

Table of Contents

Volume 1

CHAPTER 1. CONTRACT FORMATION: OFFER, ACCEPTANCE, AND THE STATUTE OF FRAUDS

- § 1:1 Sources of contract law
- § 1:2 Scope of Article 2—Sales of goods
- § 1:3 —Transactions that do not include sales of goods
- § 1:4 —Hybrid transactions
- § 1:5 The agreement process
- § 1:6 —Revocation of offers
- § 1:7 —Making offers irrevocable—The “firm” offer
- § 1:8 — —Part performance
- § 1:9 — —Reliance other than part performance
- § 1:10 Acceptance
- § 1:11 Arguments for and against the statute of frauds
- § 1:12 The Uniform Commercial Code statutes of frauds
- § 1:13 The Uniform Commercial Code Statutes of
Frauds—Sale of goods: § 2-201
- § 1:14 Statutory exceptions to the statute of frauds
- § 1:15 —The merchant confirmation rule
- § 1:16 — —Type of record required
- § 1:17 — —The ten-day period
- § 1:18 — —Who is a “merchant”?
- § 1:19 —Specialty goods
- § 1:20 —Admissions in legal proceedings
- § 1:21 — —Scope of “admissions”
- § 1:22 — —Scope of “proceedings”
- § 1:23 — —When do defendant’s denials terminate
proceedings?
- § 1:24 —Payment made or goods accepted
- § 1:25 —Is a usage of trade an exception to the statute
of frauds?
- § 1:26 Common-law exceptions to the statute of frauds
- § 1:27 —Equitable estoppel
- § 1:28 —Promissory estoppel
- § 1:29 —Are estoppel concepts available under the
Code’s statute of frauds?

- § 1:30 Effect of the Uniform Electronic Transactions Act
- § 1:31 The Electronic Signatures in Global and National Commerce Act (E-Sign)

CHAPTER 2. CONTRACT MODIFICATION

- § 2:1 Modification defined and distinguished
- § 2:2 The common law of contract modification—The preexisting duty rule
- § 2:3 —“Mechanical” approaches to avoiding the preexisting duty rule
- § 2:4 The Restatement (Second) of Contracts approach
- § 2:5 The Uniform Commercial Code approach—The consideration requirement and the statute of frauds: § 2-209
- § 2:6 —The “waiver” possibility
- § 2:7 Remaining limitations on enforcement

CHAPTER 3. CONTRACT TERMS

- § 3:1 Sources of contract terms
- § 3:2 Written documents: The “Battle of the Forms”
- § 3:3 —The common-law approach
- § 3:4 —The code approach
- § 3:5 —The Code approach—What is a definite and seasonable expression of acceptance?
- § 3:6 —The code approach—Additional and different terms
- § 3:7 — —The merchant rule
- § 3:8 — —The expressly conditional acceptance
- § 3:9 — — —What language creates an express condition of assent?
- § 3:10 —The Code approach—The expressly conditional acceptance—Consequences where expressly conditional acceptance is sent
- § 3:11 Oral terms and the parol evidence rule
- § 3:12 —Definition of the parol evidence rule
- § 3:13 —The policies behind the parol evidence rule
- § 3:14 —Situations traditionally excluded from the parol evidence rule
- § 3:15 —Total integration and partial integration
- § 3:16 —Brief history of the parol evidence rule—The “four corners” doctrine
- § 3:17 — —The “collateral contract” concept
- § 3:18 — —The “reasonable man” approach—An objective standard for total integration

