

CONTRACT LAW AND THEORY

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Fifth Edition

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DEDICATION

To

Madeline, Sam, and Julia

and

Atticus

PREFACE

In the first edition to this casebook, we began with the question: Why do we need another casebook on Contracts? Our claim then, which we believe to be true today, is that this casebook and the approach to the study of contract law that it develops are unique. We began with a belief that colors much of the analysis that follows— theory works. Not only is it more interesting to study legal rules against a background of legal theory, but the effort has practical payoffs as well. There are clear, discernable themes and patterns that underlie much of contract law, and by developing them explicitly we invite the student to develop a working model of contract law. This framework for analyzing and predicting the outcome of contract disputes is then tested through careful case and doctrinal analysis.

Our commitment to the practical uses of theory commits us as well to a functional analysis of contract law. We ask: What discernable purposes are the various legal rules (as announced in cases and statutes) designed to serve? Are the policy goals desirable and how effectively are they implemented through contract doctrine? This functional approach begins with an instrumental analysis that focuses on the incentive effects of contract rules. We often ask a question familiar to students of economics: How are the rules likely to influence the behavior of similarly situated parties in the future? We use this economic perspective as an organizing principle because we believe it does the best job of any contemporary theory in explaining contract law. But we recognize that other perspectives on contract law deserve careful attention as well. In particular, throughout the casebook we use autonomy and related moral theory as an alternative framework for analyzing the law of contracts. In this edition, we add a third, pluralist, perspective that considers claims of fairness along with norms of efficiency and autonomy. In short, we believe that a commitment to a functional analysis of contract law does not demand the acceptance of any particular dogma. Skeptics will find that the organizing themes of the book are sufficiently explicit so as to provide ample opportunity for counter-examples and dissent.

The theoretical perspective of the book also shapes our pedagogical objectives. We begin, in Chapter 1, with a thorough doctrinal and theoretical overview. The chapters that follow are in-depth elaborations of the introductory themes. This approach has several benefits. In particular, once the analytical framework is introduced in Chapter 1, the thick analysis of individual doctrines that follows is more readily digested and integrated by the student learning law for the first time. This allows us to focus in subsequent chapters on the counseling and drafting functions that contract lawyers perform. We remind students that they study past disputes in order to draft contractual provisions that will avoid similar problems in the future. We develop this theme through questions and problems as well as textual notes that explore the underlying objectives of parties entering into various contractual relationships.

In this edition, we have added a few new cases reflecting contemporary developments particularly in the areas of precontractual liability, preliminary agreements and collaborative contracts. Most of our efforts, however, have focused on careful rewriting and editing of text and essays and on shifting a number of principal cases to notes. The

PREFACE

object has been both to condense the book for easier coverage in four-hour courses and to enhance the book's accessibility to students. We continue to work on improving and updating this book because teaching contract law and theory has been so rewarding for us and (apparently) for our students. We hope those of you who try our approach will experience a similar success.

ROBERT E. SCOTT

JODY S. KRAUS

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TABLE OF CONTENTS

Chapter 1	AN OVERVIEW OF CONTRACT LAW	1
A.	INTRODUCTION: THE PURPOSES OF CONTRACT LAW	1
B.	THE SOURCES AND FUNCTIONS OF CONTRACT LAW	2
C.	ENFORCING PROMISES	4
[1]	What is a Promise?	4
	<i>Bailey v. West</i>	5
	Notes	9
	<i>Lucy v. Zehmer</i>	14
	Notes	18
[2]	Indefinite Promises and Open Terms	30
	<i>Trimmer v. Van Bomel</i>	30
	Notes	33
	<i>Wagner Excello Foods, Inc. v. Fearn Int'l, Inc.</i>	37
	Notes	39
[3]	Which Promises Will Be Enforced?	42
	<i>Hamer v. Sidway</i>	43
	<i>St. Peter v. Pioneer Theatre Corp.</i>	45
	Notes	50
[4]	Limitations on Enforcement: Unconscionability	52
	<i>Williams v. Walker-Thomas Furniture Co. I</i>	53
	<i>Williams v. Walker-Thomas Furniture Co. II</i>	55
	Notes	57
D.	PERFORMANCE OF THE OBLIGATION	66
[1]	Introduction to the Idiosyncratic Bargainer	66
	<i>Jacob & Youngs, Inc. v. Kent</i>	66
	Notes	70
[2]	Allocating Risks	74
	<i>Steas v. Leonard</i>	74
	Notes	77
[3]	Excuse for Nonperformance	84
	<i>Taylor v. Caldwell</i>	85
	Notes	88
E.	REMEDIES FOR NONPERFORMANCE	94
[1]	Introduction	94
[2]	The Compensation Puzzle	96
	<i>Freund v. Washington Square Press, Inc.</i>	96
	Notes	99
[3]	Specific Performance	108

