

TABLE OF CONTENTS

PREFACE.....	v
TABLE OF CASES.....	xxi
TABLE OF STATUTES.....	xxxiii
CHAPTER ONE: INTRODUCTION TO COMMERCIAL TRANSACTIONS.....	1
SECTION 1. THE STUDY OF COMMERCIAL LAW.....	1
A. TRANSACTIONAL LAW AND THE COMMERCIAL LAWYER.....	1
B. THE UNIFORM COMMERCIAL CODE: STRUCTURE & SCOPE.....	5
1. A Very Short History.....	5
2. The Structure of the UCC.....	6
3. The UCC in Context.....	11
C. STATUTORY INTERPRETATION.....	15
SECTION 2. TRANSACTION TYPES.....	21
<i>Problem 1-1</i>	24
<i>Problem 1-2</i>	27
<i>Problem 1-3</i>	27
<i>Problem 1-4</i>	29
SECTION 3. STRUCTURING TRANSACTIONS.....	29
<i>Problem 1-5</i>	30
CHAPTER TWO: CONTRACT FORMATION AND BASIC TERMS.....	31
SECTION 1. CONTRACT FORMATION PRINCIPLES.....	31
A. CONTRACT FORMATION UNDER UCC ARTICLE 2.....	31
1. Basic Concepts.....	31
<i>Problem 2-1</i>	36
<i>Problem 2-2</i>	37
<i>Problem 2-3</i>	38
<i>Problem 2-4</i>	39
2. Battle of the Forms.....	39
<i>Daitom, Inc. v. Pennwalt Corp.</i>	43
<i>Problem 2-5</i>	53
<i>Problem 2-6</i>	56
3. Electronic Contracting and Assent.....	58
<i>Problem 2-7</i>	60
B. CONTRACT FORMATION IN INTERNATIONAL TRANSACTIONS.....	61
1. CISG.....	61

<i>Problem 2-8</i>	62
2. UNIDROIT Principles.....	62
SECTION 2. BARRIERS TO ENFORCEABILITY.....	63
A. STATUTE OF FRAUDS.....	63
1. In General.....	63
<i>Problem 2-9</i>	65
2. The Exceptions.....	65
<i>Problem 2-10</i>	66
<i>Casazza v. Kiser</i>	67
<i>Problem 2-11</i>	74
<i>Problem 2-12</i>	75
3. More on Electronic Contracting.....	76
B. UNCONSCIONABILITY.....	77
<i>Problem 2-13</i>	79
<i>Problem 2-14</i>	80
<i>Problem 2-15</i>	80
CHAPTER THREE: TERMS OF THE CONTRACT – PART I	83
SECTION 1. TERMS OF THE AGREEMENT.....	83
A. USAGE OF TRADE, COURSE OF DEALING, AND COURSE OF PERFORMANCE.....	83
<i>Problem 3-1</i>	84
B. GOOD FAITH.....	85
<i>Market Street Associates Ltd. Partnership v. Frey</i>	87
<i>Problem 3-2</i>	97
C. MODIFICATION.....	98
1. Modification by Agreement.....	98
<i>Roth Steel Products v. Sharon Steel Corp.</i>	99
2. Statute of Frauds.....	104
<i>Problem 3-3</i>	104
<i>Problem 3-4</i>	107
SECTION 2. ADDING TO THE AGREEMENT: EXPRESS WARRANTIES..	108
<i>Problem 3-5</i>	110
<i>Rogath v. Siebenmann</i>	112
<i>Problem 3-6</i>	120
SECTION 3. ADDING TO THE AGREEMENT: GAP FILLERS.....	121
A. OVERVIEW.....	121
<i>Problem 3-7</i>	126
B. EXAMINING PARTICULAR GAP FILLER PROVISIONS: WARRANTIES.....	127
1. Implied Warranty of Merchantability.....	127
<i>Problem 3-8</i>	129