TABLE OF CONTENTS

§ 3:19	— — —Consistent express terms
§ 3:20	— — —Consistent implied terms
§ 3:21	— — —When is the term additional?
§ 3:22	The Restatement (Second) of Contracts approach
§ 3:23	The code's Parol Evidence Rule: § 2-202
§ 3:24	The code's parol evidence rule: § 2-202—Total integration and the "certainly" test
§ 3:25	—Partial integration and consistent additional terms: The Hunt Foods case
§ 3:26	—Developments since <i>Hunt Foods</i>
§ 3:27	—Developments since Hunt Foods—Intent to integrate totally
§ 3:28	— —The consistent terms requirement
§ 3:29	Merger clauses under the Code
§ 3:30	Course of dealing, course of performance, and usage of trade as sources of additional terms
§ 3:31	Missing or omitted terms
§ 3:32	—Open and deferred price contracts
§ 3:33	—Requirements, output, and exclusive dealing contracts
§ 3:34	— —Requirements and output contracts
§ 3:35	— —Exclusive dealing contracts
§ 3:36	—Contracts of indefinite duration—Distributorship and franchise operations
§ 3:37	— —Judicial approaches to contract terminations
§ 3:38	— —Legislative responses to contract terminations
§ 3:39	—The obligation of good faith
§ 3:40	—Delivery—Tender of Delivery
§ 3:41	— —Place of Delivery
§ 3:42	— —Time for Delivery
§ 3:43	—Payment
§ 3:44	— —Time of Payment
§ 3:45	— —Manner of Payment
§ 3:46	—Conditions

CHAPTER 3A. RISK OF LOSS

§ 3A:1	Significance
§ 3A:2	In the absence of breach—Agreement by the parties
§ 3A:3	—Goods transported by carrier
§ 3A:4	—Goods held by bailee
§ 3A:5	—Residual cases
§ 3A:6	—Sale on approval
§ 3A:7	Effect of breach—By either party

- § 3A:8 —Right of the buyer to reject
- § 3A:9 —Buyer's revocation of acceptance
- § 3A:10 —Buyer's breach

CHAPTER 4. CONTRACT INTERPRETATION

- § 4:1 Interpretation of contract terms
- § 4:2 Aids in the interpretation process
- § 4:3 —The parol evidence rule as a limitation—
Narrow view
- § 4:4 — —Broad view
- § 4:5 —The plain meaning rule as a limitation
- § 4:6 Whose meaning controls?
- § 4:7 —Restatement of Contracts, §§ 227, 230, and 233
- § 4:8 — —Integrated contracts
- § 4:9 —*Restatement of Contracts*, §§ 227, 230, and
233—Unintegrated contracts
- § 4:10 —*Restatement (Second) of Contracts*
- § 4:11 —The Uniform Commercial Code
- § 4:12 The role of rules of interpretation established by
the original Restatement and the Restatement
(Second)
- § 4:13 The role of course of performance, course of
dealing, and usage of trade under the code
- § 4:14 —Definition of terms
- § 4:15 The role of course of performance, course of
dealing, and usage of trade under the Code—
Terms excluded from certain restrictions
- § 4:16 The role of course of performance, course of
dealing, and usage of trade under the code—
When is proof sufficient?
- § 4:17 — —Usage of the trade
- § 4:18 — —Course of dealing and course of performance
- § 4:19 —Supplementation of a contract formed under
§ 2-207(3)
- § 4:20 Judicial reaction to the code's sources of contract
interpretation
- § 4:21 —Contracts with missing terms
- § 4:22 —Contracts with ambiguous terms
- § 4:23 — —Terms ambiguous on their face
- § 4:24 — —Terms latently found ambiguous
- § 4:25 —Express terms vs. usage of the trade, course of
performance, and course of dealing—Limitations
on admissibility: § 1-303(e)
- § 4:26 — —The "false parol evidence" rule

TABLE OF CONTENTS

- § 4:27 — —Who decides the consistency issue?
- § 4:28 — —What does “consistent” mean?

CHAPTER 5. CONTRACT DEFENSES: UNCONSCIONABILITY AND EXCUSE

- § 5:1 History of the doctrine of unconscionability
- § 5:2 Codification and acceptance of the doctrine
- § 5:3 Procedural aspects of unconscionability
- § 5:4 —Hearing requirement
- § 5:5 —Burden of proof
- § 5:6 Scope of § 2-302—Outside Article 2
- § 5:7 —Within Article 2
- § 5:8 — —Contract terminations
- § 5:9 — —Warranty disclaimers
- § 5:10 Unconscionability following contract formation
- § 5:11 Defining unconscionability
- § 5:12 —Procedural-substantive approach
- § 5:13 —Status-of-the-parties approach
- § 5:14 — —Between merchants of equal bargaining strength
- § 5:15 — —Between merchants of unequal bargaining strength
- § 5:16 — —Between merchants and consumers
- § 5:17 Remedies under the code
- § 5:18 History of excuse as a defense
- § 5:19 Destruction of specific goods: § 2-613
- § 5:20 Substitute methods of delivery or payment: § 2-614
- § 5:21 Commercial impracticability: § 2-615
- § 5:22 —The absence of fault requirement
- § 5:23 —Foreseeability, assumption of the risk, and risk allocation
- § 5:24 —Significant hardship
- § 5:25 —An additional requirement: Isolating the relevant causes
- § 5:26 Force majeure clauses
- § 5:27 Postexcuse concerns
- § 5:28 —“Fair and reasonable” plan
- § 5:29 —Failure to notify
- § 5:30 Consequences of excuse
- § 5:31 —Expectation interest
- § 5:32 —Down payments
- § 5:33 —Reliance expenditures, restitution, and the risk of loss rules