TABLE OF CONTENTS

	<i>Van Wagner Adver. Corp. v. S&M Enters.</i>	108
	Notes	112
[4]	Limitations on Compensation	115
	<i>Hadley v. Baxendale</i>	116
	Notes	118
F.	BIBLIOGRAPHY AND SUGGESTED READING	124
[1]	The Functions of Contract Rules	124
[2]	Enforcing Promises	125
[3]	Performance of the Obligation	127
[4]	Remedies for Nonperformance	128
Chapter 2	ENFORCING PROMISES	131
A.	INTRODUCTION	131
B.	THE CONSIDERATION DOCTRINE	132
[1]	Bargain Versus Gift	132
	<i>Hamer v. Sidway</i>	132
	<i>Kirksey v. Kirksey</i>	132
	Notes	133
	<i>St. Peter v. Pioneer Theatre Corp.</i>	135
	<i>In re Greene</i>	135
	Notes	138
[2]	Adequacy of Consideration	143
	<i>Batsakis v. Demotsis</i>	143
	<i>Wolford v. Powers</i>	145
	Notes	146
C.	PROMISSORY ESTOPPEL	152
[1]	Introduction	152
[2]	Charitable Subscriptions: Consideration or Reliance?	155
	<i>Congregation Kadimah Toras-Moshe v. Deleo</i>	156
	Notes	157
[3]	Promises Made in Intrafamilial Contexts	163
	<i>Haase v. Cardoza</i>	164
	<i>Ricketts v. Scothorn</i>	166
	Notes	168
[4]	Promises Made in Employment Contexts	173
	<i>Feinberg v. Pfeiffer Co.</i>	173
	<i>Hayes v. Plantations Steel Co.</i>	177
	Notes	182
[5]	Promises to Insure	186
	<i>East Providence Credit Union v. Geremia</i>	186
	Notes	189

TABLE OF CONTENTS

D.	THE MATERIAL BENEFIT RULE	193
	Notes	197
E.	BIBLIOGRAPHY AND SUGGESTED READING	200
[1]	The Consideration Doctrine	200
[2]	Promissory Estoppel	200
[3]	Material Benefit Rule	201
Chapter 3	THE BARGAIN CONTEXT	203
A.	INTRODUCTION	203
B.	OFFER AND ACCEPTANCE	204
[1]	Subjective and Objective Tests of Mutual Assent	204
[2]	Offer	206
	<i>Bailey v. West</i>	207
	<i>Lucy v. Zehmer</i>	207
	<i>Courteen Seed Co. v. Abraham</i>	207
	<i>Fairmount Glass Works v. Crunden-Martin Woodenware Co.</i>	210
	Notes	212
[3]	Acceptance	217
[a]	Methods of Acceptance	217
	<i>Ever-Tite Roofing Corp. v. Green</i>	217
	<i>Ciaramella v. Reader's Digest Ass'n</i>	220
	Notes	224
[b]	Silence or Dominion as Acceptance	230
[c]	The Mailbox Rule	231
[4]	Revocation of Offers	233
[a]	Revocation in General	233
[b]	Irrevocable Offers	235
	<i>Pavel Enterprises, Inc. v. A. S. Johnson Co., Inc.</i>	236
	Notes	242
C.	OFFER AND COUNTEROFFER	246
[1]	Introduction	246
[2]	When is an "Acceptance" a Counteroffer? The Common Law View . . .	248
[a]	The Mirror Image Rule	248
[b]	The Last Shot Doctrine	249
[3]	UCC Section 2-207	249
	<i>Ionics, Inc. v. Elmwood Sensors</i>	250
	Notes	255
D.	CONTRACT FORMATION IN THE INTERNET AGE	259
	<i>Step-Saver Data Systems, Inc. v. Wyse Technology</i>	260
	<i>Hill v. Gateway 2000</i>	267
	Notes	270

