

# PROPERTY PRACTICE QUESTIONS

## ANSWER 4

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**Caveat:** The outline of the answer below provides guidance regarding the main issues which you should address in your answer. The answer is *not* designed to be a model answer.

### Raymond v. Taylor (conversion)

#### Motorcycle

- **Raymond loaning his motorcycle to Taylor – bailment**
  - Raymond *entrusted* Taylor with the motorcycle
  - Motorcycle is *personal property*
  - Taylor was *clearly not the true owner* of the motorcycle
- **Type of bailment - for the benefit of the bailee**
  - Raymond received nothing from Taylor in return for loaning him his bike
    - **Duty of care – very high** – liable for the slightest negligence
- **Breach of duty – misdelivery**
  - Liability that follows misdelivery by the bailee - **strict liability**
  - Because the wrongdoing was misdelivery, liability would have remained the same even if the duty of care was different
- **Conclusion:** because Taylor misdelivered Raymond’s motorcycle, he is strictly liable to Raymond for conversion

#### iPod

- **Bailment, type of bailment and duty of care** analysis – same as above
- **Breach of duty** – loss of item

- **Liability** – to determine need to look at whether the item was expected to be inside the bailed item
  - iPod could be argued either way.
  - Could argue that because motorcycle was Raymond's primary transportation, it is not unreasonable that he would take along his iPod
- **Conclusion** – if determined that iPod was reasonably expected to be inside the bailed motorcycle, then Taylor will be liable to Raymond for conversion

#### **Digital padlock for the bike**

- **Bailment, type of bailment and duty of care** analysis – same as above
- **Breach of duty** – loss of item
- **Liability** – to determine need to look at whether the item was expected to be inside the bailed item
  - Probably expected, because Raymond took the motorcycle downtown to meet with his clients
- **Conclusion** – because digital padlock would reasonably be expected to be inside the zipper pouch of the bailed motorcycle, Taylor will be liable to Raymond for conversion

#### **Platinum I.D. bracelet**

- **Bailment, type of bailment and duty of care** analysis – same as above
- **Breach of duty** – loss of item
- **Liability** – to determine need to look at whether the item was expected to be inside the bailed item
  - Not reasonably expected unless Raymond worked as a jeweler.
  - Because facts are silent about Raymond's occupation, it was probably not expected for the bracelet to be inside the zipper pouch of the motorcycle
- **Conclusion**
  - Although a gold bracelet is not expected to be inside the zipper pouch of the motorcycle, Taylor will probably still be liable to Raymond for

conversion because of the type of bailment and the corresponding duty of care

### **Raymond v. Joe**

- **Bona fide purchaser defense by Joe – must meet the elements**
  - *True owner has to entrust*
    - Raymond had entrusted the bike to Taylor
  - *Bailee must be a merchant*
    - Depends on whether the bike repair shop also sold motorcycles
    - If not, not a merchant
  - *Merchant must deal with goods of the kind*
    - If the bike repair shop did not sell motorcycles, then did not deal with goods of the kind
  - *Purchaser must be a buyer in the ordinary course of business*
    - *Honesty in fact (subjective standard)*
      - Questionable – because of the low price Joe should have known something was not right
    - *Observe reasonable commercial standards (objective standard) – be without knowledge that the sale violates the ownership rights of the bailor*
      - Joe (who knew market prices of motorcycles) should have known that because of such a low price motorcycle must have been stolen and thus violated the rights of the true owner
    - *Purchaser must pay value*
      - Questionable whether \$100 constitutes value for an expensive motorcycle
- **Conclusion:** Joe's BFP defense will probably not work because of the lack of good faith and questionable payment of value on his part