

# CONTRACTS

Fall 2006

University of Pittsburgh School of Law  
Prof. Madison

## Course homepage:

<http://www.law.pitt.edu/madison/contracts/fall06/home.htm>

## Prof. Madison's homepage:

<http://www.law.pitt.edu/madison/index.htm>

### COURSE INFORMATION

#### Class Meeting Time and Place

Class will meet Mondays, Tuesdays, Wednesdays, and Thursdays in Room 109 from 11:00 a.m. to 11:50 a.m.

#### Contacting Prof. Madison

Office hours are on Tuesdays from 1:30 p.m. to 3:30 p.m. in Room 303. My email address is [madison@law.pitt.edu](mailto:madison@law.pitt.edu).

#### Required Course Materials

- (1) Charles L. Knapp, Nathan M. Crystal, and Harry G. Prince, *Problems in Contract Law: Cases and Materials* (Fifth Edition, 2003);
- (2) Knapp, et al., *Rules of Contract Law* (2005-2006);
- (3) Supplemental Readings. The Supplemental Readings are available exclusively on-line, at <http://www.law.pitt.edu/madison/contracts/supplement.htm>. Not all of the cases on this website will be assigned for this course. You are required to read only the supplemental cases identified on the Syllabus.

#### Email policy

Course announcements will be posted from time to time via email. You may send substantive questions about contract law to me at my email address. In general, my practice is to respond to questions during class.

#### Slides

Slides used in class will be posted after class, at <http://www.law.pitt.edu/madison/contracts/fall06/courseinfo.htm>.

#### Grading

Your grade will be based on a 3 1/2-hour, in-class essay-format examination.

#### Print Syllabus

This document can be found at <http://www.law.pitt.edu/madison/contracts/fall06/syllabus.pdf>.

### READING ASSIGNMENTS

The page numbers listed below under "Casebook" refer to Charles L. Knapp, Nathan M. Crystal, and Harry G. Prince, *Problems in Contract Law: Cases and Materials* (Fifth Edition, 2003); "Supp." refers to the Supplemental Readings, which are available exclusively on-line, at <http://www.law.pitt.edu/madison/contracts/supplement.htm>.

Each assignment below corresponds tentatively to one class period, though the amount of material to be covered in class, the order of the assignments, and/or the contents of a particular assignment may be changed by prior announcement. In general, I do not announce reading assignments in class. Instead, I expect that you will stay at least one class assignment ahead of the material that we have discussed in class.

**In addition to the assigned readings, where a case or other material refers to a statute or to the Restatement (2d) of Contracts, you are responsible for locating (in Knapp, et al., *Rules of Contract Law* (2005-2006)) (sometimes referred to as the "Softcover Supplement") and reading the section(s) of the statute and/or the Restatement to which the case or other material refers.**

#### I. Introduction

- **Class 1 (the first day of class): Introduction** Casebook 1-15 and *Hawkins v. McGee*, in Supp.

#### II. Enforcing Promises: Bases of Legal Obligation

- **Class 2: Promises** Re-read Casebook 1-15 and *Hawkins v. McGee*, in Supp.
- **Class 3: Intention of the Parties** Casebook 25-36 and *Ray v. William G. Eurice & Bros., Inc.*
- **Class 4: Intention of the Parties** Leonard v. Pepsico, in Supp.
- **Class 5: Consideration** Casebook 40-54 and *Hamer v. Sidway* and *Baehr v. Penn-O-Tex Oil Corp.*
- **Class 6: Consideration** Casebook 54-64 (re-read the note on *The functions of legal formality*) and *Dougherty v. Salt* and *Batsakis v. Demotsis*
- **Class 7: Consideration** Casebook 64-73 and *Plowman v. Indian Refining Co.*
- **Class 8: Promissory Estoppel: The Family** Casebook 73-85 and *Kirksey v. Kirksey*, *Greiner v. Greiner*, and *Wright v. Newman*
- **Class 9: Promissory Estoppel: Charity** Casebook 85-100 and *Allegheny College v. National Chautauqua County Bank* and *King v. Trustees of Boston University*
- **Class 10: Promissory Estoppel: Commerce** Casebook 101-116 and *Katz v. Danny Dare, Inc.* and *Shoemaker v. Commonwealth Bank*

#### III. The Process of Contract Formation

- **Class 11: Offer and Acceptance** Casebook 161-177 and *Loneragan v. Skolnick*, *Izadi v. Machado (Gus) Ford, Inc.*, and *Normile v. Miller*
- **Class 12: Offer and Acceptance: Unilateral Contracts** Casebook 177-189 and *Petterson v. Pattberg* and *Cook v. Coldwell Banker/Frank Laiben Realty Co.*
- **Class 13: Offer and Acceptance: Terminating the Power to Accept** Casebook 189-202 and *James Baird Co. v. Gimbel Bros., Inc.* and *Drennan v. Star Paving Co.*
- **Class 14: Offer and Acceptance: Irrevocability via Reliance** Casebook 202-216 and *Berryman v. Knoch* and *Pop's Cones, Inc. v. Resorts International Hotel, Inc.*
- **Class 15: Offer and Acceptance: The Firm Offer Rule** Casebook 217-221

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- **Class 16: Offer and Acceptance: The Battle of the Forms** Casebook 221-240 and *Princess Cruises, Inc. v. General Electric Co.* and *Brown Machine, Inc. v. Hercules, Inc.*
- **Class 17: Offer and Acceptance: The Battle of the Forms** Casebook 240-254 and *Dale R. Horning Co. v. Falconer Glass Industries, Inc.*
- **Class 18: Offer and Acceptance: Electronic Contracting** Casebook 255-269 and *Hill v. Gateway 2000, Inc.* and *Klocek v. Gateway, Inc.*

