

Case 53: CISG 14(1)

Hungary: Supreme Court Gf.I. 31.349/1992/9

25 September 1992

United Technologies International Inc. Pratt and Whitney Commercial Engine Business v. Magyar Légi Közlekedési Vállalat (Malév Hungarian Airlines)

Original in Hungarian

Unpublished

Summary published in Italian: Diritto del commercio internazionale July-September 1993, 651

Commented on by Magnus in Zeitschrift für Europäisches Privatrecht (ZEuP) 1993, 79

The plaintiff, an American manufacturer of aircraft engines, further to extensive negotiations with the defendant, a Hungarian manufacturer of Tupolev aircraft, made two alternative offers of different types of aircraft engines without quoting an exact price. The defendant chose a type of engine from the ones offered and placed an order. At issue was whether a valid contract was concluded. The court of first instance held that a valid contract had been concluded on the ground that the offer indicated the goods and made provision for determining the quantity and the price.

The Supreme Court found that the offer and the acceptance were vague and, as such, ineffective since they failed to explicitly or implicitly fix or make provision for determining the price of the engines ordered (art. 14(1) CISG). The Supreme Court considered that the acceptance was a mere expression of the intention of the defendant to conclude a contract for the purchase of the engines chosen and, as such, the acceptance could not operate as a counter-offer. The Supreme Court therefore overturned the decision of the court of first instance and held that there was no valid contract concluded.