CLAY, Circuit Judge.

…. On May 29, 2001, Henkel became the sole Tier I supplier of chemical products to [DaimlerChrysler Corporation’s Jefferson North Assembly Plant] pursuant to Chrysler’s Total Chemical Management Program (“TCM Program”). As a consequence, Gage, which previously had been one of several Tier I suppliers to the plant, became a Tier II supplier and began selling its chemical products directly to Henkel instead of Chrysler. Henkel insisted on paying Gage the prices Gage had been charging Chrysler for chemical products prior to May 29, 2001 (“the current prices”). Gage insisted that it would sell its products to Henkel only if Henkel paid the prices Gage had proposed to Chrysler in November 2000, but that Chrysler had not yet approved (“the higher prices”). Despite the parties’ apparent disagreement over price, Henkel ordered, and Gage shipped, chemical products in response to those orders….

I.

A. Substantive Facts

…. Henkel solicited prices from Gage for various chemical products to be used for paint spraybooth maintenance, purge solvent, equipment cleaning, windshield solvent, floor cleaning, paint spraybooth coatings, and other specialty chemical products. On March 13, 2001, Gage submitted a quotation of $11.55 per unit, and attached a list of its products reflecting the price per gallon of each product.

Gage claims that its March 13, 2001 quote was based on the prices that Gage had quoted and that Chrysler had been reviewing since November 2000. Four months earlier, on November 9, 2000, Gage had informed Chrysler by letter that it would be raising its prices effective November 15, 2000 due to market conditions. As of March 13, 2001, Chrysler had yet to respond to Gage’s plan to raise its prices. In the meantime, Gage continued to invoice Chrysler at its current prices. Unbeknownst to Gage, Henkel disregarded the higher prices quoted on March 13, 2001, and instead submitted its Chemical Manager bid to Chrysler with what it believed to be Gage’s current prices that it had obtained from Chrysler’s computer system.

On April 1, 2001, Chrysler named Henkel the Chemical Manager. On April 26, 2001, Henkel complained about Gage’s prices and requested Gage to provide its current pricing for Chrysler. Gage refused to quote Henkel its current prices, instead offering to supply its products at the prices based on the November 9, 2000 letter to Chrysler….

* * *

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When the TCM Program launched on May 29, 2001, Henkel needed to order chemical products from Gage to avoid shutting down the Plant. Beginning on May 29, 2001, Henkel issued individual purchase orders to Gage using the prices Henkel had accessed from Chrysler’s computer system.

Henkel sent its first purchase order to Gage on May 29, 2001. This purchase order, as well as all subsequent orders, stated at the top:

Confirm receipt of PO by fax, verifying price and advising firm ship date.
HENKEL WILL ONLY PAY CHARGES LISTED ON THIS PO.…. 

Between May 31 and June 19, 2001, Gage shipped products to Henkel in response to Henkel’s purchase orders and invoiced Henkel approximately 50 times according to Gage’s then-current pricing with Chrysler. On 12 occasions, Henkel issued purchase orders to Gage listing prices for various products that were not, in fact, Gage’s current Chrysler prices; some prices on Henkel’s purchase orders were too high, and some were too low. On each of those occasions, Gage acknowledged Henkel’s purchase order by faxing a copy of the original purchase order back to Henkel with the correct Chrysler pricing handwritten on the purchase order. Upon receipt of the price acknowledgments from Gage, Henkel sent Gage a cancellation of the original purchase order, followed by a new purchase order confirming the correct price. Gage then shipped the products to the Plant and issued invoices to Henkel that referenced the correct current price. Gage did not alter thoseHenkel purchase orders that listed the correct current prices.

....

On June 1, 2001, Logan wrote a letter to Schilling attaching a price quote for Gage’s products and stating, “Per your request the prices are lower than what was previously quoted to you on March 13, 2001. These prices reflect our price adjustments submitted to [Chrysler] on November 9, 2000, effective November 15, 2000.”

