

A restorer of classic cars offered to completely repair and refurbish his neighbor's car for \$35,000. The neighbor was anxious to return her classic car to its former glory but had not expected the restoration to cost \$35,000. She said to the restorer, "The car is already in good condition. Will you consider taking \$29,000 to restore it?" The restorer was incensed and said, "Absolutely not!" The neighbor then agreed to pay the restorer \$35,000 to restore her car.

Is there a binding contract between the restorer and the neighbor for the restoration of the classic car?

- A. No, because the neighbor's statement was both a rejection of the restorer's offer and a counteroffer that the restorer did not accept.
- B. No, because the restorer is a merchant with respect to car restoration and his offer to restore the car was not firm.
- C. Yes, because the neighbor's statement was a valid acceptance that contained only minor additional terms.
- D. Yes, because the neighbor's statement was not a rejection of the restorer's offer but rather an inquiry into different terms.

Explanation:

Contracts for services (eg, restoration) are governed by the common law, which follows the **mirror-image rule** for contract formation. Under this rule, an **acceptance** must match the terms of the offer exactly. A purported acceptance that contains **different or additional terms** acts as a **rejection** of the original offer and as a **counteroffer**. However, mere **suggestions or inquiries** that the offeror is free to accept or reject **do not**. The offeree can therefore accept the original offer in spite of such suggestions or inquiries.

Here, the restorer offered to repair and refurbish the neighbor's classic car for \$35,000. Although the neighbor asked if the restorer would consider taking \$29,000 instead, this was a mere inquiry that the restorer could accept or reject—not a rejection of the restorer's offer and a counteroffer **(Choice A)**. Therefore, the neighbor's subsequent acceptance of the restorer's \$35,000 offer was effective and created a binding contract between them for the restoration of the classic car.

(Choice B) Under the UCC, a merchant's offer to buy or sell *goods* is **firm** (ie, irrevocable) if it is written, is signed by the merchant-offeror, and provides assurances that it will remain open for a period of time. However, the UCC does not apply to contracts for *services* (as seen here).

(Choice C) Under the UCC **battle-of-the-forms rule** for contract formation, an acceptance that contains revised or new terms is *valid* unless it is expressly conditioned on the offeror's assent to those terms. But this contract is governed by the common law mirror-image rule, under which an acceptance that contains different or additional terms (not seen here) is *invalid*.

Educational objective:

Under the mirror-image rule, a purported acceptance that contains different or additional terms acts as a rejection and as a counteroffer; however, mere suggestions or inquiries that the offeror is free to accept or reject do not.

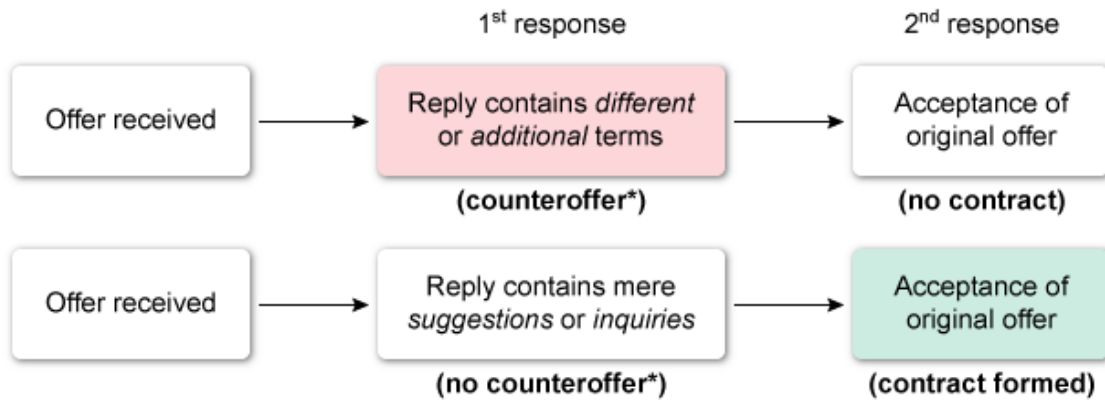
UCC = Uniform Commercial Code

References

17A Am. Jur. 2d Contracts § 80 (2020) (necessity that acceptance comply with offer, generally).

17A Am. Jur. 2d Contracts § 86 (2020) (collateral or immaterial matters; inquiries, requests, suggestions, or directions).

Contract formation under the mirror-image rule



*Counteroffer = rejection of original offer + new offer.

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