- § 5:34 Sharing the losses in excuse cases
- § 5:35 Buyer's ability to claim excuse under § 2-615

CHAPTER 6. ANTICIPATORY REPUDIATION

- § 6:1 Defining anticipatory repudiation
- § 6:2 —Demands not justified by the contract
- § 6:3 —Insolvency
- § 6:4 —Delay in performance
- § 6:5 —Unsatisfactory performance in an installment contract
- § 6:6 Demands for adequate assurances of performance
- § 6:7 —When are there reasonable grounds for insecurity?
- § 6:8 —When are assurances adequate?
- § 6:9 —How is § 2-609 invoked?
- § 6:10 Remedies for anticipatory repudiation
- § 6:11 Damages for anticipatory repudiation—The common-law approach
- § 6:12 —Measuring damages under the code
- § 6:13 — —The time for performance under the contract
- § 6:14 — —Time of the repudiation
- § 6:15 — —A commercially reasonable time after the repudiation
- § 6:16 — —The *Restatement (Second) of Contracts* approach to measuring damages

CHAPTER 7. SELLER'S RIGHTS IN THE GOODS

- § 7:1 Seller's rights before delivery
- § 7:2 —Breach by buyer before delivery: Seller's right to demand cash and stop goods in transit
- § 7:3 —Discovery of buyer insolvency before delivery
- § 7:4 When does the seller lose the power to stop delivery?
- § 7:5 —When does the buyer receive the goods?
- § 7:6 —Acknowledgment by the bailee
- § 7:7 —Who has the burden of proof?
- § 7:8 —Is the seller required to give notice?
- § 7:9 Is the seller's right of stoppage cut off by a good faith purchaser from the buyer?
- § 7:10 Seller's rights after delivery: The common-law situation
- § 7:11 Seller's rights after delivery: The Uniform Commercial Code

TABLE OF CONTENTS

- § 7:12 —Unpaid sellers vs. subsequent buyers of the goods
- § 7:13 —Unpaid sellers vs. secured parties
- § 7:14 —Unpaid sellers vs. other creditors of the buyer
- § 7:15 —Unpaid sellers vs. buyer's trustee in bankruptcy

CHAPTER 8. SELLER'S MONETARY DAMAGE CLAIMS

- § 8:1 The function of damage claims
- § 8:2 The resale measure of recovery: § 2-706
- § 8:3 Actions for the price: § 2-709
- § 8:4 —Accepted goods
- § 8:5 —Risk of loss on buyer
- § 8:6 —Goods not readily resalable
- § 8:7 Traditional market formula damages: § 2-708(1)
- § 8:8 Lost-profit claims: § 2-708(2)
- § 8:9 —Sellers covered by the lost-profit provision
- § 8:10 — —Lost-volume sellers
- § 8:11 — —Manufacturers using component parts
- § 8:12 — —Manufacturers using raw materials
- § 8:13 —Calculating lost-profit recoveries
- § 8:14 When lost profits overcompensate
- § 8:15 Incidental damages: § 2-710
- § 8:16 Down payments made by the buyer