On June 19, 2001, Thomas Randazzo, Gage’s Vice President and General Counsel, wrote a letter to John Sloan, Henkel’s purchasing agent, stating that the unit prices listed on all of Henkel’s purchase orders since May 29, 2001 were incorrect and that Gage expected to be paid for all products shipped at the unit prices Gage had quoted to Henkel on March 13, 2001. Randazzo advised that Gage would be issuing new invoices to Henkel to reflect the unit prices for all products shipped between May 29, 2001 and the date of his letter and would be issuing all future invoices for products shipped at the March 13, 2001 unit price. Gage followed through and, beginning on June 20, 2001, issued invoices for newly delivered products at the higher prices and issued revised invoices for previously shipped products, demanding payment for the difference between what Henkel already had paid and the higher prices.

On June 22, 2001, Sloan responded to Randazzo, stating:

The prices listed on each Purchase Order represent the most current price DaimlerChrysler was paying prior to Henkel Chemical Management being
awarded the Chemical Management Contract. These prices shall not be adjusted without DaimlerChrysler-JNAP approval.

Sloan further advised that Henkel “rejects any price for any product or material that is inconsistent with DaimlerChrysler’s acquisition price prior to the implementation of the Chemical Management Program. Henkel has never agreed to any other price ....” Sloan noted that Gage’s insistence on the pricing set forth in its March 13, 2001 letter was “curious considering that Gage Products has been invoicing Henkel at ... the pricing that was in effect prior to Henkel assuming chemical management responsibilities.” Gage appropriately interpreted Henkel’s letter as a rejection of Gage’s March 13, 2001 pricing, but Gage nevertheless decided to continue shipping products in response to Henkel’s lower-priced purchase orders.

B. Procedural History

On March 28, 2002, Gage sued Henkel in the Oakland County Circuit Court, which Henkel timely removed to the United States District Court for the Eastern District of Michigan based on 28 U.S.C. § 1332 (diversity of citizenship)....

On September 8, 2003, the district court ... dismissed Gage’s breach of contract claim on the ground that Henkel’s purchase orders indicating Gage’s current prices were offers that Gage accepted (1) for transactions prior to June 20, 2001, by issuing invoices incorporating those prices and (2) for transactions after June 20, 2001, by shipping the products in response to Henkel’s purchase orders....

Gage filed a motion for reconsideration, which the district court denied on September 23, 2003. Gage timely appealed the order granting Henkel’s motion for summary judgment and the order denying Gage’s motion for reconsideration.

II.

* * *

In its breach of contract claim, Gage alleges that, on May 16, 2001, Henkel agreed to pay prices for Gage products equal to the higher prices Gage had quoted to Chrysler on November 9, 2000 if Chrysler subsequently approved those prices. Gage further alleges that Henkel sent Gage purchase orders for chemical products on or after May 29, 2001, but at no time did Henkel advise Gage that it would not honor Gage’s higher prices once approved by Chrysler. Gage argues that Henkel’s purchase orders from June 1, 2001 onward constituted Henkel’s acceptance of Gage’s June 1, 2001 offer (via the letter from Logan to Schilling) to sell the chemical products at the higher prices that Chrysler subsequently approved. According to Gage, Henkel’s purchase orders manifested a “definite and seasonable expression of acceptance” of Gage’s June 1, 2001 price quote (containing different prices) pursuant to Michigan’s version of Uniform Commercial Code (“U.C.C.”) § 2-207.
The district court disagreed…. [The district court held that U.C.C. § 2-207 did not deem Henkel’s purchase orders to be acceptances of the prices that Gage proposed on June 1, 2001, but instead deemed the orders to be counter-offers that Gage accepted when it shipped its products to Henkel and sent Henkel invoices at prices that matched the prices in Henkel’s purchase orders. We agree.

… [T]he direct contradiction between the prices set forth in Gage’s June 1, 2001 letter and Henkel’s subsequent purchase orders demonstrated that the parties did not have a meeting of the minds sufficient to form a blanket contract covering all the transactions at issue. The price was the single factor preventing the parties from entering into a blanket purchase order agreement. Accordingly, we agree with the district court’s conclusion that the parties did not have a contract by virtue of Henkel’s purported acceptance of Gage’s June 1, 2001 price list.

Even though the parties’ initial writings did not establish a contract, the facts might support a finding that the parties thereafter formed a contract or a series of contracts. To address this issue, we, like the district court below, have broken the parties’ transactions into two time periods: (1) orders and shipments that pre-date June 20, 2001 and (2) orders and shipments on or after June 20, 2001.

