

**SALES TRANSACTIONS:
DOMESTIC AND
INTERNATIONAL LAW**

CASES, PROBLEMS AND MATERIALS

FOURTH EDITION

CURTIS R. REITZ

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SALES TRANSACTIONS: DOMESTIC AND INTERNATIONAL LAW

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by

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To the memory of
John O. Honnold
1915–2011
Father of the Vienna Convention

PREFACE TO THE FOURTH EDITION

About 100 years ago, in this country, the law of sales contracts split off from the broad common-law field of general contract law. The split was the unintended consequence of codification of the law of sales, which occurred, it is said, as part of a broader movement to unify the laws of the states of the United States. Other sectors of contract law were not codified and remained common-law subjects. Common law governed real estate contracts, contracts for services, construction contracts, insurance contracts, and so forth.

Other areas of early 20th century codification involved various kinds of intangible property that were created, sometimes by bi-lateral agreement, but the key legal issues involved the arrangement of property rights among the initial parties and subsequent parties who came to have interest in the property. Typically this involved pieces of paper, like promissory notes, drafts, and documents of title. These laws could be better characterized as laws regarding personal property more than contracts. Even the Uniform Sales Act was largely focused on determining when title passed to goods sold. Passing of title was the fulcrum for deciding many legal issues.

About 50 years ago, a second wave of codification occurred in the country, resulting in the Uniform Commercial Code. The property-like fields comprised the major part of the Code. The Article on Sales, however, took on a predominantly contract orientation. The Code retained title-passing provisions, but they were isolated from the rest of the Article. The fundamental premise of Article 2 was that issues between buyers and sellers should be resolved primarily by reference to their agreements. An array of contract-type provisions were added to the codified law. In many instances, the stated purpose of the new provisions was to overrule judicial decisions that the drafters of Article 2 deemed to be “uncommercial.”

After Article 2 went into effect, a major effort was made to revise the common law of contracts to incorporate some of the contract law reforms that had been codified in that Article. This was accomplished by promulgation of a revision of the Restatement of the Law of Contracts, a publication of considerable influence on common-law courts. Notwithstanding this development, the codified law of sales contracts differs significantly from the common law of contracts generally.

About 25 years ago, a new body of positive law of sales was created. The purpose was to provide a legal platform for international sales of goods. This code is the product of an international convention, drafted under the auspices of the United Nations, the Convention on Contracts for the International Sale of Goods. This Convention was ratified by the President with the advice and consent of the Senate and is part of the law

of the United States and of more than 80 other countries. Under the Supremacy Clause of the US Constitution, the Convention is part of the laws of the several states.

The effects on legal education of these 20th century events have been severe. It appears that teachers of first-year contracts courses differ widely on whether to incorporate UCC Article 2 or the UN Convention into those courses and, if so, how and to what extent. Teachers of upper-level commercial law courses differ on the proper syllabus for teaching the law of sales.

These materials, like previous editions, have been compiled on a number of pedagogical premises. The first is to rely on the expectation that issues of contract formation, including formation of sales contracts, will have been addressed in the basic contracts course. The second is that the focus of a modern course in sales law should be on issues that are giving rise to serious controversy and, as a result, to litigation of sufficient gravity that it reaches appellate courts. The third is that a course on sales law today should encompass both the domestic law of the United States and the UN Convention. The materials are structured to be of use in a course that is devoted primarily or solely to the domestic law of the United States.

John O. Honnold, co-editor of three previous editions of this book and of five editions of earlier commercial law casebooks, died in January 2011. Professor Honnold played major roles in the development of UCC Sales Article 2 and of the UN Convention on Contracts for the International Sale of Goods. Indeed, he is widely described as the Father of that Convention. He will be missed by all who knew him and loved him, but the products of his life-long work endure.

CURTIS R. REITZ

Philadelphia PA
February 2011

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**SALES TRANSACTIONS:
DOMESTIC AND
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