

# **CONTRACT OF BAILMENT**

## **Right of Lien**

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# Bailee's right of lien

- If the bailee's lawful charges are not paid, he may retain the goods.  
*'Lien'* means right to retain possession of goods until some debt or claim is settled.



- It is a mere right of retention and does not include a right of sale.



# Liens are of two kinds –

- General or Particular.
- A particular or specific lien attached to specific goods, for the unpaid price or carriage thereof, or for the work and labour bestowed thereupon.



- A general lien, on the other hand, empowers the bailee to retain the goods, not only for demands arising out of the article retained, but for a general balance of accounts in favour of certain persons.



- Section 170 deals with particular lien, and Section 171 deals with general lien.



# *Particular Lien*

- As a general rule, a bailee is entitled only to particular lien, which means the right to retain only that particular property in respect of which the charge is due.



- Thus, a particular or specific lien attaches to specific goods, for the unpaid price or carriage thereof, or for the work and labour bestowed thereupon.



- Under Section 170, for the exercise of right of particular lien, the following must be present –
- The bailee should have rendered any service exercising the labour or skill in respect of goods bailed.



- This service must be in accordance with the purpose of the bailment.



- There must not be any contract to the contrary.
- The goods bailed must be in the possession of the bailee. If he surrenders the goods, his right to lien ends.



- If all these four conditions are satisfied, then the bailee has a right to retain the goods till he is paid for such service.



- In *Hutton v. Car Maintenance Co.*, (1915) 1 Ch 621, the defendant's car was taken into possession by plaintiffs for some maintenance expenses having become due and the lien was claimed.



- The court held that the plaintiffs had not improved the car but only maintained it and therefore were not entitled to it.



# *General Lien*

- A general lien means the right to retain all the goods of the other party until all the claims of the holder are satisfied.



- General lien entitles the bailee to detain any goods bailed to him for any amount due to him whether in respect of those goods or any other goods.



- A general lien, however, does not exist merely because a man occupies a certain position, he must also have received the goods and done the acts in that character to which the lien attaches.



## For example,

Where a quantity of imported meat was stored with a warehouse-keeper, who by a general term of the trade had a general lien, could retain the meat for his charges due in respect of other goods.



- Likewise, where two assets are given to a bank, and a bank loan is taken only against one of the assets, the banker may retain both the assets until his claim is satisfied.

