

7. Michael Freeman and Cindy Hazen listed an auction on eBay for their historic home, which was once owned by Elvis Presley. A partnership formed to participate in the auction for the home and used partner Peter Gleason's eBay account to do so. eBay's terms and conditions state "eBay Real Estate's auctions-style advertisements of real property do not involve legally binding offers to buy and sell. Instead, eBay Real Estate's auctions are simply a way for sellers to advertise their real estate and meet potential buyers." The sellers' real estate broker, however, contradicted that language on the home's eBay auction site, stating the following: "Please note that bidding on eBay is a legally binding contract in which the winner commits to following through on the purchase." The broker included that language to deter frivolous bids. During the bidding process Mike Curb offered to buy the house immediately and stop the auction; however, he was not willing to meet the sellers' \$1.3 million ask. So, the auction continued. When the bidding officially ended, an eBay automated message informed the Gleason partnership that they had submitted the winning bid of just over \$900,000. Two days later, the partnership's real estate agent sent the sellers a "proposed sale contract," about which they had further discussion. A few days later, Curb renewed his offer to purchase the house, this time for \$1 million. The sellers and Curb signed a contract for the sale of the house later that week and refused to sell to the Gleason partnership. The partnership sued for breach of contract arguing that the language the sellers' broker appended to the listing overrode the eBay terms and conditions and created a binding contract upon their bid being declared a winner. Are the Gleason partners correct?