CHAPTER 9. BUYER'S RIGHTS IN THE GOODS

- § 9:1 Buyer's right to compel delivery of the goods—Specific Performance
- § 9:2 —The prepaying buyer
- § 9:3 Buyer's right to return the goods—Common-law rescission
- § 9:4 —Rejection of the goods
- § 9:5 — —The Perfect Tender Rule: § 2-601
- § 9:6 — — —Installment contracts: § 2-612
- § 9:7 — — —The seller's right to cure: § 2-508
- § 9:8 — —Requirements for an effective rejection
- § 9:9 — — —Timeliness and notice
- § 9:10 — — —Contents of the notice
- § 9:11 — — —Burden of proof
- § 9:12 — — —Custody, care, and disposition of the goods
- § 9:13 — — —The effect of continued use by buyer
- § 9:14 —Acceptance

- § 9:15 —Revocation of acceptance
- § 9:16 — —The substantial impairment requirement
- § 9:17 — —Notice
- § 9:18 — —The effect of continued use by buyer
- § 9:19 — —Does the seller have a right to cure?
- § 9:20 —Reducing the buyer's recovery when the goods have been used
- § 9:21 —Who is a seller for rejection or revocation of acceptance purposes?
- § 9:22 —A closing note on the buyer's right to return the goods

CHAPTER 10. BUYER'S MONETARY DAMAGES

- § 10:1 An introduction to buyer's claims
- § 10:2 Buyer does not retain or never receives the goods: §§ 2-711, 2-712, and 2-713
- § 10:3 —The cover remedy
- § 10:4 —The market formula
- § 10:5 Buyer's damage claims where the buyer retains the goods: § 2-714
- § 10:6 —Economic loss doctrine
- § 10:7 — —Negligence and strict products liability
- § 10:8 — —Misrepresentation and fraud
- § 10:9 Incidental and consequential damage claims: § 2-715
- § 10:10 —Foreseeability as a limitation—History of the doctrine
- § 10:11 — —Foreseeability under the Code
- § 10:12 — —Inherent problems
- § 10:13 —Mitigation as a limitation
- § 10:14 —Certainty as a limitation
- § 10:15 — —Inadequate proof of loss
- § 10:16 — —Damages not recognized, or not fully recognized, in breach of contract actions
- § 10:17 Specific types of consequential damages—Lost profits—The "reasonable certainty" requirement
- § 10:18 —Methods of proof
- § 10:19 — —Resale situations
- § 10:20 — —Manufacturing situations
- § 10:21 —The "New Business" Rule
- § 10:22 — —Proving lost profits for an unestablished business
- § 10:23 — —The Contemplated Business Rule

TABLE OF CONTENTS

- § 10:24 —Goodwill
- § 10:25 —Wasted, saved, and added expenses
- § 10:26 —Third-party claims
- § 10:27 —Attorney's fees
- § 10:28 —Interest
- § 10:29 —Personal injuries and property damage
- § 10:30 —Emotional distress
- § 10:31 —Loss of use of goods
- § 10:32 —Impaired credit rating
- § 10:33 Alternatives to consequential damage claims
- § 10:34 —Liquidated damage provisions
- § 10:35 — —Is it a liquidated damage clause or a
penalty clause?
- § 10:36 — —Are liquidated damage clauses the
exclusive remedy for breach?
- § 10:37 —Alternative measures of damages
- § 10:38 —Reliance claims
- § 10:39 Punitive damages—The basic Code approach
- § 10:40 —Punitive damages in product liability cases

Volume 2

CHAPTER 11. PRODUCT DISSATISFACTION CLAIMS

- § 11:1 Scope of the code's warranty provisions
- § 11:2 —Used goods
- § 11:3 —Leased goods
- § 11:4 —Service contracts
- § 11:5 —Computer software
- § 11:6 — —The Uniform Computer Information
Transactions Act
- § 11:7 — — —The UCITA generally
- § 11:8 — — —UCITA's approach to mixed transactions
involving goods and computer information
- § 11:9 —Federal preemption of the implied warranty of
merchantability
- § 11:10 Express warranties by affirmation, description,
sample, and model: § 2-313
- § 11:11 —The affirmation-opinion dichotomy
- § 11:12 —Basis of the bargain
- § 11:13 —Warranty by description
- § 11:14 —Warranty by sample or model
- § 11:15 Express warranties and the parol evidence rule

