

# CONTRACTS REMEDIES

	GENERAL PRINCIPLES	SALE OF GOODS	SALE OF LAND	BUILDING	SERVICES										
LEGAL	<p><b>Damages for Breach: Economic Only</b></p> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;"><b>Compensatory</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"><b>Requirements:</b></td> <td style="width: 50%;"><b>Measures:</b></td> </tr> <tr> <td>1. Causal</td> <td>1. Expectation: Benefit of</td> </tr> <tr> <td>2. Foreseeable: time of K</td> <td>2. Bargain. (standard)</td> </tr> <tr> <td>3. Certain: Future loss not too speculative</td> <td>2. Reliance: out of pocket (alternative)</td> </tr> <tr> <td>4. Unavoidable: Δ's duty to mitigate damages</td> <td>3. Consequential: only if foreseeable circumst.</td> </tr> </table> </div> <p><b>Liquidated:</b> Agreed, reasonable, hard to calculate.  <b>No punitive! Nominal OK. Incidental OK.</b></p> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;"><b>Legal Rescission &amp; Restitution</b></p> <p>n rescinds: notice &amp; returns benefit. Then...  n entitled to restitution of Δ's benefit</p> </div> <p style="text-align: center;"><b>Quasi-Contract</b></p> <p>Prevents Δ's Unjust Enrichment. Can arise by mistake, fraud, material breach of K, perform. of unenforceable K. Nonbreacher gets value of her performance.</p>	<b>Requirements:</b>	<b>Measures:</b>	1. Causal	1. Expectation: Benefit of	2. Foreseeable: time of K	2. Bargain. (standard)	3. Certain: Future loss not too speculative	2. Reliance: out of pocket (alternative)	4. Unavoidable: Δ's duty to mitigate damages	3. Consequential: only if foreseeable circumst.	<p><b>UCC 2-711: Seller Breach Buyer's Remedies</b></p> <ol style="list-style-type: none"> <li>1. Cancel the contract</li> <li>2. "Cover": buy subst. &amp; get diff.</li> <li>3. Recover spec. goods if paid for</li> <li>4. Specific Perf. for unique goods</li> <li>5. K damages if nondelivery</li> <li>6. Diff. in value if nonconforming</li> </ol> <p><b>UCC 2-703: Buyer Breach Seller's Remedies</b></p> <ol style="list-style-type: none"> <li>1. Withhold or stop delivery;</li> <li>2. Resell goods &amp; recover diff.</li> <li>3. Cancel the contract</li> <li>4. Recover K price if buyer acpctd</li> <li>5. K damages (market - K price)</li> </ol>	<p style="text-align: center;"><b>Damages</b></p> <p><b>When Seller Breaches:</b>  <b>Buyer gets</b> expectation or reliance depend. on jurisdiction</p> <p><b>When Buyer Breaches:</b>  <b>Seller gets</b> market price minus contract price plus consequential</p> <p style="text-align: center;"><b>OR...</b></p> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;"><b>Fraud or material breach: Rescission</b></p> <p><b>Buyer n</b> recovery offset by value of use of land</p> <p><b>Seller n</b> recovery conditioned on restoring partial \$ (less damages)</p> <p style="text-align: center;"><b>&amp; Restitution</b></p> </div>	<p style="text-align: center;"><b>Damages</b></p> <p><b>Owner Breach Builder gets...</b></p> <ol style="list-style-type: none"> <li>1. if K wholly exec., lost profits</li> <li>2. if K completed, K price</li> <li>3. K not fully performed, K price less cost of completion.</li> </ol> <p><b>Builder Breach Owner gets...</b></p> <ol style="list-style-type: none"> <li>1. If Builder subst. performed, cost of restoration or lost value</li> <li>2. If Builder's breach material, cost of completion less \$ due + compensation for delay.</li> </ol> <p style="text-align: center;"><b>Restitution</b></p> <p><b>Owner breach:</b> builder can rescind &amp; get value of work done</p> <p><b>Builder breach:</b> No rest. for owner (no ben. to B). (B in breach maybe abate O's dmg)</p>	<p style="text-align: center;"><b>Damages</b></p> <p><b>Employee Breach</b></p> <p>Employer recovers cost of obtaining replacement.</p> <p><b>Employer Breach</b></p> <p>Employee gets wages due or promised less avoidable damages. Wrongful dismissal = tort = punis.</p> <p style="text-align: center;"><b>Restitution</b></p> <p><b>Employer breach:</b> Employee can get value of services, even in excess of K</p> <p><b>Employee breach:</b> Recov. of wages paid but unearned.</p>
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EQUITABLE	<p style="text-align: center;"><b>Restitution</b></p> <p>"Restoration of status quo ante" as part of...</p> <p style="text-align: center;"><b>Equitable Rescission</b></p> <p>Court intervenes to rescind K. Grounds: mistake, fraud, unenforceable, etc. Mutual mistake OK, unilateral if other knew or should have. Election of remedies defense: Can't seek damages for breach &amp; resciss. <b>Cancellation:</b> Voidable writing made void.</p> <p><b>Injunctive Relief:</b> Equitable defenses apply.</p> <p style="text-align: center;"><b>Specific Performance</b></p> <p>Mand. injunction to perform duty under K. Need: Valid K, all conditions satisfied, remedy at law inadequate, certain terms, feasible to enforce. Mutuality of remedy not necessary.</p> <p style="text-align: center;"><b>Reformation</b></p> <p>If VALID K: court alters terms to fix error or make fair.</p>	<p style="text-align: center;"><b>Specific Performance</b></p> <p>Available only if:</p> <ol style="list-style-type: none"> <li>1. Goods are UNIQUE; <b>OR</b></li> <li>2. Damages highly speculative (e. g. output contracts)</li> </ol>	<p style="text-align: center;"><b>Specific Performance</b></p> <ol style="list-style-type: none"> <li>1. <b>Law inadeq.</b> For Buyer π, LAND IS UNIQUE. For Seller π, still needs to sell.</li> <li>2. <b>Feasbl. Enforce:</b> Buyer π, court conveys land. Seller π, no contempt for nonpay. Levy of exec</li> <li>3. <b>Time of Essence Cond:</b> Late buyer may get SP on partly exec. K, to avoid default.</li> <li>4. <b>Seller fails condition:</b> Buyer can get SP w/ abatemt. Seller can get only if cond. immaterial</li> <li>5. <b>SOF:</b> No SP w/o signature. (Exception: part perform.)</li> <li>6. <b>Equitable Conversion</b> problem</li> </ol>	<p style="text-align: center;"><b>Specific Performance</b></p> <p>Traditionally precluded due to enforceability problems. More possible modernly.</p> <p><b>Specific Performance</b></p> <p><b>Covenants Not to Work for Another</b> can be specific. enforced. Must be unique services for inadeq. of legal remedy. Feasibility OK for prohibitive injunc: defendant enjoined from working for another. Conditional on employer being ready, willing, able to employ.</p> <p><b>Covenants Not to Compete:</b> AFTER end of employment. Must be reasbl. and dmgs inadequate. Blue pencil rule: excise unreas.</p>	RESTITUTIONARY										