

20/Apr/2020

SALE OF GOODS ACT

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Exceptions of the General Rule "nemo dat quod non habet."

- 1) Sale by mercantile agent - Sec-27 of the Act provides that where a mercantile agent is with the consent of the owner in possession of the goods or of a document of title to the goods, any sale made by him, when acting in the ordinary course of business of a mercantile agent,
- 2) Sale by one of joint owners - where one of the several joint owners of goods has the sole possession of them by permission of the co-owners property in goods is transferred to any person who buys them from such joint owner in good faith and has not at the time of contract of the sale notice that the seller has no authority to sale. (Sec-28)
- 3) Sale by person in possession under voidable contract - Sec-29 of the Act provide when the seller of goods has obtained possession thereof under a contract voidable under sec-19 or sec-19-A of Indian Contract Act 1872. But the contract has not been rescinded at the time of sale, the buyer acquires a good title to the goods provided, He buys them in good faith & without notice of the seller's defect.
- 4) Sale by seller in possession after sale - where a person having sold goods, continues or is in possession of goods or of the documents of title to the goods, the delivery or transfer by that person or by a mercantile agent acting for him of the goods

or documents of title under any sale, pledge or other disposition thereof to any person receiving the same in good faith and without notice of the previous sale shall have the same effect as if person making delivery or transfer were expressly authorised by the owner of the goods to make the same. (Sec-30)

5) Sale by buyer in possession after sale: where a person having bought or agreed to buy goods obtains with the consent of the seller, possession of the goods or the documents of title to the goods, the delivery or transfer by that person or by a mercantile agent acting for him, of the goods or documents of title under any sale, pledge or other disposition thereof to any person receiving the same in good faith and without notice of any lien or other right of the original seller in respect of the goods shall have effect as if such lien or right did not exist. (Sec-30(2))

6) Resale of goods by an unpaid seller after exercise of the right of lien or stoppage in transit:-
Sec-54(3) of the Act provides that where an unpaid seller who has exercised his rights of lien or stoppage in transit re-sells of the goods, the buyer acquires a good title thereto as against the original buyer, not with standing that no notice of the resale has been given to the original buyer.