

Risk of Loss + Title (PDF on OZL)

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Title = OWNERSHIP

Risk of Loss \Rightarrow Buyer or Seller holds the

SHIPMENT Contract = The goods are being shipped
by a common carrier (bailment)

Fob Sellers Factory \Rightarrow In the absence of agreement title and
risk of loss pass upon seller's delivery of
conforming goods to the carrier.

- If the risk and title go to buyer in shipment, then
buyer is responsible if goods are lost.

Destination Contract

If seller's goods are lost in shipment, then the seller
is responsible for lost goods.

- Look in contract to see who is responsible.

If there is no agreement on shipping terms, then it is a shipping k.

- If no shipment, then buyer will pickup goods.

- In the absence of agreement the owner has the good
until the contract is agreed upon (or buyer & seller agree
and buyer receives title of goods)

- When seller says to buyer; you can have it now this
is considered tender and risk of loss

↳ If items are destroyed before buyer picks up the items,
then buyer is at risk of loss, and must pay
for items.

In the absence of agreement if the documents of title are held by bailee ↓

Title and risk pass upon buyer when buyer has receipt of goods.

Shipment contract

Problems P.458

FOB = shipment contract

Free on Board = Buyer pays for shipping

P.4

a. Seller is at risk

b. Shipment contract : Buyer has risk

c. F.O.B. Knox title = Destination because it is in seller's territory; therefore Seller is liable.

Problem 1

1. No shipment or destination contract : Buyer must pickup
+ Title was transferred to buyer
Buyer is at risk

Non-merchant require tender
merchant require delivery

2. C.O.D = Cash on Delivery Shipment Contract
Buyer is at loss

Void Title, Voidable Title

Figure 23-2 (Pg. 446) VOID Title = NO Title

Theft: B steals from A

B sells to C, D, or E

C, D, or E has a void title and it belongs to A

2.403 → Look at this on your own (Pg 44)

Voidable Title

Fig 23-3
(1) A = owner
B = Thief sells to C
C = Purchaser does not have to give back goods if

Homework

- a. Transfer was received as to identity of the purchaser
- b.
- c.
- d.

Fig

23-4 Entrustment of Goods to a Merchant

A = owner

B = employee mistakenly sells items to C

C = Does not have to give back items to owner (A can ask B for money)