TABLE OF CONTENTS

E.	BIBLIOGRAPHY AND SUGGESTED READING	278
Chapter 4	CONTRACTUAL RELATIONSHIPS AND CONDUCT	281
A.	AN INTRODUCTION TO RELATIONAL CONTRACTS	281
B.	COPING WITH UNCERTAINTY: PRELIMINARY NEGOTIATIONS AND PRELIMINARY AGREEMENTS	283
[1]	Preliminary Negotiations	283
	<i>Coley v. Lang</i>	284
	<i>Hoffman v. Red Owl Stores, Inc.</i>	289
	Notes	296
[2]	Indefinite Agreements	301
	<i>Trimmer v. Van Bomel</i>	302
	<i>Wagner Excello Foods, Inc. v. Fearn Int'l, Inc.</i>	302
	Notes	302
[3]	Binding Preliminary Agreements	306
	<i>Brown v. Cara</i>	307
	Notes	312
C.	OUTPUT, REQUIREMENTS, AND EXCLUSIVE DEALINGS ARRANGEMENTS	316
[1]	Output and Requirements Contracts	317
	<i>Eastern Air Lines, Inc. v. Gulf Oil Corp.</i>	317
	<i>Empire Gas Corp. v. American Bakeries Co.</i>	324
	Notes	330
[2]	Exclusive Dealings Contracts	341
	<i>Wood v. Lucy, Lady Duff-Gordon</i>	341
	<i>Bloor v. Falstaff Brewing Corp.</i>	343
	Notes	351
[3]	Reducing Conflicts of Interest by Contract	355
[a]	Termination Clauses	356
	<i>Wagenseller v. Scottsdale Memorial Hosp.</i>	356
	<i>Consumers Int'l v. Sysco Corp.</i>	362
	Notes	368
[b]	Covenants Not to Compete	372
	<i>Valley Med. Specialists v. Farber</i>	372
	Notes	377
D.	MODIFICATION OF EXISTING AGREEMENTS	380
	<i>Alaska Packers' Ass'n v. Domenico</i>	381
	Notes	384
E.	COLLABORATIVE CONTRACTING: THE BRAIDING OF FORMAL AND INFORMAL METHODS OF ENFORCEMENT	390
	<i>Eli Lilly & Co. v. Emisphere Techs., Inc.</i>	391

