

NARESH
DHAWAN

For B.Com (Prog.) I.Yr.,
II Semester

Business Laws
Sale of Goods Act, 1930
Transfer of Property Act, 1930
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(5)

Separating the goods from the remaining goods for delivering the goods to Buyer. This appropriation of goods must be unconditional which means without reserving the right of disposal.

Reservation of right of disposal of Goods means reserving the right on goods until the conditions imposed by the seller are fulfilled. For Example — Reserving right of disposal till price of goods is paid or Bill of Exchange is accepted for the same.

Sale By Non owner -

The rule of law is that only the owner of goods has a right to sell the goods. If a thief who has stolen the goods sells these stolen goods and the purchaser purchases these goods by paying full price and without having any knowledge of the goods stolen by seller (in good faith), even then the Buyer will have no right a

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The goods and the Buyer will have to return the goods to the true owner. It is because of the principle of law -

"No one can transfer to the other what one himself does not have, has."

Hence only the owner has a right to sell the goods. The non-owner has no right to sell the goods. However following are the exceptions to this rule -

① Title By Estoppel = where the true owner makes the Buyer to believe that the seller has the authority to sell then later such owner will not be permitted to challenge the authority of the seller to sell.

② Sale by mercantile Agent = If the goods are sold by a mercantile agent who is in possession of the goods with the consent of the owner and he sells the goods in the ordinary course of his business, the Buyer will get ownership even if that mercantile

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agent had no authority to sell provided the Buyer has acted in Good faith.

③ Sale by a Joint owner = If a Joint owner is in possession of goods with the Consent of other Co-owners and he sells the goods without authority from other joint owners, the Buyer will get ownership of the goods provided the Buyer has acted in Good faith.

④ Sale by seller in possession of Goods after sale, = will give Goods title to subsequent Buyer if such Buyer has acted in Good faith and has taken possession of the goods.

⑤ Sale by Buyer in possession of Goods after agreement to sell but before sale = If the ^{subsequent} sale is made with the Consent of seller and Buyer has acted in Good faith.

⑥ Sale by an unpaid seller = If an unpaid seller is in possession of the goods in exercise of his right of lien or

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resells the goods to the second Buyer,
the second Buyer will get good title.

⊕ Sale by a person in possession of
goods under voidable contract =

Sells the goods before the original
contract is rescinded the Buyer will
get good title on the goods.

⑧ under other Acts — For example:
Finder of goods has a right to sell
the goods in certain circumstances.