1. Pre-June 20, 2001 Conduct

On March 13, 2001, Gage offered to sell its chemical products to Henkel for prices that were higher than it was charging Chrysler at the time. Over the next two months, Henkel insisted that Gage offer Henkel its current Chrysler pricing, but Gage refused to budge from its higher prices. By the time the TCM Program launched on May 29, 2001, Gage and Henkel still had not come to an agreement on price. On that date, Henkel effectively forced the issue by sending Gage a purchase order reflecting (it thought) was Gage’s then-current Chrysler pricing. The purchase order prominently stated, “HENKEL WILL ONLY PAY CHARGES LISTED ON THIS PO.” Upon receipt, Gage initially balked and told Henkel that it could not ship any products because it had not agreed as to price by signing a blanket purchase order contract. However, to avoid a plant shutdown, maintain cash flow, and preserve good relations with Chrysler, Gage opted to sell the goods to Henkel anyway. Henkel subsequently sent Gage numerous purchase orders at what it believed to be Gage’s then-current Chrysler pricing. Gage received those purchase orders and, where applicable, corrected the prices to conform with its current Chrysler prices; some of those changes involved price reductions. Upon return of their corrected purchase orders, Henkel canceled them out and issued new purchase orders reflecting the corrected pricing provided by Gage. As before, the purchase orders prominently stated, “HENKEL WILL ONLY PAY CHARGES LISTED ON THIS PO.” Upon receipt of the new purchase orders, Gage shipped the products to Henkel, followed by invoices mirroring the prices in the revised purchase orders.

Based on these facts, it is undisputed that Henkel expressly conditioned Gage’s acceptance of its purchase orders on Gage’s agreement to charge the prices listed in those orders. It also is undisputed that the parties’ writings agreed on price prior to June 20, 2001. Although there is evidence that Henkel promised on various dates between May 16 and May 31, 2001 to pay Gage the higher prices if and when Chrysler so agreed, there is no evidence that Henkel
agreed to pay those prices before Chrysler provided its approval (which did not occur until the following August) and/or that Henkel would honor those new prices retroactively upon Chrysler’s approval. Rather, the evidence overwhelmingly suggests that Gage made a business decision to relinquish its right to enforce Henkel’s promise to pay the higher prices when it affirmatively assented, in writing and without qualification, to Henkel’s purchase orders at the lower prices. At no time prior to June 20, 2001, while it processed approximately 50 orders from Henkel, did Gage communicate the fact that it hoped or expected to be paid the prices subsequently approved by Chrysler; instead, it enclosed invoices confirming the prices set forth in Henkel’s purchase orders. Therefore, we agree with the district court that there is no genuine issue of material fact as to whether Henkel breached its contract or contracts with Gage prior to June 20, 2001.

The decision in Quaker State Mushroom Co. v. Dominick’s Finer Foods, Inc., 635 F. Supp. 1281 (N.D. Ill. 1986), which Gage cites, does not imply a contrary result. Quaker State involved a buyer’s four separate orders for mushrooms from the seller. The buyer placed two of the orders before November 10, 1983, the date when the seller notified the buyer of a price increase; however, all of the orders were shipped after November 10, 1983 and contained invoices at the higher prices. Id. at 1283. The court found that the seller’s shipment of the mushrooms did not necessarily amount to an acceptance of the buyer’s purchase orders at the lower price because the seller’s November 10 notice “clearly rejected” the lower price listed in the buyer’s purchase orders. Id.

Assuming, as Gage argues, that Gage’s March 13 and June 1, 2001 letters to Henkel were offers to sell products to Henkel at a particular price, it is clear that Henkel, like the buyer in Quaker State, placed orders at a fundamentally different price. In other words, Henkel rejected Gage’s offers by making repeated counter-offers at a lower price. Moreover, Quaker State suggests that Gage accepted Henkel’s counter-offers on each of the approximately fifty transactions prior to June 20, 2001. In Quaker State, the seller “clearly rejected” the lower price set forth in the purchase orders by sending the buyer a new price list and then shipping the products with invoices reflecting these prices. By contrast, until June 19, 2001, Gage had sent no such notice to Henkel and shipped the products to Henkel with prices that matched the prices in Henkel’s purchase orders. These circumstances show that Gage accepted the price set forth in Henkel’s pre-June 20, 2001 purchase orders. Cf. id. at 1286 (observing that the seller’s shipment in response to the buyer’s purchase order did not constitute acceptance of the buyer’s price because the seller had notified the buyer that it was rejecting the buyer’s price before shipping). Accordingly, we affirm the district court’s grant of summary judgment to Henkel with regard to the parties’ pre-June 20, 2001 transactions.