<i>Problem 3-9</i>	130
2. Implied Warranty of Fitness for Particular Purpose.	133
<i>Problem 3-10</i>	136
3. Warranties of Title and Noninfringement.	136
<i>Problem 3-11</i>	142
CHAPTER FOUR: TERMS OF THE CONTRACT – PART II	145
SECTION 1. QUANTITY.....	145
<i>Problem 4-1</i>	148
SECTION 2. PRICE.	149
<i>Problem 4-2</i>	158
SECTION 3. DELIVERY AND PAYMENT.	159
A. SELLER’S DIRECT TENDER OF THE GOODS.....	161
1. Tender of Delivery.....	161
<i>Problem 4-3</i>	162
2. Buyer’s Inspection.....	163
3. Buyer’s Payment.	165
<i>Problem 4-4</i>	165
4. Risk of Loss.....	166
<i>Problem 4-5</i>	168
B. SELLER’S TENDER OF THE GOODS THROUGH SHIPPING THE GOODS.....	168
1. Tender of Delivery and Risk of Loss in a Shipment Contract.	169
2. Tender of Delivery and Risk of Loss in a Destination Contract. ...	170
3. Shipment or Destination Contract.	171
<i>Problem 4-6</i>	172
4. Buyer’s Right to Inspect.	172
5. Payment Against Documents of Title and the Effect on Buyer’s Right to Inspect.	173
<i>Problem 4-7</i>	175
6. Shipment under Reservation.	176
<i>Problem 4-8</i>	176
<i>Problem 4-9</i>	177
7. Documentary Draft Transactions.	177
C. SELLER’S TENDER OF GOODS IN POSSESSION OF A BAILEE WHEN THE GOODS ARE TO BE DELIVERED WITHOUT BEING MOVED.	179
1. Tender of Delivery.....	179
2. Buyer’s Inspection Right.....	180
3. Risk of Loss.....	180
<i>Problem 4-10</i>	181
<i>Problem 4-11</i>	181
D. DELIVERY, INSPECTION, AND PAYMENT UNDER INTERNATIONAL LAW. ...	181

1. CISG.	181
2. UNIDROIT Principles.	183
CHAPTER FIVE: TERMS OF THE CONTRACT – PART III.	185
SECTION 1. AGREEMENT TO OVERRIDE GAP FILLER PROVISIONS.	185
A. PRINCIPLES OF UCC ARTICLE 1.	185
<i>Problem 5-1.</i>	187
B. WARRANTY DISCLAIMERS.	188
<i>Problem 5-2.</i>	190
<i>Problem 5-3.</i>	190
<i>Problem 5-4.</i>	191
<i>Problem 5-5.</i>	193
C. REMEDY LIMITATIONS.	193
1. Liquidated Damages.	196
<i>Problem 5-6.</i>	197
2. Limited Remedies.	197
<i>Problem 5-7.</i>	198
<i>Problem 5-8.</i>	199
<i>Razor v. Hyundai Motor America.</i>	199
<i>Problem 5-9.</i>	211
SECTION 2. PROVING THE TERMS OF THE CONTRACT:	
THE PAROL EVIDENCE RULE.	212
<i>Problem 5-10.</i>	214
<i>Problem 5-11.</i>	217
<i>Problem 5-12.</i>	219
CHAPTER SIX: PERFORMANCE ISSUES.	221
SECTION 1. ASSIGNMENT AND DELEGATION.	221
<i>Problem 6-1.</i>	224
<i>Problem 6-2.</i>	226
SECTION 2. TERMINATION OF A CONTRACT.	227
SECTION 3. INSECURITY AND REPUDIATION.	230
A. INSECURITY AND ADEQUATE ASSURANCE.	230
<i>Top of Iowa Cooperative v. Sime Farms, Inc.</i>	232
<i>Problem 6-3.</i>	243
<i>Problem 6-4.</i>	243
<i>Problem 6-5.</i>	244
B. REPUDIATION.	245
<i>Problem 6-6.</i>	246
SECTION 4. EXCUSE FROM PERFORMANCE.	247
<i>Problem 6-7.</i>	254

<i>Problem 6-8</i>	254
<i>Problem 6-9</i>	257
<i>Problem 6-10</i>	257
CHAPTER SEVEN: BUYER’S REMEDIES FOR SELLER’S BREACH	261
SECTION 1. OVERVIEW.....	261
SECTION 2. SELLER’S REPUDIATION OR FAILURE TO TENDER GOODS.....	264
A. BUYER’S ABILITY TO OBTAIN THE GOODS FROM THE SELLER.....	265
<i>Problem 7-1</i>	267
<i>Problem 7-2</i>	267
<i>Problem 7-3</i>	268
B. BUYER’S RIGHT TO CANCEL THE CONTRACT AND OBTAIN DAMAGES. . . .	270
<i>Problem 7-4</i>	277
<i>Problem 7-5</i>	278
<i>Problem 7-6</i>	278
<i>Problem 7-7</i>	279
<i>Problem 7-8</i>	279
<i>Problem 7-9</i>	280
<i>Problem 7-10</i>	281
SECTION 3. SELLER’S TENDER FAILS TO CONFORM TO THE CONTRACT REQUIREMENTS.....	282
A. ACCEPTANCE OR REJECTION OF THE GOODS.....	284
1. Buyer’s Right to Reject.....	285
<i>Problem 7-11</i>	287
<i>Problem 7-12</i>	288
2. Making the Rejection Effective.....	289
<i>Problem 7-13</i>	290
<i>Problem 7-14</i>	291
<i>Problem 7-15</i>	291
B. EFFECT OF REJECTION.....	291
1. The Seller’s Right to Cure.....	292
<i>Problem 7-16</i>	292
<i>Problem 7-17</i>	293
<i>Problem 7-18</i>	293
<i>Problem 7-19</i>	295
2. Care of the Rejected Goods.....	296
<i>Problem 7-20</i>	298
3. Rejection and the Right to Damages.....	299
C. ACCEPTANCE AND THE EFFECT OF ACCEPTANCE.....	300
1. Notice of Breach.....	301

