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Problems and Materials on the  
SALE AND LEASE OF GOODS

*Fifth  
Edition*



Wolters Kluwer

Law & Business

ASPEN PUBLISHERS

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**PROBLEMS AND MATERIALS  
ON THE SALE AND  
LEASE OF GOODS**

**FIFTH EDITION**

DOUGLAS J. WHALEY  
PROFESSOR OF LAW EMERITUS  
THE OHIO STATE UNIVERSITY



**Wolters Kluwer**  
Law & Business

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ON THE SALE AND  
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**For Mary Bush, Tim Ihle, and Pamela Maggied**

This book explores the law of the sale and lease of goods and licenses primarily by focusing on a series of Problems designed to encourage the student to concentrate on the exact statutory language of the Uniform Commercial Code and related statutes. Representative cases and textual notes are also included.

Unfortunately, students reared on the case method sometimes have trouble concentrating on Problem after Problem. Such an attitude here can be academically fatal. As a guide to the degree of concentration required, I have used a hierarchy of signals. When the Problem states “Read §2-302,” I mean “Put down this book, pick up the Uniform Commercial Code, and study §2-302 carefully.” When the instruction is “See §2-302,” the reader need look at the cited section only if unsure of the answer. “Cf. §2-302” or simply “§2-302” are lesser references, included as a guide for the curious.

I have edited many of the footnotes out of the cases; the ones that remain have been stripped of their original numbering and have been consecutively numbered with my other textual footnotes. Unless clearly indicated otherwise, all footnotes in the cases are the court’s own.



I co-authored the first edition of this book with Professor Rhonda Rivera, then my colleague at The Ohio State University College of Law. Due to other commitments she declined to participate in subsequent editions, so I reluctantly went on alone. Nonetheless, much of her work on the first edition is still reflected in this one, and I am, as always, in her debt.

I am particularly grateful to Professors Jean Braucher, Neil Cohen, and James White, who kept me up to date on what was happening with the 2003 revision of Article 2 and who patiently answered my queries.

Finally, I would like to thank all the good people at Aspen Publishers for the assistance they have given me through the years in the production of this and other books. It is a pleasure to work with true professionals. I would also like to express gratitude to my students who suffered through these materials in earlier forms, spotted errors, made suggestions, and helped shape the final version. My students have always taught me as much about commercial law as I have taught them, and I thank them for it.

*Douglas J. Whaley*

Columbus, Ohio  
September 2008

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**PROBLEMS AND MATERIALS  
ON COMMERCIAL LAW**

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# CHAPTER 1

## BASIC CONCEPTS

### ***I. INTRODUCTION***

Our course primarily concerns the Uniform Commercial Code, a state statute regulating commercial matters that has been enacted, with some variations, in all jurisdictions in the United States. It is divided into different parts called “Articles,” which we will explore one by one. The Code was written in the middle of the last century, and has been much amended, Article by Article, through the years. Changes to the Code are promulgated by two organizations—the American Law Institute (ALI) and the National Conference of Commissioners on Uniform State Laws (NCCUSL)—and then sent out to the states for adoption. Most states make changes to the various Articles when enacting them, and some of these variations are startlingly different from the official version. In your actual practice of law, make sure you carefully examine the wording of the relevant state statutes to see what changes, if any, were made from the original text, and consider how that will affect the legal advice you give.

#### ***A. The Basics of Article 1***

Article 1 of the Uniform Commercial Code is a general Article whose rules are applicable to all the Articles that follow (unless those Articles