2. Conduct on or after June 20, 2001

On June 19, 2001, Gage informed Henkel that Gage expected to be paid for all products shipped at the unit prices that Gage had quoted to Henkel on March 13, 2001, which were based on the price increases Gage had proposed to Chrysler on November 9, 2000, but which Chrysler had not yet authorized. Beginning on June 20, 2001, Gage issued invoices for newly delivered products at the higher prices. On June 22, 2001, Henkel wrote back stating that it would pay only Gage’s current Chrysler pricing and that “[t]hese prices shall not be adjusted without
DaimlerChrysler-JNAP approval.” Thereafter, Gage continued to ship products in response to Henkel’s lower-priced purchase orders, which, consistent with Henkel’s past purchase orders, stated, “HENKEL WILL ONLY PAY CHARGES LISTED ON THIS PO.” Gage nevertheless followed up its shipments with invoices at the higher prices that Chrysler would not approve until August 26 and 29, 2001.

Gage argues that its course of dealing with Henkel, with the conflicting purchase orders and invoices, involved a classic “battle of the forms,” which U.C.C. § 2-207 governs. According to Gage, the parties’ conflicting price terms were to be disregarded under § 2-207(3) in favor of a “reasonable” price per § 2-305 ….

*     *     *

… Henkel submitted numerous purchase orders to Gage, Gage shipped products in response to those orders, and Henkel received and paid Gage for those shipped products (albeit not at the prices that Gage expected). This pattern of conduct creates a genuine issue of material fact as to whether the parties had one or more contracts for shipments on or after June 20, 2001….

The district court held, as a matter of law, that the parties had contracts for shipments after June 19, 2001, but further held that Gage’s mere shipment of goods in response to Henkel’s purchase orders constituted an acceptance of the price terms in Henkel’s offers. Although U.C.C. § 2-206(1)(b) provides that “an order or other offer to buy goods for prompt or current shipment shall be construed as inviting acceptance either by ... the prompt or current shipment of conforming or nonconforming goods,” that provision does not apply where the “language or circumstances ... unambiguously indicate [ ]” otherwise. UCC § 2-206(1). Gage made it clear via its letter of June 19, 2001 and with each subsequent invoice that it would not consent to the price terms in Henkel’s purchase orders. Thus, contrary to the district court, we hold that there is a genuine issue of material fact as to whether Gage’s shipment of goods after June 19, 2001 manifested its assent to a contract containing the prices from Henkel’s purchase orders.

An alternative view of the same facts suggests that the parties did not have a contract or a series of contracts after June 19, 2001. Arguably, Gage’s invoices, which contained materially different price terms from Henkel’s purchase orders, did not manifest “definite and seasonable expression[s] of acceptance” to those orders, pursuant to U.C.C. § 2-207(1). Under this view of the evidence, Gage’s decision to ship products after June 19, 2001, followed by invoices reflecting different price terms, indicated an unambiguous rejection of the conditional offers in Henkel’s purchase orders, thereby precluding contract formation.

U.C.C. § 2-305 buttresses the view that the parties never formed a contract on the ground that they never intended to be bound without an agreement on price. See U.C.C. § 2-305(4) (“Where ...the parties intend not to be bound unless the price be fixed or agreed and it is not fixed or agreed there is no contract.”). Gage’s shipments were “based on such fundamentally different [price] terms than those proposed in the purchase orders,” arguably manifesting the parties’ intent not to be bound. Quaker State, 635 F. Supp. at 1286; see also United Foods, 1994 WL 228773, at *6 (finding no intent to be bound where seller shipped cotton to buyer along with
invoices at prices higher than in buyer’s purchase orders, because the dispute over the price of the cotton arose almost immediately after the buyer delivered the purchase orders); In re Glover Constr. Co., 49 B.R. 581, 583-84 (Bkrtcy. W.D. Ky. 1985) (holding that the parties did not intend to be bound, even though seller had signed the buyer’s purchase order and had made a partial shipment, because immediately after executing the agreement the parties disputed the proper interpretation of the price/payment provisions; finding no contract between the parties under U.C.C. § 2-305(4)); U.C.C. § 2-305 cmt. 2 (“Under some circumstances the postponement of agreement on price will mean that no deal has really been concluded .... Whether or not this is so is, in most cases, a question to be determined by the trier of fact.”).

