

A fine clothing store placed an advertisement in a local newspaper that read: "Sale! This weekend only, fur coats for as low as \$100!" A local shopper read the advertisement and drove to the clothing store that weekend. All the fur coats were priced between \$500 and \$1,500. The shopper inquired about the sale. The salesperson told her that the advertisement was incorrect because the sale was not scheduled to occur until the following weekend. The shopper replied, "Why don't you just sell me one of these coats for \$100 today?" The salesperson refused, and the shopper angrily left the store.

If the shopper sues the store for breach of contract, will she be likely to prevail?

- A. No, because the shopper's question was too equivocal to be an acceptance of the store's offer.
- B. No, because the store's advertisement was merely an invitation to negotiate.
- C. Yes, because the shopper detrimentally relied on the store's advertisement by driving to the store.
- D. Yes, because the shopper had accepted the store's general offer to sell a fur coat for \$100.

## Explanation:

**Advertisements** are generally considered **invitations to negotiate** or solicitations of offers, which create no power of acceptance in the recipient. However, an advertisement can constitute a **general offer**—the acceptance of which creates a binding contract—if the **advertisement**:

specifies the **subject matter, quantity, and price** *and*  
places a **reasonable limit** on **who can accept** the offer.

Here, the clothing store placed an advertisement in the newspaper stating that fur coats (subject matter) would be sold for as low as \$100 (price). However, the ad failed to specify the quantity of fur coats to be sold at this price and placed no limit on who could accept. As a result, the ad was merely an invitation to negotiate. And since there was no offer that could be accepted, the shopper is unlikely to prevail in her breach-of-contract suit.

**(Choices A & D)** An acceptance must be unequivocal to bind either party. Here, the shopper's question—"Why don't you just sell me one of these coats for \$100 today?"—was unequivocal since it clearly indicated her intent to purchase a coat. But her attempted acceptance was ineffective since there was no offer.

**(Choice C)** Under the doctrine of **promissory estoppel**, an unaccepted offer may become irrevocable if the offeree reasonably relies on it and suffers a substantial detriment as a result. But here, the store's advertisement was not an offer. And even if it were, the shopper did not suffer a *substantial* detriment by driving to the store.

## Educational objective:

Advertisements are generally considered invitations to negotiate instead of offers to form contracts. However, an advertisement can constitute a general offer if it (1) specifies the subject matter, quantity, and price and (2) places a reasonable limit on who can accept the offer.

## References

Restatement (Second) of Contracts § 26 cmt. b (Am. Law Inst. 1981) (explaining that an advertisement is not an offer unless it contains language of commitment).

## Advertisements

**Invitation to negotiate**  
(acceptance  $\neq$  contract)



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**General offer**  
(acceptance = contract)

