



commerce
undergraduate
society

COMM 393: COMMERCIAL LAW FINAL REVIEW SESSION

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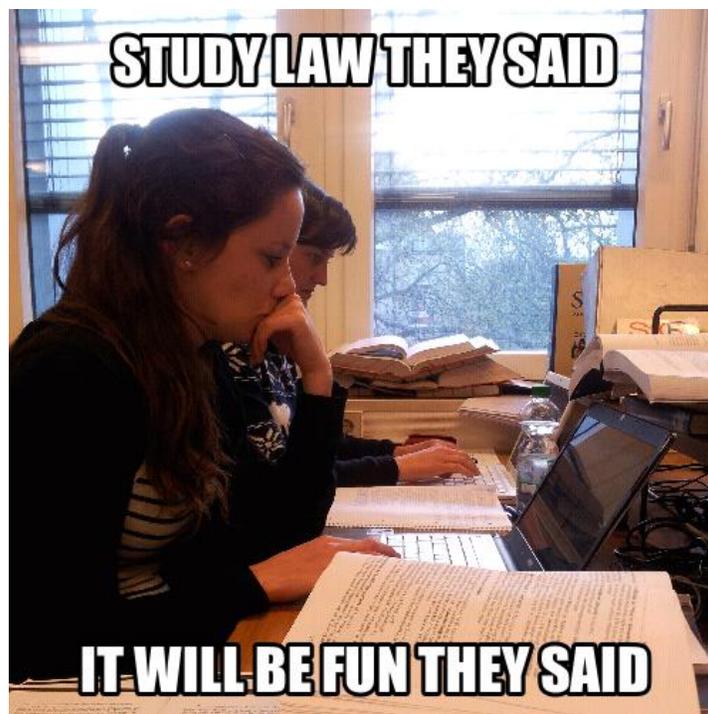
INTRODUCTION

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Accounting and Marketing Co-op

Fun Fact:

Suffered a sprained ankle most of the semester while taking COMM 393. (If I survived the course, then so can you!)



GENERAL ADVICE

Cases

- Be sure to review your case briefs and notes
- Refer to your course outline and make sure you know the law that applies to each particular case
- Then, when you practice, write out the law and apply it when you answer questions

Legal Reasoning Framework

- **ISSUE:** What is the legal problem you are being asked to solve? (Usually at the end of each paragraph)
 - **LAW:** Give a clear statement of the legal principle learned in this course. State the source if it is a case you have studied in class.
 - **APPLICATION:** Look back to the facts and apply the law to those facts. Develop arguments for BOTH sides!
 - **CONCLUSION:** Decide what the outcome would likely be. If it is debatable, say so and give reasons as to why.
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- Memorize and Practice, Practice, Practice!



BREACH OF CONTRACT & DAMAGES

Related Cases:

- BREALTA ENERGY INC V. FIRST CAPITAL MANAGEMENT
- WESTCOAST TRANSMISSION V. CULLEN
- BLACKCOMB SKIING ENTERPRISES V. SCHNEIDER

Practice Problem:

On January 9 Jar-Jar entered into a written contract to buy Anakin's podracer, subject to Jar-Jar obtaining a suitable vehicle inspection on or before January 15. Jar-Jar put up a deposit of \$15,000 and agreed to pay \$200,000 for the podracer. Completion was set for January 25.

On January 13 Jar-Jar's mechanic inspected the podracer and found that there were some minor cracks in the windshield that needed to be repaired immediately. On January 14, Jar-Jar signed an agreement removing the subject to vehicle inspection clause, but he made a notation on the agreement that stated as follows:

"Anakin to repair windshield on or before January 30."

On January 15 Anakin called Jar-Jar and said that because of the notation about the windshield repairs, he was now refusing to sell the podracer to Jar-Jar, and had accepted an offer from Watto to buy the podracer for \$220,000.

Question:

Assume that in fact it is Jar-Jar who has breached the contract with Anakin. The contract between them said:

“If the purchaser breaches the contract, the vendor can elect to keep the deposit and the parties agree that it is a genuine pre-estimate of liquidated damages.”

Anakin has elected to keep Jar-Jar’s deposit. Jar-Jar says Anakin has suffered no damages as he has contracted to sell the podracer to Watto at a higher price. Will Anakin be entitled to keep the deposit?



EXCLUSION CLAUSES

Related Cases:

- DAWE V. CYPRESS BOWL
- GREEVEN V. BLACKCOMB
- MALONE V. DOCKSIDE

Practice Problem:

Darth Vader and his son Luke go to Ragnar's Rock Climbing. At the front of the entrance is a sign that says in big, bold lettering: "WELCOME TO RAGNAR'S ROCK CLIMBING! WE HOPE YOU HAVE FUN!," then says in small, fine print under this: "Participants are consenting to the physical and legal risks involved with rock climbing and exempts Ragnar's Rock Climbing from any legal responsibility involving risk of injury, accidents, or death."

