

A mechanic agreed in writing to make repairs to a landscaper's truck for \$12,000. The mechanic properly made the repairs, but when the landscaper tendered payment, the mechanic refused to deliver the truck unless the landscaper promised to pay an additional \$2,000. The customary charge for such work was \$14,000. Because the landscaper needed the truck immediately to fulfill existing contractual obligations, and because no rental trucks of the same type were available, the landscaper promised in writing to pay the mechanic an additional \$2,000. The mechanic then delivered the truck.

Will the mechanic be able to enforce the landscaper's promise to pay the additional \$2,000?

- A. No, because the landscaper had no reasonable alternative but to yield to the mechanic's wrongful threat.
- B. No, because the mechanic exerted undue influence over the landscaper with respect to the modification.
- C. Yes, because the landscaper could have obtained possession of the truck through legal action rather than by agreeing to the increased payment.
- D. Yes, because the modified contract price did not exceed a reasonable price.

Explanation:

Duress may serve as a **defense to contract enforceability** if a contracting party's assent was induced by an **improper threat** from another contracting party—eg, a threat that breached the contractual duty of good faith and fair dealing. When this occurs, the contract becomes **voidable** and can be **rescinded** if the threatened party:

- had **no reasonable alternative** but to succumb to the improper threat *and*
- **promptly** (ie, within a reasonable time) **disaffirmed** the contract.

Here, the mechanic breached his duty of good faith and fair dealing when he refused to deliver the truck unless the landscaper paid an additional \$2,000 (improper threat). Since the landscaper needed the truck immediately to fulfill existing contractual obligations and no similar rental trucks were available, he had no choice but to succumb to the threat (no reasonable alternative). As a result, his promise *cannot* be enforced if he promptly disaffirmed it.

(Choice B) Undue influence makes a contract voidable when a party assented due to unfair or excessive persuasion from someone who dominated (eg, prison guard/prisoner) or held a special relationship of trust and confidence with (eg, attorney/client) the assenting party—neither of which is seen here.

(Choice C) Since the landscaper needed the truck *immediately* to fulfill existing contractual obligations, his ability to *later* obtain possession through legal action was not a reasonable alternative.

(Choice D) Although the modified contract price was customary and reasonable, this modification was still induced by an improper threat because it violated the mechanic's duty of good faith and fair dealing.

Educational objective:

A contract that is assented to under duress induced by an improper threat from another contracting party is voidable if the victim (1) had no reasonable alternative but to succumb to the improper threat and (2) promptly (ie, within a reasonable time) disaffirmed the contract.

References

- Restatement (Second) of Contracts §§ 174–176 (Am. Law Inst. 1981) (duress caused by physical compulsion and improper threat).

Copyright © 2019 by the National Conference of Bar Examiners. All rights reserved.

Copyright © UWorld. All rights reserved.

Duress
(defense against contract enforceability)