In sum, the evidence of the parties’ post-June 19, 2001 conduct, when viewed through the prism of U.C.C. §§ 2-204, 2-207, and 2-305, would support a finding either that (a) Gage accepted Henkel’s purchase orders but proposed different price terms (contract formation with an open price term) or (b) Gage rejected Henkel’s purchase orders (no contract formation). The remaining question is what prices Henkel was obligated to pay for goods it received from Gage after June 19, 2001. The answer to this question depends upon which view of the parties’ post-June 19, 2001 conduct that the district court adopts after a trial.

If the district court finds that the parties’ post-June 19, 2001 conduct recognized the existence of a contract or a series of contracts, U.C.C. § 2-207 explains that “[i]n such case the terms of the particular contract consist of those terms on which the writings of the parties agree, together with any supplementary terms incorporated under any other provisions of this act.” U.C.C. § 2-207(3). Because the parties’ writings expressly disagreed on price, the district court would look to the U.C.C.’s relevant gap-filling provision, which is U.C.C. § 2-305.

U.C.C. § 2-305 provides that “[t]he parties if they so intend can conclude a contract for sale even though the price is not settled.” § 2-305(1). In such a case, “the price is a reasonable price at the time of delivery” if (a) nothing is said as to price; (b) the price is left to be agreed by the parties and they fail to agree; or (c) the price is to be fixed by a market standard or by a third party. Id. The first condition does not apply in this case. The parties did say something as to price; they just disagreed on that point.

The second and third conditions may apply, however. Despite their inability to agree on price, the parties began to transact business on May 29, 2001, suggesting that the parties had left the issue of price to be agreed at a later date. In addition, the following evidence suggests that Henkel agreed to honor any price increases that Chrysler, a third party, authorized: On May 16, 2001, Charles Schilling of Henkel promised Gage that if Chrysler awarded Gage the increased pricing, Henkel “will pay that”; on May 18, 2001, Joe Farren of Henkel sent Gage an e-mail stating, “If purchasing OK’s a price increase we will certainly honor it”; on May 31, 2001, Farren orally agreed that Henkel would honor any new pricing that Chrysler approved; and on June 22, 2001, John Sloan of Henkel informed Gage that Gage’s “prices shall not be adjusted without DaimlerChrysler-JNAP approval.”

If Gage were to prove the application of either condition at trial, it would be entitled to the “reasonable price upon delivery” of products shipped to Henkel on or after August 26, 2001. U.C.C. § 2-305(1). The reasonable price could be the prices Chrysler approved. Gage also
would be entitled to the reasonable price upon delivery for products shipped to Henkel on or after June 20, 2001 but before August 26, 2001. The record, however, is unclear as to whether the reasonable price during this time-frame would be the Chrysler-approved prices, because Gage has not pointed the Court to any evidence that the parties agreed that the Chrysler-approved price increases would be retroactive to the beginning of the TCM program.

Alternatively, the district court may find that the parties’ post-June 19, 2001 conduct did not recognize the existence of a contract or a series of contracts because they did not intend to be bound until they agreed on price. In that event, Henkel would be obligated to pay the “reasonable value” of Gage’s products at the time of delivery if Henkel could not return them. U.C.C. § 2-305(4). The calculation of the reasonable value would take into account Henkel’s purported promises, if found to have been made, to honor Gage’s higher prices upon Chrysler’s approval.

*     *     *

III.

For all the foregoing reasons, we AFFIRM the district court’s grant of Henkel’s motion for summary judgment regarding Gage’s shipments to Henkel before June 20, 2001, but REVERSE the judgment with respect to shipments on or after June 20, 2001. The case is REMANDED for trial.