<i>Problem 7-21</i>	302
<i>Problem 7-22</i>	303
2. Damages.	303
<i>Problem 7-23</i>	304
<i>Problem 7-24</i>	305
<i>Problem 7-25</i>	305
D. REVOCATION OF ACCEPTANCE OF THE GOODS.....	307
<i>Problem 7-26</i>	309
<i>Problem 7-27</i>	310
<i>Problem 7-28</i>	311
E. NONCONFORMING TENDER UNDER THE CISG AND UNIDROIT.....	313
SECTION 4. SELLER'S BREACH AND THE RISK OF LOSS FOR THE GOODS.....	315
<i>Problem 7-29</i>	315
SECTION 5. STATUTE OF LIMITATIONS.....	317
<i>Mydlach v. DaimlerChrysler Corp</i>	319
<i>Problem 7-30</i>	326
SECTION 6. PRIVACY ISSUES.	327
<i>Hyundai Motor America, Inc. v. Goodin</i>	329
<i>Problem 7-31</i>	340
CHAPTER EIGHT: BUYER'S REMEDIES UNDER OTHER LAW.	343
SECTION 1. OVERVIEW.	343
SECTION 2. MAGNUSON-MOSS WARRANTY ACT.	345
<i>Problem 8-1</i>	347
<i>Problem 8-2</i>	348
<i>Problem 8-3</i>	349
<i>Problem 8-4</i>	350
SECTION 3. UNFAIR AND DECEPTIVE PRACTICES.	352
SECTION 4. LEMON-LAWS.....	354
<i>Liles v. Damon Corp</i>	355
SECTION 5. LIABILITY USING TORT LAW PRINCIPLES.	361
A. PRODUCT DEFECT DEFINED.....	363
<i>Castro v. QVC Network, Inc</i>	364
<i>Problem 8-5</i>	372
B. THE ECONOMIC LOSS RULE AS A LIMIT ON TORT LIABILITY.	372
<i>Lockheed Martin Corp. v. RFI Supply, Inc</i>	373
C. MISREPRESENTATION.....	382
<i>CERAbio LLC v. Wright Medical Technology, Inc</i>	383
<i>Problem 8-6</i>	395

CHAPTER NINE: SELLER'S REMEDIES FOR BUYER'S BREACH.	397
SECTION 1. OVERVIEW.	397
SECTION 2. SELLER'S REMEDIES WHEN THE BUYER HAS THE GOODS.	399
SECTION 3. SELLER'S REMEDIES WHEN THE SELLER HAS THE GOODS.	403
A. SELLER'S ABILITY TO WITHHOLD OR STOP DELIVERY.	403
<i>Problem 9-1</i>	404
B. SELLER'S RIGHT TO CANCEL THE CONTRACT.	405
<i>Problem 9-2</i>	406
C. SELLER'S DAMAGES.	407
1. Damages Based upon Resale of the Goods.	409
<i>Problem 9-3</i>	411
<i>Problem 9-4</i>	412
2. Damages Based upon Market Price of the Goods.	412
<i>Problem 9-5</i>	415
<i>Problem 9-6</i>	416
3. The Lost Profit Measurement.	416
<i>Problem 9-7</i>	420
4. Recovering the Price.	421
<i>Problem 9-8</i>	422
<i>Problem 9-9</i>	423
5. Incidental Damages.	423
<i>Problem 9-10</i>	424
6. Restitution to a Breaching Buyer.	424
<i>Problem 9-11</i>	425
<i>Problem 9-12</i>	426
7. CISG and UNIDROIT Principles.	426
SECTION 4. SELLER'S REMEDIES FOLLOWING A CASUALTY TO THE GOODS.	427
<i>Problem 9-13</i>	428
SECTION 5. THE STATUTE OF LIMITATIONS.	429
CHAPTER TEN: THIRD PARTY CLAIMS TO THE GOODS.	431
SECTION 1. PROPERTY CONCEPTS.	431
<i>Problem 10-1</i>	434
SECTION 2. BUYER'S RIGHTS AGAINST PERSONS WHO CLAIM AN INTEREST IN THE GOODS THROUGH THE SELLER.	435
A. BUYER'S RIGHT AGAINST PERSONS ASSERTING OWNERSHIP INTERESTS BASED UPON INTERACTION WITH THE SELLER.	436
<i>Problem 10-2</i>	438

