**[Week 6: Question 1](https://learn.dcollege.net/webapps/blackboard/content/launchLink.jsp?course_id=_168015_1&content_id=_5105066_1&mode=view)**

Wright owned a small grocery store in West Philadelphia one block from City Avenue.

At that point, the avenue is the western boundary of the city, separating it from Delaware County.

All of Wright’s customers were drawn from the city and from an area no more than ten blocks distant from the store.

There are two competing stores in the same area in Philadelphia.

Wright sold the store (the building, stock, and other fixtures) and the good will to Hagerty for $950,000 and in the contract of sale covenanted never to compete with Hagerty in the grocery business anywhere in the City of Philadelphia.

Six months after the business was sold, Wright opened another grocery store less than one block from City Avenue in Delaware County.

The new store was located almost due west from the store now owned by Hagerty, which made them about two blocks apart.

Almost immediately, Wright began soliciting business from his old customers, and within four months, at least thirty per cent of his sales were being made to former customers drawn from Philadelphia.

Hagerty now seeks to have Wright enjoined from operating the store in Delaware County.

Wright contends he should not be enjoined because the covenant is unenforceable and creates a monopoly.

He further argues that even if the covenant is enforceable in all respects, he has not violated it.  Is this noncompetition clause valid?

Should Wright be enjoined from operating his new store?

When a going business is sold, it is commonly states in the contract that the seller shall not go into the same or a similar business again within a certain geographic area or for a certain period, or both which is commonly known as a non-compete. In the case of Hagerty and Wright the contract stated never to compete with Hagerty in the grocery business anywhere in the City of Philadelphia, and Wright opened a store in Delaware County one block from the store. Modern courts, the question is whether under the circumstances, the restriction imposed on one part is reasonably necessary to protect the other party. If the restriction is reasonable, it is valid and enforceable. In this case to say that Wright cannot have a store anywhere in the City of Philadelphia in this case this is unreasonable to put into a non-compete over a grocery store the radius of the contract is to large and thus can be said to be not valid.

### [Week 6: Question 2](https://learn.dcollege.net/webapps/blackboard/content/launchLink.jsp?course_id=_168015_1&content_id=_5105067_1&mode=view)

A state law required builders of homes to be licensed.

 Although DelVal Construction, Inc. did not have a license, it built a home for German at a price of $385,000.

German made a down payment of $65,000 before DelVal began construction.

When German failed to pay the balance that was owed, DelVal sued her.

She raised the defense that the unlicensed contractor could not recover for the contract price.

The jury, after hearing the evidence, concluded that DelVal performed satisfactory work.

 DelVal claimed that the lack of a license was not a bar to recovering the money because the president of the corporation was a licensed builder and the only shareholder of the corporation.

 Is this an illegal contract?

Should the law allow German to take advantage of DelVal by not paying the additional $320,000 for the house?

What public policy would support such an outcome?

Which party will succeed?

Statues frequently require that a person obtain a license, to do certain work such as a lawyer, home contractor, or doctor. In this case DelVal Construction Inc did not have a license, it built a home for German at a price of $385,000.  So German failed to pay DelVal for the work because DelVal was not did not have a license. DelVal claimed that the lack of a license was not a bar to recovering the money because the president of the corporation was a licensed builder and the only shareholder of the corporation in some states an unlicensed contractor can neither enforce a home improvement contract against an owner nor seek recovery in quantum merit. But if the statue does not provide expressly that it’s a violation will deprive parties the right to sue on the contract. Thus, since the cooperation was licensed the contract is legal. But Some Public policy would support this since DelVal himself was not licensed to to the contract work that he did which could be offensive in the courts eyes.

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