TABLE OF CONTENTS

	Notes	393
F.	BIBLIOGRAPHY AND SUGGESTED READING	396
Chapter 5	REGULATING THE BARGAINING PROCESS	401
A.	INTRODUCTION	401
B.	DURESS	403
	<i>Wolf v. Marlton Corp.</i>	403
	<i>Austin Instrument, Inc. v. Loral Corp.</i>	409
	Notes	412
C.	FRAUD	420
[1]	Willful and Negligent Misrepresentation	421
	<i>Spiess v. Brandt</i>	421
	<i>Danann Realty Corp. v. Harris</i>	428
	Notes	432
[2]	Duty to Read	438
	<i>Merit Music Service, Inc. v. Sonneborn</i>	438
	Notes	442
[3]	Concealment and Disclosure	448
	<i>Obde v. Schlemeyer</i>	449
	<i>Reed v. King</i>	452
	Notes	455
D.	CAPACITY TO CONTRACT	464
[1]	Infancy	465
	<i>Kiefer v. Fred Howe Motors, Inc.</i>	465
	Notes	469
[2]	Mental Illness	473
	<i>Faber v. Sweet Style Mfg. Corp.</i>	474
	Notes	478
E.	PUBLIC POLICY LIMITATIONS	480
[1]	Illegality	481
	<i>Watts v. Malatesta</i>	481
	Notes	484
[2]	Immorality	487
	<i>In re Baby M</i>	487
	Notes	495
F.	UNCONSCIONABILITY	501
	<i>Williams v. Walker-Thomas Furniture Co. I</i>	501
	<i>Williams v. Walker-Thomas Furniture Co. II</i>	501
	<i>Seabrook v. Commuter Housing Co.</i>	501
	<i>Henningsen v. Bloomfield Motors, Inc.</i>	504
	Notes	507

TABLE OF CONTENTS

G.	STATUTE OF FRAUDS	514
	<i>Mcintosh v. Murphy</i>	515
	Notes	520
	<i>Monetti, S.p.A. v. Anchor Hocking Corp.</i>	525
	Notes	529
H.	BIBLIOGRAPHY AND SUGGESTED READING	533

Chapter 6 IDENTIFYING AND INTERPRETING THE TERMS OF AN AGREEMENT 537

A.	INTRODUCTION	537
[1]	Identifying the Terms of an Agreement: The Common Law and the Code	538
[2]	Interpreting the Terms of an Agreement: The Common Law and the Code	539
B.	IDENTIFYING THE TERMS OF AGREEMENT	542
[1]	The Common Law Parol Evidence Rule	542
	<i>Mitchill v. Lath</i>	542
	<i>Masterson v. Sine</i>	546
	Notes	550
[2]	Merger Clauses	553
	<i>UAM-GM Human Resource Ctr. v. KSL Rec. Corp.</i>	553
	<i>Danann Realty Corp. v. Harris</i>	558
	Notes	558
[3]	The UCC Parol Evidence Rule	561
	<i>Hunt Foods & Industries, Inc. v. Doliner</i>	562
	Notes	564
C.	INTERPRETATION OF THE TERMS OF AN AGREEMENT	568
[1]	Plain Meaning and Contextual Meaning in Common Law Interpretation	569
	<i>W.W.W. Assocs. v. Giancontieri</i>	569
	Notes	572
	<i>Pacific Gas & Electric Co. v. G.W. Thomas Drayage & Rigging Co.</i>	574
	<i>Trident Ctr. v. Connecticut Gen. Life Ins. Co.</i>	577
	Notes	580
[2]	Interpreting Ambiguous Contracts; The Importance of the Burden of Proof	585
	<i>Frigalment Importing Co. v. B. N. S. International Sales Corp.</i>	585
	Notes	588
[3]	Interpretation in the UCC	593
	<i>Columbia Nitrogen Corp. v. Royster Co.</i>	595

TABLE OF CONTENTS

	<i>Southern Concrete Services, Inc. v. Mableton Contractors, Inc.</i>	600
	Notes	604
D.	BIBLIOGRAPHY AND SUGGESTED READING	609
Chapter 7	DEFINING THE TERMS OF PERFORMANCE	613
A.	INTRODUCTION	613
B.	CONDITIONS	614
[1]	Implied Conditions	614
[a]	Allocating the Risks of Performance	614
	<i>Steas v. Leonard</i>	615
[b]	Implied or Constructive Conditions of Exchange	615
	<i>Bell v. Elder</i>	616
	Notes	619
[c]	Divisibility	620
	<i>John v. United Advertising, Inc.</i>	620
	Notes	623
[2]	Express Conditions	624
[a]	Promises and Conditions	624
	<i>Howard v. Federal Crop Ins. Corp.</i>	625
	Notes	628
[b]	Conditions Precedent and Conditions Subsequent	632
	<i>Gray v. Gardner</i>	633
	Notes	634
[c]	Modification, Waiver, Election, and Estoppel of Conditions	636
	<i>Clark v. West</i>	636
	<i>Wisconsin Knife Works v. National Metal Crafters</i>	639
	Notes	646
C.	PERFORMANCE STANDARDS	649
[1]	Warranties	649
[a]	Express Warranties	650
	<i>Sessa v. Riegle</i>	650
	Notes	654
[b]	Implied Warranties	657
	<i>Flippo v. Mode O'Day Frock Shops</i>	657
	Notes	659
[c]	Warranty Disclaimers	663
	<i>Pelc v. Simmons</i>	664
	Notes	666
[2]	Measuring Compliance	669
[a]	Substantial Performance	670
	<i>Jacob & Youngs v. Kent</i>	670