Before they rock climb, the person who assists them says "Enjoy the climb guys, remember to be careful and be safe!" Darth Vader and Luke follow the helper's instructions and enjoy themselves, until Darth Vader slips on a rock and injures his shoulder. Would Darth Vader be able to file a successful lawsuit against Ragnar's Rock Climbing?



SALE OF GOODS

Related Cases:

- KOBELT MANUFACTURING CO. V. PACIFIC RIM ENGINEERED PRODUCTS
- KOVACS V. HOLTOM
- PORELLE V. EDDIE'S AUTO SALES
- BEVO FARMS V. VEG GRO INC

Practice Problem:

Obi-Wan needs a new cloak for his morning walks, so he went to buy a cloak from a vendor named Coruscant Cloaks for \$150. Obi-Wan told the salesperson that he needed something durable and could be used for active wear. After using the new cloak for three days, Obi-Wan found that the cloak was not really suited for his walks and was starting to tear on the side. Obi-Wan took the cloak back to Greedo, the owner of Coruscant Cloaks and explained the situation. Greedo simply said, "All sales are final!" Obi-Wan claimed that he could sue Greedo under the Sale of Goods Act, but Greedo said that is ridiculous and Obi-Wan would not succeed if he chose to pursue a lawsuit.

- a) Does the Sale of Goods Act apply in this situation? Explain.
- b) If the Sale of Goods Act does apply in this situation, is Obi-Wan entitled to a refund of \$150 for the cloak? Explain.



PRIVITY OF CONTRACT

Related Cases:

- PEACOCK V. ESQUIMALT & NANAIMO RAILWAY CO.

Practice Problem:

Obama and Biden decide to take a break from the White House and go eat at a restaurant in Vancouver called Red Robin's.

Obama is the one who places the order and pays for the meals. He wants to celebrate this occasion with his good friend, and orders two bottles of Mike's Hard Lemonade, one for himself, and one for Biden. After toasting and drinking to their success, Biden notices that there is a fly at the bottom of his bottle. He suddenly feels sick and goes to puke in the washroom. Obama suggests to Biden that he should try suing Red Robin's for damages. Will Biden succeed in his claim against Red Robin's?



NEGLIGENCE, CONTRIBUTORY NEGLIGENCE, AND VICARIOUS LIABILITY

Related Cases:

- WALDICK V. MALCOLM
- HOLLIS V. DOW CORNING
- MORSI V. FERMAR PAVING

Practice Problem:

It is a super snowy day in Vancouver. Kermit the Human sees all of his neighbors shoveling snow in front of their walkways as the conditions are quite treacherous for passersby. Kermit considers shoveling snow too, but is feeling a bit lazy and just props up a sign that says: “Be careful, slippery conditions!” and then takes a nap. Later, Kermit forgets about shoveling his walkway and goes to the supermarket to buy some groceries. While he is out grocery shopping, a pedestrian named Gonzo is walking along the sidewalk on his way to the bus stop. Gonzo walks along Kermit’s walkway and falls and breaks his back as the ground is very slippery and icy. Gonzo wants to sue Kermit for damages. Kermit argues that Gonzo did not have to walk along his walkway, the sign warned him that it was dangerous, and that he could’ve found another route to the bus stop. Would Gonzo be successful in suing Kermit?



NEGLIGENT MISSTATEMENT

Related Cases:

- RANGEN V. DELOITTE & TOUCHE
- HERCULES MANAGEMENT LTD V. ERNST & YOUNG

Practice Problem:

Joey has made a lot of money working for the CMP, and wants to put the money into a lucrative investment. He speaks with a financial advisor, Steve Harvey, who recommends him to invest in the stock ONO, as his graph shows that the price of the stock keeps going up. Later that day, Steve realizes that his graph showing the stock price of ONO going up was in 2015, and not 2016 where the stock has been plummeting ever since. He figures that Joey is a smart kid and will probably realize this mistake before he actually invests in this stock. However, Joey takes Steve's advice at face value, and invests \$20,000 into the stock. A week later, Joey loses all but \$100 of stock value in ONO, and wants to sue Steve for negligent misstatement. Will Joey be likely to succeed?



BREAK TIME!

actual picture of how well i'm keeping it together rn



"I'll drop your lowest test grade at the end of the semester"



The biggest lie I tell myself at university is "I don't need to write that down, I'll remember it"

FIDUCIARY DUTY

Related Cases:

- HODGKINSON V. SIMMS
- STROTHER V. 3464920 CANADA LTD.

