



## General Assembly

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**United Nations Commission  
on International Trade Law**

### **UNCITRAL Digest of case law on the United Nations Convention on the International Sale of Goods\***

#### *Article 16*

(1) Until a contract is concluded an offer may be revoked if the revocation reaches the offeree before he has dispatched an acceptance.

(2) However, an offer cannot be revoked:

(a) If it indicates, whether by stating a fixed time for acceptance or otherwise, that it is irrevocable; or

(b) If it was reasonable for the offeree to rely on the offer as being irrevocable and the offeree has acted in reliance on the offer.

1. Paragraph (1) of article 16 sets out rules for the effective revocation of an offer. (Article 24 defines when a revocation “reaches” the offeree.) Article 15 (2) provides that an offeror may withdraw an offer as long as the withdrawal reaches the offeree no later than the time the offer reaches the offeree. After the offer has reached the offeree, article 16 (1) empowers the offeror to revoke the offer if the revocation reaches the offeree before he has dispatched an acceptance unless the

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\* The present digest was prepared using the full text of the decisions cited in the Case Law on UNCITRAL Texts (CLOUT) abstracts and other citations listed in the footnotes. The abstracts are intended to serve only as summaries of the underlying decisions and may not reflect all the points made in the digest. Readers are advised to consult the full texts of the listed court and arbitral decisions rather than relying solely on the CLOUT abstracts.

offer cannot be revoked by virtue of article 16 (2). Although there have been citations to article 16<sup>1</sup>, there are no reported cases interpreting paragraph (1).

2. Sub-paragraph (a) of paragraph (2) provides that an offer cannot be revoked if it indicates that it is irrevocable, whether by stating a fixed time for acceptance or otherwise. There are no reported cases applying this sub-paragraph.

3. Sub-paragraph (b) of paragraph (2) provides that an offer cannot be revoked if the offeree relied on the offer and it was reasonable for him to do so. This sub-paragraph has been cited as evidence of a general principle of estoppel (“*venire contra factum proprium*”)<sup>2</sup>. It has also been held that domestic legal rules on promissory estoppel are not preempted except when the Sales Convention provides the equivalent of promissory estoppel, such as it does in sub-paragraph (b)<sup>3</sup>.

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<sup>1</sup> The following decision cites article 16 but because the case did not involve irrevocability of the offer—see para. 2—the citation effectively refers to paragraph (1) of article 16: Landgericht Oldenburg, Germany, 28 February 1996, Unilex (citing arts. 14, 15, 16, 17, 18 and 19).

<sup>2</sup> CLOUT case No. 94 [Arbitration—Internationales Schiedsgericht der Bundeskammer der gewerblichen Wirtschaft—Wien, Austria, 15 June 1994] (seller’s continued requests for information about complaints induced buyer to believe that seller would not raise defence that notice of nonconformity was not timely).

<sup>3</sup> [Federal] Southern District Court of New York, United States, 10 May 2002, Federal Supplement (2nd Series) 201, 236 (finding limited to scope of promissory estoppel as claimed by buyer).