TABLE OF CONTENTS

	<i>O.W. Grun Roofing & Construction Co. v. Cope</i>	670
	<i>Haymore v. Levinson</i>	673
	Notes	674
[b]	Perfect Tender and Cure	678
	<i>Ramirez v. Autosport</i>	679
	Notes	683
D.	BIBLIOGRAPHY AND SUGGESTED READING	687
[1]	Conditions	687
[2]	Performance Standards	688
Chapter 8	MISTAKE AND EXCUSE	691
A.	INTRODUCTION	691
B.	MISTAKEN BELIEFS ABOUT FACTS THAT EXIST AT THE TIME OF AGREEMENT	694
[1]	Excuse Based on Mistake (Herein of “Unilateral” and “Mutual” Mistake)	694
	<i>Sherwood v. Walker</i>	694
	<i>Anderson Bros. Corp. v. O’Meara</i>	699
	Notes	703
[2]	Mutual Mistake and Reformation	710
	<i>Aluminum Co. of America v. Essex Group, Inc.</i>	710
	Notes	722
C.	IMPOSSIBILITY AND COMMERCIAL IMPRACTICABILITY	727
[1]	The Traditional Impossibility Doctrine: Agreements Concerning Particular Property, Goods, or Services	729
	<i>Taylor v. Caldwell</i>	729
	<i>Howell v. Coupland</i>	729
	<i>Seitz v. Mark-O-Lite Sign Contractors, Inc.</i>	730
	Notes	734
[2]	The Modern Excuse of Commercial Impracticability	738
	<i>Transatlantic Financing Corp. v. United States</i>	739
	Notes	742
	<i>Eastern Air Lines, Inc. v. Gulf Oil Corp.</i>	747
	<i>Aluminum Co. of America v. Essex Group, Inc.</i>	749
	Notes	752
D.	FRUSTRATION OF PURPOSE	759
	<i>Krell v. Henry</i>	760
	<i>Lloyd v. Murphy</i>	763
	Notes	767
E.	BIBLIOGRAPHY AND SUGGESTED READING	772