Practice Problem:

Steven and Andrew are business partners and have created a brewing company called Buzz Beer in Vancouver. Their business is relatively successful and several large scale brewing companies have attempted to buy them out. Andrew does not want to sell their business but Steven is willing to do so for the right price. Their business is currently valued at \$500,000. Cheer Beer, one of the largest brewing companies in town, contacts Stephen and tells him that they are willing to buy Buzz Beer for \$1 million. Stephen thinks that this is a really good deal, and sells their business without consulting Andrew. Andrew is upset. Does Andrew have a claim against Stephen in selling the business without his permission?



AGENCY

Related Cases:

- PEMBERTON BENCHLANDS HOUSING CORP V. SABRE TRANSPORT

Practice Problem:

Louis' Lamps is a huge lighting company that supplies bulk sales of lights to hotels. Under their official sales guidelines, it states that no contract exceeding over \$100,000 in value shall be approved without the official consent of their boss, Louis.

Donald is a sales representative who loves making deals and is one of Louis' Lamps' top salesmen. Harambe, the owner of Harambe's Hotels, is interested in buying a large shipment of lights from Louis' Lamps for his several hotels. In November, Harambe's Hotels placed an order for a shipment of lights from Louis' Lights for a total value of \$150,000.

Donald was in charge of finalizing the deal. He tried contacting Louis over the phone to approve this deal, but Louis was unavailable at the time. Donald contacted Harambe and introduced himself as Louis' Lights top sales representative. Donald decided that since this looked like a good deal, he finalized the contract himself on behalf of Louis' Lights. Louis' Lights now wants to back out of the contract. The boss, Louis, says that it was inappropriate for Donald to finalize the deal without his express permission. Is Louis' Lamps bound to honor this contract with Harambe's Hotels? Explain.



SOLE PROPRIETORSHIPS

Practice Problem:

- 1) What is a sole proprietorship?
- 2) What type of liability is a sole proprietorship associated with?
- 3) Name an advantage of being a sole proprietor.



PARTNERSHIPS

Related Cases:

- LANZ V. LANZ
- SCRAGG V. LOTZKAR
- PEN-BRO HOLDINGS V. DEMCHUK

Practice Problem:

Ben and Jerry are partners at a taco truck called Taco Jen's. They split the profits 50/50, Ben is the cashier, and Jerry is the cook. Business is booming, and they always have lots of customers waiting for their food. One day, with another long line, they run out of ground beef. Ben asks Jerry to look around to see if they have any other sources of meat anywhere. Jerry checks the freezer, and finds some one day old expired ground beef. He figures that it should still be okay to serve, and doesn't want to lose out on any profits, so Ben and Jerry serve the expired beef in their tacos. The next day, they receive lots of complaints from customers who have suffered from food poisoning because of the expired ground beef and want to sue Taco Jen's for a total of \$500,000. Taco Jen's only has a net worth of \$250,000 if they liquidate all of their assets. Seeing as this is not enough to cover the cost of the law suit, would Ben and Jerry's personal assets be at risk in this situation?



CORPORATIONS

Related Cases:

- CANADIAN SPORTS SPECIALISTS INC. V. PHILLIPPON
- CHALLENGOR V. NUCLEUS FINANCIAL NETWORK INC
- DATA BUSINESS FORMS LTD V. MACINTOSH
- UNIVERSAL PROPERTY MANAGEMENT V. WESTMOUNT

Practice Problem:

Wonka's Chocolates Ltd. has historically been known to be a rather successful chocolate company. Recently they have faced a bit of a downspell due to changing health trends and people not eating as much chocolate. As a result of large business losses, the owner, Willy Wonka, has decided to close the chocolate company for good and file for bankruptcy. Charlie of Charlie's Dairy Farms claims that Wonka's Chocolates Ltd. still owes him a debt of \$10,000 for the shipment of milk that he provided them last year. Wonka explains to Charlie that he cannot repay him as the company simply has no more assets. Charlie is furious and wants Willy Wonka to pay for the \$10,000 out of his own pocket. Assess any potential liability that Willy Wonka might have for the debt.



PRE-MIDTERM TOPICS LIST

- I. The Constitution Act & Charter of Rights and Freedoms
- II. Intent, Offer, Writing & Acceptance
- III. Consideration & Promissory Estoppel
- IV. Capacity
- V. Legality
- VI. Misrepresentation
- VII. Undue Influence, Duress and Unconscionability
- VIII. Parol Evidence Rule
- IX. Discharge of the Contract
- X. Miscellaneous Topics
 - a. Courts Systems and Procedures
 - b. Sources of Law
 - c. Alternate Dispute Resolution
 - d. Interpretation

WRAP – UP

