



# **SNS COLLEGE OF ENGINEERING**

**Kurumbapalayam (Po), Coimbatore – 641 107**

**An Autonomous Institution**

**Accredited by NBA – AICTE and Accredited by NAAC – UGC with ‘A’ Grade**

**Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai**



## **DEPARTMENT OF MANAGEMENT STUDIES**

**COURSE NAME : 19BA104- LEGAL ASPECTS OF BUSINESS**

**I YEAR / I SEMESTER**

**Unit 2 – THE SALE OF GOODS ACT 1930**

**Transfer of Title by Person not the Owner,**



## Transfer of Title by Person not the Owner (Section 27-30)

The general rule is that only the owner of goods can sell the goods. Conversely, the sale of an article by a person who is not or who has not the authority of the owner, gives no title to the buyer. The rule is expressed by the maxim; “Nemo Dat Quod Non Habet” i.e. no one can pass a better title than he himself has.

### Exception to the General Rule

1. **Sale by a mercantile agent:** A buyer will get a good title if he buys in good faith from a mercantile agent who is in possession either of the goods or documents of title to the goods with the consent of the owner.
2. **Sale by a co-owner:** A buyer who buys in good faith from one of the several joint owners who is in sole possession of the goods with the permission of his co- owners will get good title to the goods
3. **Sale by a person in possession under a voidable contract:** A buyer buys in good faith from a person in possession of goods under a contract which is voidable, but has not been rescinded at the time of the sale
4. **Sale by seller in possession after sale:** Where a seller, after having sold the goods, is in possession of the goods and again sells them to a person who buys in good faith and without notice of the previous sale, such a buyer gets a good title to the goods.



**Sale by buyer in possession:** If a person has brought or agreed to buy goods, any sale by him to a buyer who takes in good faith, will give a good title to the buyer. In any of the above cases, if the transfer is by way of pledge or pawn only, it will be valid as a pledge or pawn.

**Estoppel:** If the true owner stands by and allows an innocent buyer to pay over money to a third-party, who professes to have the right to sell an article, the true owner will be estopped from denying the third-party's right to sell

**Sale by an unpaid seller:** Where an unpaid seller has exercised his right of lien or stoppage in transit and is in possession of the goods, he may resell them and the second buyer will get absolute right to the goods

**Sale by person under other laws:** A pawnee, on default in repayment, has a right to sell the goods, pawned and the buyer gets a good title to the goods. The finder of lost goods can also sell under certain circumstances. The Official Assignee or Official Receiver, Liquidator, Officers of Court selling under a decree, Executors, and Administrators, all these persons are not owners, but they can convey better title than they have.



**RECAP**

**QUESTIONS???**

**THANK YOU**