

# Case scenario: big time toymaker

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Question BTT and Chou entered into a contract when BTT sent Chou an email with the title “ Strat Deal.” This email referenced the original terms of agreement, which turned into a contract after Chou’s acceptance and response (Schaffer, Agusti, and Dhooge, 2014). The terms of agreement included the repetition of the key words of the distribution contract like cost, schedule, and commitments for BTT and Chou. These words contributed to the creation of a contract between both parties by making the email legally binding (Melvin, 2011).

## Question 2

The first fact that weighs in favor of Chou is that BTT and Chou had come to a verbal arrangement three days before the conclusion of the 90-day special negotiation (Melvin, 2011). Shortly afterwards, a BTT management agent sent an email to Chou with the particulars of the arrangement. The email said that all conditions “ had been agreed upon.” Secondly, BTT asked Chou to send them a sample distribution agreement with all the details of the contract that the BTT agent sent to Chou (Miller, 2012). Lastly, according to Amended UCC § 2-201(1) of the Statute of Frauds, the allocation of Strat would have surpassed the \$500 cap. However, this fact may also be against Chou considering he lacked an actual signature on the contract for the allocation of Strat (Twomey and Jennings, 2013).

## Question 3

Yes. The fact that BTT and Chou communicated through email through this entire process means both parties were very aware of the terms of their agreement and impending transactions (Gibson and Fraser, 2014).

## Question 4

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The Uniform Commercial Code grants the statute of frauds a role in the contract between BTT and Chou. The statute of frauds is applicable to any commodities or services with a value that does not exceed \$500. In this case, BTT traded \$25, 000 for special rights for a 90-day period that Chou agreed to. The statute of frauds applies because both parties did not conduct the discussed arrangement as originally decided (Melvin, 2011).

#### Question 5

BTT cannot dodge this contract under the doctrine of mistake since there is no proof of any mistake in the best interests of BTT. The doctrine of mistake requires the involvement of a primary assumption entailing the terms on which both parties came to the arrangement. BTT's manager sent an email to Chou that specifically cites their agreement in all details of cost, schedule, and commitments. When there is no conflict over a single or more of the fundamental details, the court usually does not permit the consideration of a one-sided Mistake (Melvin, 2011).

#### Question 6

BTT's delivery of \$25, 000 and Chou's reception of this payment supports the arguendo concept. This is because Chou was assured to profit from the delivery of its commodities across BTT's stores and BTT from distribution fees. The exchange of commodities whose value is similar to the payment made supports the arguendo argument (Melvin, 2011).

#### Response

The first remedy that would apply is compensatory damages. Chou can in fact recover out of his own pocket, which might take in the initial \$25, 000. This is because BTT did not make a transaction in good faith, causing Chou to take in the additional loss of approximated potential returns (Twomey and <https://assignbuster.com/case-scenario-big-time-toymaker/>

Jennings, 2013). The second remedy is specific performance because this case was a services agreement. As a result, the court might order BTT to meet their commitment to distribute the game due to their utter violation of the contract. The court may also order BTT to replace performance under the doctrine of settlement and contentment. Thirdly, delegation is a remedy that would allow BTT to switch to another organization that can deliver the game (Miller and Jentz, 2010). However, as a delegator, BTT would be held still legally responsible if their delegate did not meet its contract. Lastly, Injunctive Relief is the fourth remedy that allows the court to issue an injunction that bars BTT from allocating, creating, or profiting from the respective game or a similar one (Melvin, 2011).

#### References

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