<i>Problem 10-3</i>	440
B. BUYER'S RIGHT AGAINST SELLER'S CREDITORS.....	442
1. Buyer Against Seller's Lien Creditor.....	442
<i>Problem 10-4</i>	444
2. Buyer Against Seller's Secured Creditors.....	446
<i>Problem 10-5</i>	448
SECTION 3. SELLER'S RIGHTS AGAINST PERSONS WHO CLAIM AN INTEREST IN THE GOODS THROUGH DEALING WITH THE BUYER.....	450
A. SELLER AGAINST BUYER'S TRANSFEREE.....	451
B. SELLER AGAINST BUYER'S LIEN CREDITOR.....	452
<i>Problem 10-6</i>	454
C. SELLER AGAINST BUYER'S SECURED CREDITOR.....	455
<i>Problem 10-7</i>	456
CHAPTER ELEVEN: LEASES	457
SECTION 1. SCOPE.....	457
A. OVERVIEW.....	457
B. DISTINGUISHING A LEASE FROM A SALE.....	458
<i>Problem 11-1</i>	460
C. FINANCE LEASES.....	461
D. INTERSECTION WITH OTHER LAWS.....	462
SECTION 2. LEASE FORMATION.....	463
A. BASIC FORMATION PRINCIPLES.....	463
B. STATUTE OF FRAUDS.....	465
<i>Problem 11-2</i>	465
C. UNCONSCIONABILITY.....	465
SECTION 3. LEASE TERMS.....	466
A. AGREEMENT AND CONTRACT.....	466
B. WARRANTIES.....	467
<i>Problem 11-3</i>	468
C. FINANCE LEASES AND THE OBLIGATION TO PAY.....	470
<i>Problem 11-4</i>	471
D. REMEDY LIMITATIONS.....	471
E. PAROL EVIDENCE.....	472
F. MODIFICATION.....	472
SECTION 4. PERFORMANCE ISSUES.....	473
A. INSECURITY AND REPUDIATION.....	473
B. RISK OF LOSS AND INSURANCE ABSENT BREACH.....	473
C. EXCUSE.....	475
D. ASSIGNMENT AND DELEGATION.....	476

SECTION 5. LESSOR’S DEFAULT AND LESSEE’S REMEDIES.	476
A. OVERVIEW.	476
B. LESSOR’S FAILURE TO DELIVER.	477
C. LESSOR’S NONCONFORMING TENDER OF THE GOODS.	479
<i>Problem 11-5.</i>	481
D. RISK OF LOSS FOLLOWING THE LESSOR’S BREACH.	482
E. STATUTE OF LIMITATIONS.	482
SECTION 6. LESSEE’S DEFAULT AND LESSOR’S REMEDIES.	483
A. OVERVIEW.	483
B. LESSEE’S REPUDIATION OR BREACH PRIOR TO DELIVERY.	484
C. LESSEE’S WRONGFUL REFUSAL TO KEEP THE GOODS.	486
<i>Problem 11-6.</i>	486
D. LESSEE’S DEFAULT WHILE IN POSSESSION OF THE GOODS.	487
E. RISK OF LOSS FOLLOWING THE LESSEE’S BREACH.	488
F. STATUTE OF LIMITATIONS.	488
SECTION 7. PROPERTY RIGHTS IN THE LEASED GOODS.	488
A. OVERVIEW.	488
B. LESSOR’S ABILITY TO TRANSFER GOODS TO A LESSEE FREE OF THIRD PARTY RIGHTS.	489
C. LESSEE’S ABILITY TO TRANSFER GOODS FREE OF LESSOR’S RIGHTS.	492
D. LESSEE’S RIGHTS AGAINST LESSOR’S CREDITORS.	493
E. LESSOR’S RIGHTS AGAINST LESSEE’S CREDITORS.	494
 APPENDIX.	 www.ruschsales.com