

## Byrne & Co v Leon Van Tien Hoven & Co [1880] 5 CPD 344

<https://lawcasesummaries.com/knowledge-base/byrne-co-v-leon-van-tien-hoven-co-1880-5-cpd-344/>

### Facts

- Tienhoven was a company based in New York.
- On 1 October, they sent a letter to Byrne & Co (in Cardiff, Wales) offering 1,000 tinplates for sale
- Byrne & Co received the letter on 11 October, and telegraphed their acceptance on that day.
- In the interim, however, on 8 October, Tienhoven & Co had actually sent a letter revoking their offer because the price of tinplates had suddenly surged.
- Byrne & Co sued stating it was a breach of contract, whereas Tienhoven & Co argued that as per the postal acceptance rule, their offer was revoked as of 8 October.

### Issue

- How does the postal rule affect the revocation of an offer?

### Held

- Lindley J explained that the reason for the postal acceptance rule is that there is an implication that the act of posting the acceptance will constitute acceptance of the contract (rather than when it is communicated to the offeror).
- He drew a distinction between this and when an offer is revoked, stating there was no principle that said the same could stand for when an offer is revoked
- One of the key reasons for this appeared to be policy based, as if the postal acceptance rule did apply to revoking offers then when a person *did* post their acceptance of an offer, they wouldn't know if their acceptance had been "successful" until they'd waited a few days (or more) to see if a letter revoking the offer arrived.
- Therefore the date that a revocation is effective is the day when it is actually communicated to the offeree.
- Therefore Tienhoven & Co was in breach of the contract.

### Significance

- This decision is an authority for the principle that an offer will generally only be revoked when the revocation has been communicated to the offeree.