TABLE OF CONTENTS

Chapter 9	CONDUCT CONSTITUTING BREACH	775
A.	INTRODUCTION	775
[1]	The Ideal Allocation of Risk	775
[2]	Obstacles to Ideal Risk Allocation: Evasion and Opportunism	777
[3]	Defining the Conduct Constituting Breach	778
B.	ANTICIPATORY BREACH	779
	<i>Hochster v. De La Tour</i>	779
	<i>Truman L. Flatt & Sons Co. v. Schupf</i>	781
	Notes	787
C.	MEASURING DAMAGES FOR ANTICIPATORY REPUDIATION	798
	<i>Cosden Oil & Chemical Co. v. Karl O. Helm Aktiengesellschaft</i>	798
	Notes	804
D.	INSECURITY AND THE RIGHT TO DEMAND ASSURANCES	811
	<i>National Farmers Organization v. Bartlett & Co., Grain</i>	812
	<i>Norcon Power Partners, L.P. v. Niagara Mohawk Power Corp.</i>	818
	Notes	823
E.	INSTALLMENT CONTRACTS	829
	<i>Pakas v. Hollingshead</i>	829
	<i>Cherwell-Ralli, Inc. v. Rytman Grain Co.</i>	833
	Notes	835
F.	BIBLIOGRAPHY AND SUGGESTED READING	839
Chapter 10	REMEDIES	841
A.	THE BASIC STANDARDS	841
[1]	Expectation Damages as a Substitute for Performance	841
[2]	Measuring Expectancy: Cost of Completion or Diminution in Value	846
	<i>Peevyhouse v. Garland Coal & Mining Co.</i>	846
	Notes	852
[3]	Specific Performance	857
	<i>Sedmak v. Charlie's Chevrolet, Inc.</i>	857
	Notes	859
[4]	Reliance Damages	865
	<i>Sullivan v. O'Connor</i>	866
	Notes	871
	<i>Kizas v. Webster</i>	871
	Notes	875
[5]	Restitution	877
	<i>United States Use of Susi Contracting Co. v. Zara Contracting Co.</i>	878
	<i>Britton v. Turner</i>	881
	Notes	884

TABLE OF CONTENTS

[6]	Punitive Damages	887
	<i>Miller Brewing Co. v. Best Beers of Bloomington, Inc.</i>	887
	Notes	891
B.	SPECIAL PROBLEMS IN MEASURING EXPECTANCY	895
[1]	Lost Volume Sellers	896
	<i>R.E. Davis Chemical Corp. v. Disonics, Inc.</i>	896
	<i>Rodriguez v. Learjet, Inc.</i>	899
	Notes	902
[2]	Damages as to Accepted Goods	907
	<i>Carlson v. Rysavy</i>	907
	Notes	911
C.	LIMITATIONS ON COMPENSATION	914
[1]	The Certainty Limitation	915
	<i>Drews Co. v. Ledwith-Wolfe Associates, Inc.</i>	915
	Notes	918
[2]	Foreseeability	921
	<i>Hadley v. Baxendale</i>	921
	<i>Spang Industries, Inc., Ft. Pitt Bridge Div. v. Aetna</i>	
	<i>Casualty & Surety Co.</i>	921
	Notes	925
[3]	Duty to Mitigate	929
	<i>Rockingham County v. Luten Bridge Co.</i>	929
	<i>Parker v. Twentieth Century-Fox Film Corp.</i>	931
	Notes	936
[4]	Liquidated Damages	941
	<i>Lake River Corp. v. Carborundum Co.</i>	941
	<i>California & Hawaiian Sugar Co. v. Sun Ship, Inc.</i>	948
	Notes	953
D.	BIBLIOGRAPHY AND SUGGESTED READING	957
Chapter 11		
THIRD-PARTY RIGHTS		961
A.	AN INTRODUCTION TO THIRD-PARTY BENEFICIARIES	961
	<i>Lawrence v. Fox</i>	961
	Notes	966
B.	INTENDED AND INCIDENTAL BENEFICIARIES	969
[1]	The “Donee Beneficiary” Cases	969
	<i>Seaver v. Ransom</i>	969
	<i>Drake v. Drake</i>	972
	Notes	975
[2]	The “Creditor Beneficiary” Cases	977
	<i>Hamill v. Maryland Cas. Co.</i>	977

TABLE OF CONTENTS

Pierce Associates, Inc. v. Nemours Foundation 980
Notes 988

C. SPECIAL APPLICATIONS 994
H. R. Moch Co. v. Rensselaer Water Co. 994
Klamath Water Users Protective Association v. Patterson 996
Notes 1000

D. ASSIGNMENT AND DELEGATION 1004
Crane Ice Cream Co. v. Terminal Freezing & Heating Co. 1005
Evening News Asso. v. Peterson 1008
Notes 1014

E. NOVATION 1021
Rosenberger v. Son, Inc. 1021
Notes 1026

F. BIBLIOGRAPHY AND SUGGESTED READING 1027

TABLE OF CASES TC-1

INDEX I-1
