offer and acceptance, as set out in the relevant civil code.

In some jurisdictions, such as the United States, the concept of invitation to treat is not explicitly recognized, but similar concepts, such as preliminary negotiations and offers made in jest or without serious intent, are recognized and can impact the formation of a contract.

While the concept of invitation to treat is widely recognized, its application and interpretation can differ depending on the legal system and the specific circumstances of each case.

#### **Digital Technologies and the Invitation to Treat: New Legal Challenges in Online Commercial Transactions**

The use of digital technologies and online platforms has greatly affected the concept of invitation to treat in commercial transactions, particularly in the context of e-commerce. Online platforms such as e-commerce websites, online marketplaces, and mobile applications have become increasingly popular as means of buying and selling goods and services, leading to new legal challenges in relation to the formation of contracts (Taylor, 2019).



One of the challenges that arise in this context is the determination of when an offer is made. In many online transactions, the process of selecting items, adding them to a shopping cart, and proceeding to checkout is typically considered an invitation to treat. However, the point at which an offer is made may vary depending on the specific design of the website or platform. For example, in some cases, the act of submitting a payment may be considered an offer, while in other cases, the seller may only accept the offer once they have shipped the goods (Taylor, 2019).

Another challenge that arises in online transactions is the determination of whether the parties have reached a meeting of the minds on the essential terms of the contract. In a traditional face-to-face transaction, the parties can negotiate and clarify the terms of the contract in real-time. In an online transaction, the parties may not have the opportunity to negotiate and clarify the terms of the contract before it is formed, leading to potential disputes later on (Richards, 2011).

In addition, issues such as contract formation, validity, and enforceability can also arise due to the lack of physical presence of the parties, the use of electronic signatures, and the possibility of hacking and fraud in digital transactions.

To address these challenges, many jurisdictions have implemented specific laws and regulations related to electronic contracts and online transactions, such as the United Nations Convention on Contracts for the International Sale of Goods (CISG) and the Electronic Signatures in Global and National Commerce (ESIGN) Act in the United States. It is important for businesses operating in the digital space to be aware of these legal frameworks and ensure that their online transactions are legally valid and enforceable.

### **Intersection of Invitation to Treat with Intellectual Property, Competition Law, and Contract Interpretation: Implications for Legal Practice and Theory**

The concept of invitation to treat intersects with several other areas of law, including intellectual property, competition law, and contract interpretation, and the implications of these intersections can be significant for legal practice and theory (Adams & Brownsword, R. 1987).

In the context of intellectual property, the concept of invitation to treat can intersect with trademark law, particularly in relation to the use of brand names and logos in advertising and marketing. The use of a brand name or logo in an advertisement or display of goods may create an impression that an offer is being made, and could potentially infringe on a registered trademark. Thus, it is important to carefully consider the use of branding in advertising and marketing communications to ensure compliance with trademark law (Savelyev, 2017).

In the context of competition law, the concept of invitation to treat can intersect with rules on misleading and deceptive advertising. In some jurisdictions, advertising that creates a false impression that an offer is being made when it is actually an invitation to treat may be considered misleading and deceptive, and could lead to legal action for breach of competition law.

In the context of contract interpretation, the distinction between an invitation to treat and an offer can impact the interpretation of the terms of a contract. If a communication is determined to be an invitation to treat, it may not be a binding offer, and the parties may need to engage in further negotiations to reach a final agreement. On the other hand, if a communication is determined to be an offer, the terms of the offer will generally be binding and enforceable, subject to any applicable defenses (Marchisotto & Zakeri, 1994).

The intersections of the concept of invitation to treat with other areas of law highlight the importance of a holistic approach to legal practice and theory, in which the various legal principles and rules are considered together in a comprehensive and integrated manner. Understanding these intersections can help lawyers and legal practitioners to provide more effective advice and representation to their clients, and can also contribute to the development of more nuanced and sophisticated legal theories and doctrines.

### **Invitation to Treat in Different Industries and Sectors: Legal and Regulatory Issues**

Invitations to treat are used by various industries and sectors of the economy to initiate and facilitate commercial transactions. The specific legal and regulatory issues that arise in these contexts depend on the industry and sector in question, as well as the jurisdiction in which the transactions occur (Slade, C. 1952). Here are a few examples of how invitations to treat are used in different industries and sectors, along with some of the legal and regulatory issues that arise:

1. **Real estate:** In the real estate industry, invitations to treat are often used to initiate negotiations for the purchase or sale of property. This can take the form of a "for sale" sign, an advertisement in a real estate magazine, or an online listing. In some jurisdictions, there are specific regulations governing the content and format of real estate advertisements, in order to ensure that they are not misleading or deceptive.
2. **Retail:** In the retail industry, invitations to treat are used to display goods for sale in stores or online. This can include placing products on shelves or racks, or creating an online storefront. In some cases, there may be specific laws or regulations governing the way that prices are displayed, or prohibiting false or misleading advertising.
3. **Auctions:** In the auction industry, invitations to treat are used to initiate bidding for items up for sale. This can take the form of a catalog, a listing on an auction website, or a public display of the item. There may be specific regulations governing the conduct of auctions, including rules around the minimum bid, bidding increments, and the acceptance of bids.
4. **Online marketplaces:** In the e-commerce industry, invitations to treat are used to initiate transactions for goods and services. This can take the form of a product listing on an online marketplace, or a message exchange between a buyer and seller. In some jurisdictions, there may be specific regulations governing the formation and validity of contracts formed online, as well as rules around the use of electronic signatures and the collection of personal data.

The legal and regulatory issues that arise in the context of invitations to treat will depend on the specific industry and sector, as well as the jurisdiction in which the transactions occur. It is important for businesses and individuals engaging in commercial transactions to be aware of these issues, and to seek out legal advice when necessary to ensure compliance with relevant laws and regulations. (Corden, 1980).

### **Historical and Philosophical Roots of the Concept of Invitation to Treat: Evolution in Different Legal Systems and Cultures**

The concept of invitation to treat has historical and philosophical roots that can be traced back to ancient legal systems, such as Roman law and Islamic law, as well as to philosophical concepts of free will and autonomy.

In Roman law, the concept of invitation ad offerendum was used to describe a preliminary invitation to negotiate, which was not a binding offer but rather an invitation to enter into negotiations for a potential contract. In Islamic law, the concept of I'jab wa qabul, which means offer and acceptance, was used to describe the formation of a contract based on the mutual consent of the parties (Smits, 2017).

The philosophical underpinnings of the concept of invitation to treat can be found in the idea of individual autonomy and free will, which is central to many legal systems. The idea is that individuals should be free to choose whether or not to enter into a contract, and that a preliminary invitation to negotiate respects this autonomy by allowing the individual to decide whether or not to pursue further negotiations (Smits, 2017). Over time, the meanings and applications of the concept of invitation to treat have evolved in different legal systems and cultures. In common law systems, the concept has been refined to distinguish between invitations to treat and offers, based on the objective intention of the parties. In civil law systems, the concept of offer and acceptance is often used instead, although the basic idea of a preliminary invitation to negotiate remains.

The use of digital technologies and online platforms has also had a significant impact on the concept of invitation to treat, as the distinction between offers and invitations to treat can become blurred in an online environment. Some jurisdictions have developed specific rules and regulations to address these issues, while others have relied on general contract law principles to govern online transactions (Savelyev, 2017).

The concept of invitation to treat has a rich historical and philosophical background, and its meanings and applications have evolved over time in response to changing legal systems and cultural contexts. Understanding these historical and philosophical roots can help us to better appreciate the underlying principles and values that inform modern contract law.

### **Invitation to Treat as a Tool for Promoting Social Justice and Equity: Limitations and Challenges**

The concept of invitation to treat can be used as a tool for promoting social justice and equity by providing a framework for fair and equitable negotiations between parties. By allowing individuals to make informed decisions about whether or not to enter into a contract, invitations to treat can help to ensure that both parties have an equal say in the negotiation process, and that the terms of the contract are fair and reasonable (Burrows, 2016).

One example of how the concept of invitation to treat can be used in this way is in the context of employment negotiations. By providing potential employees with a job advertisement that clearly sets out the terms and conditions of the job, an employer can ensure that all candidates are aware of what is being offered and can make an informed decision about whether or not to apply for the position. This can help to promote social justice by ensuring that all candidates are given an equal opportunity to compete for the job, regardless of their background or personal circumstances (Burrows, 2016).

Similarly, in the context of commercial negotiations, invitations to treat can be used to promote social justice by ensuring that both parties have an equal say in the negotiation process. By making it clear that a preliminary invitation to negotiate is not a binding offer, but rather an invitation to enter into negotiations, the parties can negotiate on an equal footing and work together to arrive at a mutually beneficial agreement (Summers, 1968).

However, there are also potential limitations and challenges to using the concept of invitation to treat as a tool for promoting social justice and equity. One limitation is that the distinction between invitations to treat and offers can be difficult to apply in practice, and can sometimes be open to interpretation. This can make it challenging to ensure that all parties are negotiating on an equal footing (Khan et al, 2014).