- § 11:16 Implied warranty of merchantability: § 2-314
- § 11:17 —“Merchant with respect to goods of that kind”
- § 11:18 —Are the goods fit for their ordinary purpose?
- § 11:19 Implied warranty of fitness for a particular purpose: § 2-315
- § 11:20 —Reason to know
- § 11:21 —Particular purpose
- § 11:22 —Who is a seller?
- § 11:23 —Reliance by the buyer
- § 11:24 Warranty of title and against infringement
- § 11:25 —Warranty against infringement
- § 11:26 Proof of breach of warranty
- § 11:27 Warranty disclaimers and substituted remedy clauses
- § 11:28 —Warranty disclaimers
- § 11:29 — —Express warranties
- § 11:30 — —Implied warranties
- § 11:31 — —“As is” disclaimers
- § 11:32 — —Disclaimers not part of the written contract
- § 11:33 — —Inspection of the goods
- § 11:34 — —Course of dealing, course of performance, and usage of trade
- § 11:35 — —Unconscionability
- § 11:36 — —Nonuniform provision on livestock
- § 11:37 —Substituted remedy clauses
- § 11:38 — —“Expressly agreed to be exclusive”
- § 11:39 — —Does the remedy fail of its essential purpose?
- § 11:40 — —Unconscionability
- § 11:41 — —The notice of breach requirement
- § 11:42 — —Must a limited remedy clause be conspicuous?
- § 11:43 Limited damages clauses
- § 11:44 Substituted remedy and damage limitation clauses in combination
- § 11:45 Notice of breach
- § 11:46 —Timeliness of notice
- § 11:47 —Form and content of notice
- § 11:48 —Who must give notice?
- § 11:49 Privity
- § 11:50 —Vertical privity
- § 11:51 — —Implied warranties
- § 11:52 — —Express warranties
- § 11:53 —Horizontal privity
- § 11:54 Statute of limitations

TABLE OF CONTENTS

- § 11:55 Defenses based on the claimant's conduct—
Contributory negligence, assumption of the
risk, and misuse
- § 11:56 Beyond the Uniform Commercial Code: other
statutes affecting contracts for the sale of goods
- § 11:57 —The Magnuson-Moss Warranty Act
- § 11:58 — —The written warranty requirement
- § 11:59 — —The consumer product requirement
- § 11:60 — —The warrantor or supplier requirement
- § 11:61 — —The impact of the Act—Privity
- § 11:62 — — —Substantive disclosure requirements
- § 11:63 — — —Presale availability
- § 11:64 — — —Limited and full warranties
- § 11:65 — —Enforcement and remedies
- § 11:66 — —Damage claims under the Act
- § 11:67 — —Statute of limitations
- § 11:68 — —Measuring the Act's impact
- § 11:69 —State consumer protection statutes

CHAPTER 12. THE BULK SALES LAW

- § 12:1 A brief history of the bulk sales provisions of the
code
- § 12:2 The function of the bulk sales law
- § 12:3 What is a bulk transfer?
- § 12:4 —The quantitative requirement
- § 12:5 —The problem of successive sales
- § 12:6 —The problem of multiple locations
- § 12:7 —Enterprises covered by the law
- § 12:8 Property subject to the Act
- § 12:9 Exempted transfers
- § 12:10 —for security purposes
- § 12:11 —Assumptions of liability
- § 12:12 —Other exemptions
- § 12:13 Compliance
- § 12:14 —The list of creditors
- § 12:15 —Contents and timing of the notice
- § 12:16 —The schedule of property
- § 12:17 The effect of noncompliance
- § 12:18 —Protected creditors
- § 12:19 —The nature of the transferee's liability
- § 12:20 The Statute of Limitations

CHAPTER 13. RIGHTS OF THIRD PARTIES

- § 13:1 Assignment of rights and delegation of duties
generally

LAW OF SALES UNDER U.C.C.

- § 13:2 Clauses dealing with assignment or delegation
- § 13:3 Priorities—The doctrine of derivative title
- § 13:4 —Voidable title and estoppel
- § 13:5 —Article 2's approach
- § 13:6 — —The entrustment doctrine and buyers in the
ordinary course
- § 13:7 — —Secured parties
- § 13:8 — —Unsecured creditors of the seller

APPENDICES

Appendix A. U.C.C. Article 2—Sales

Table of Laws and Rules

Table of Cases

Index