#### IV. Avoiding Enforcement: Incapacity, Bargaining Misconduct, Unconscionability, and Public Policy

- **Class 19: Duress and Undue Influence** Casebook 526-543 and *Totem Marine Tug & Barge, Inc. v. Alyeska Pipeline Service Co.* and *Odorizzi v. Bloomfield School District*
- **Class 20: Misrepresentation and Nondisclosure** Casebook 543-564 and *Syester v. Banta* and *Hill v. Jones*
- **Class 21: Unconscionability** Casebook 564-598 and *Williams v. Walker-Thomas Furniture Co.*, *Adkins v. Labor Ready, Inc.*, and *Cooper v. MRM Investment Co.* **\*Be sure to read the appellate opinion in Cooper v. MRM Investment Co., which appears at pages 331-343 of the Softcover Supplement\***
- **Class 22: Public Policy** Casebook 598-619 and *Valley Medical Specialists v. Farber* and *Borelli v. Brusseau*

#### V. The Statute of Frauds

- **Class 23: General Principles** Casebook 295-325 and *Crabtree v. Elizabeth Arden Sales Corp.*, *Winternitz v. Summit Hills Joint Venture*, and *Alaska Democratic Party v. Rice*
- **Class 24: Sale of Goods** Casebook 325-347 and *Buffaloe v. Hart* and *Bazak International Corp. v. Mast Industries, Inc.*

#### VI. The Meaning of the Agreement: Principles of Interpretation and the Parol Evidence Rule

- **Class 25: Principles of Interpretation** Casebook 349-369 and *Joyner v. Adams* and *Frigalment Importing Co. v. B.N.S. International Sales Corp.*
- **Class 26: Principles of Interpretation** Casebook 369-381 and *C&J Fertilizer, Inc. v. Allied Mutual Insurance Co.*
- **Class 27: The Parol Evidence Rule** Casebook 381-406 and *Thompson v. Libby* and *Taylor v. State Farm Mutual Automobile Insurance Co.*
- **Class 28: The Parol Evidence Rule** Casebook 407-414 and *Sherrodd, Inc. v. Morrison-Knudsen Co.*
- **Class 29: The Parol Evidence Rule** Casebook 414-429 and *Nanakuli Paving & Rock Co. v. Shell Oil Co.*

#### VII. Supplementing the Agreement: Implied Terms, and the Obligation of Good Faith

- **Class 30: The Rationale for Implied Terms** Casebook 431-441 and *Wood v. Lucy, Lady Duff-Gordon* and *Leibel v. Raynor Manufacturing Co.*
- **Class 31: The Implied Obligation of Good Faith** Casebook 441-455 and *Locke v. Warner Bros, Inc.*

#### VIII. Consequences of Nonperformance: Material Breach, Anticipatory Repudiation, and Express Conditions

- **Class 32: Material Breach** Casebook 743-762 and *Jacob & Youngs, Inc. v. Kent* and *Sackett v. Spindler*
- **Class 33: Anticipatory Repudiation** Casebook 762-778 and *Truman L. Flatt & Sons Co. v. Schupf* and *Hornell Brewing Co. v. Spry*

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- **Class 34: Express Conditions** Casebook 779-806 and *Oppenheimer & Co. v. Oppenheim, Appel, Dixon & Co., J.N.A. Realty Corp. v. Cross Bay Chelsea, Inc., and Morin Building Products Co. v. Baystone Construction, Inc.*

### IX. Justification for Nonperformance: Mistake, Changed Circumstances, and Contractual Modifications

- **Class 35: Mistake** Casebook 633-652 and *Sherwood v. Walker* \*, in Supp., *Lenawee County Board of Health v. Messerly*, and *Wil-Fred's, Inc. v. Metropolitan Sanitary District*
- **Class 36: Modification** Casebook 679-704 and *Alaska Packers' Association v. Domenico, Kelsey-Hayes Co. v. Galtaco Redlaw Castings Corp., and Brookside Farms v. Mama Rizzo's, Inc.*
- **Class 37: Impracticability** Casebook 652-668 and *Karl Wendt Farm Equipment Co. v. International Harvester Co.*

### X. Expectation Damages: Principles and Limitations

- **Class 38: The Value of the Plaintiff's Expectation** Casebook 807-831 and *Turner v. Benson, Handicapped Children's Education Board v. Lukaszewski, and American Standard, Inc. v. Schectman*
- **Class 39: Limits on Damages: Foreseeability and Certainty** Casebook 831-847 and *Hadley v. Baxendale and Florafax International, Inc. v. GTE Market Resources, Inc.*
- **Class 40: Limits on Damages: Avoidability** Casebook 848-859 and *Rockingham County v. Luten Bridge Co. and Boehm v. American Broadcasting Co.*
- **Class 41: Remedies under the UCC** Casebook 890-907

### XI. Alternatives to Expectation Damages: Reliance and Restitutionary Damages, Specific Performance, and Agreed Remedies

- **Class 42: Agreed Remedies** Casebook 989-1007 and *Wasserman's Inc. v. Township of Middletown*
- **Class 43: Specific Performance** Casebook 965-989 and *City Stores Co. v. Ammerman and American Broadcasting Co. v. Wolf*