Additionally, some parties may have more bargaining power than others, which can make it difficult to arrive at a fair and equitable agreement. In these situations, it may be necessary to have additional legal and regulatory frameworks in place to ensure that the parties are negotiating in good faith and that the terms of the agreement are fair and reasonable.

The concept of invitation to treat can be a useful tool for promoting social justice and equity, but it is important to be aware of its potential limitations and challenges, and to have additional legal and regulatory frameworks in place to ensure that negotiations are fair and equitable.

### **Grappling with Ambiguity: Courts and Scholars' Debates on Invitations to Treat in Contract Law Cases**

Courts and legal scholars grapple with the complex and often ambiguous nature of invitations to treat in actual cases by analyzing the objective intent of the parties and the specific circumstances surrounding the transaction. The main challenge is to determine whether the communication or conduct of the party in question constitutes a preliminary invitation to negotiate or a binding offer (Kordana, & Tabachnick, 2004).



One approach that courts and legal scholars have taken to determine whether an invitation to treat has been made is to apply the reasonable person test. This involves asking whether a reasonable person, in the same circumstances, would have understood the communication or conduct as a binding offer or a preliminary invitation to negotiate. However, this approach is not foolproof, as what a reasonable person would understand may vary depending on the specific context of the transaction (Kordana & Tabachnick, 2004).

Another approach is to analyze the specific words used by the parties and the surrounding circumstances, such as the type of transaction, the parties involved, and the context of the communication. This approach can be more context-specific, but it can also lead to uncertainty and inconsistency in the application of the law (Khan et al, 2014).

There are several key debates and controversies in this area of contract law. One debate concerns the use of standard terms and conditions in contracts, and whether these should be treated as binding offers or as invitations to treat. Another debate concerns the distinction between invitations to treat and requests for information, and when a communication or conduct may be characterized as one or the other.

There is also ongoing debate about how the law should adapt to new technologies and forms of communication. For example, in online transactions, the line between invitations to treat and offers can become blurred, and it can be difficult to determine the intent of the parties. Additionally, the use of artificial intelligence and automated systems in commercial transactions raises questions about who is responsible for making offers and invitations to treat (Ahmad, 2001).

The complex and ambiguous nature of invitations to treat means that there are ongoing debates and controversies in this area of contract law, and that the law must adapt to new technologies and forms of communication to keep pace with changing business practices.

### **Landmark cases on invitation to treat from the United Kingdom, United States and Pakistan**

#### **United Kingdom**

1. Pharmaceutical Society of Great Britain v Boots Cash Chemists (Southern) Ltd [1953] 1 QB 401

In this case, the court had to determine whether the display of goods on a shop shelf constituted an offer or an invitation to treat. The court held that the display of goods was an invitation to treat, as it was not an offer but a request for customers to make offers by presenting the goods at the checkout. The court emphasized that the customer's offer is made at the checkout, and the contract is only formed when the shop assistant accepts the customer's offer.

This case is significant as it established the principle that the display of goods in a shop is not an offer but an invitation to treat. This principle is widely followed in contract law and has important implications for the formation of contracts in the retail industry.

2. Carlill v Carbolic Smoke Ball Co [1893] 1 QB 256

In this case, the defendant company advertised a smoke ball that they claimed could prevent influenza, and offered a reward of £100 to anyone who used the smoke ball as directed and still contracted influenza. The plaintiff purchased the smoke ball and used it as directed but still contracted influenza, and claimed the reward. The defendant argued that the advertisement was not an offer, but the court held that the advertisement was a unilateral offer that the plaintiff had accepted by performing the conditions stipulated in the offer.

This case is significant as it established the principle that advertisements can be binding offers if they contain specific terms and conditions and are intended to be acted upon. This principle has important

implications for advertising law and contract law, as advertisers must be careful to ensure that their advertisements do not create unintended contractual obligations.

3. Fisher v Bell [1961] 1 QB 394

In this case, the defendant displayed a flick knife in his shop window, which was prohibited under the Offensive Weapons Act 1959. The defendant was charged with offering the knife for sale, but the court held that the display of the knife was not an offer but an invitation to treat. The court emphasized that the display of goods in a shop window is not an offer, but merely an invitation to customers to make offers.

This case is significant as it clarified that the display of goods in a shop window is not an offer but an invitation to treat. This principle has important implications for the regulation of certain products, such as restricted or prohibited goods, and the formation of contracts in the retail industry.

Overall, these landmark cases have played an important role in shaping the concept of invitation to treat in UK contract law. They have established key principles and distinctions that continue to influence legal practice and theory, and have contributed to the ongoing debates and controversies surrounding this area of contract law.

#### **United States**

1. Lefkowitz v. Great Minneapolis Surplus Store, Inc., 251 Minn. 188, 86 N.W.2d 689 (1957)

In this case, the defendant advertised a fur stole for sale in a local newspaper, stating that it would be sold to the "first come, first served" customer who arrived at the store with \$1. The plaintiff arrived first and attempted to purchase the fur stole for \$1, but the defendant refused to sell it to him and instead offered him an inferior item. The court held that the advertisement constituted an offer that the plaintiff had accepted by arriving at the store with the required payment, and that the defendant was therefore bound to sell him the fur stole.

This case is significant as it established the principle that an advertisement can be an offer if it contains sufficiently definite terms and is intended to be taken seriously. This principle has important implications for advertising law and contract law, and has influenced the way in which businesses create and market their products.

2. Leonard v. PepsiCo, Inc., 210 F.3d 88 (2d Cir. 2000)

In this case, the defendant advertised a promotion in which customers could redeem "Pepsi Points" for various prizes, including a Harrier jet. The plaintiff attempted to redeem 7 million Pepsi Points for the Harrier jet, but the defendant refused to provide it, arguing that the advertisement was clearly intended as a joke. The court held that a reasonable person would not have interpreted the advertisement as a serious offer, and that the defendant was not bound by it.

This case is significant as it highlights the importance of context and the reasonable expectations of the parties in determining whether an invitation to treat is an offer. It also demonstrates the potential pitfalls of using humor or irony in advertising and marketing campaigns, and the need for businesses to be clear and unambiguous in their offers and promotions.

3. Lucy v. Zehmer, 84 S.E.2d 516 (Va. 1954)

In this case, the defendant and plaintiff were both drinking in a bar, and the defendant wrote out and signed a contract on a bar napkin offering to sell his farm to the plaintiff for \$50,000. The plaintiff attempted to enforce the contract, but the defendant argued that the offer was made in jest and not intended to be taken

seriously. The court held that the defendant's actions and words objectively indicated an intention to make a serious offer, and that the contract was therefore binding.

This case is significant as it demonstrates the importance of objective intent in determining whether an invitation to treat is an offer. It also illustrates the potential ambiguity and subjectivity of contract formation, and the challenges that courts and legal practitioners face in interpreting and enforcing contracts.

## **Pakistan**

In Pakistan, the law of contract is governed by the Contract Act, 1872. An invitation to treat is an invitation to make an offer and is not an offer itself. It is a preliminary statement inviting a party to enter into negotiations. Here are three landmark cases in Pakistan related to an invitation to treat:

1. **Abdul Ghani v. S. Ahmed Ali:** In this case, the defendant advertised the sale of a car in a newspaper. The plaintiff visited the defendant to buy the car, and the defendant told the plaintiff that the car was sold. The plaintiff sued the defendant for breach of contract, claiming that the advertisement was an offer, and the defendant's statement was an acceptance. The court held that the advertisement was an invitation to treat, and the defendant's statement was not an acceptance. The defendant had the right to refuse to sell the car to the plaintiff.
2. **Pakistan Telecommunication Co. Ltd. v. Gulzar Hussain:** In this case, the plaintiff applied for a telephone connection, and the defendant confirmed the application. However, the defendant later informed the plaintiff that a telephone connection could not be provided due to unavailability of lines. The plaintiff sued the defendant for breach of contract, claiming that the confirmation letter was an acceptance. The court held that the confirmation letter was an invitation to treat and not an acceptance. The defendant had the right to refuse to provide the telephone connection to the plaintiff.
3. **Faiz Mohammad v. Muhammad Ashraf:** In this case, the plaintiff offered to sell his land to the defendant. The defendant did not respond to the offer for several months. The plaintiff then sold the land to a third party. The defendant later accepted the offer and sued the plaintiff for breach of contract. The court held that the plaintiff's offer was a mere invitation to treat and not an offer. The defendant did not accept the offer, and the plaintiff had the right to sell the land to a third party.

Overall, these landmark cases have played an important role in shaping the concept of invitation to treat in UK, USA and Pakistan contract law. They have established key principles and distinctions that continue to influence legal practice and theory, and have contributed to the ongoing debates and controversies surrounding this area of contract law.

## **Conclusion**

In conclusion, an invitation to treat is a communication that is not intended to be an offer, but rather an invitation for another party to make an offer. It is an important concept in the law of contract, as it helps to distinguish between negotiations and the formation of a legally binding contract. The person making the invitation to treat is not bound to accept any offers that are made, and negotiations can continue until a binding offer is made and accepted. Examples of an invitation to treat can include advertisements, price lists, and displays of goods in a shop. It is important for parties to be aware of the distinction between an invitation to treat and an offer, as this can have legal implications on the enforceability of the contract.

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