



**Case Background** *Clear Lakes, a fish hatchery, had a deal with Griffith, a trout grower, under which Griffith would buy small trout from Clear Lakes and sell them back when they had grown to "market size." Trout were priced at a set rate per pound. The deal was to be for six years. After three years, Clear Lake's customers began to demand larger fish than the 12- to 16-ounce fish delivered by Griffith. Clear Lakes began to take fewer fish and waited longer to get them, leaving Griffith with too many fish. Some*

*adjustments were made, but Griffith was deeply in debt and could not easily change his operations.*

*He sued Clear Lakes for breach for "refusing to accept and purchase in a timely manner the trout that Griffith had grown to market size." Clear Lakes claimed no contract ever existed because they differed as to what was market size. The district court found for Griffith, holding that the parties knew that market size was 12 to 16 ounces. The holding was appealed by Clear Lake.*

*Continued*

**Case Decision** Schroeder, Chief Justice

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Under the Uniform Commercial Code, "a contract for sale does not fail for indefiniteness if the parties have intended to make a contract and there is a reasonably certain basis for giving an appropriate remedy." Thus, "in order to have an enforceable contract, the UCC does not require a document itemizing all the specific terms of the agreement. Rather, the UCC requires a determination whether the circumstances of the case, including the parties' conduct, are sufficient to show agreement."

The district court found that "the parties undoubtedly intended to make a contract and there is a reasonably certain basis for giving an appropriate remedy." The district court's statement is consistent with UCC § 2-204(3).

Even though one or more terms are left open, a contract for sale does not fail for indefiniteness if the parties have intended to make a contract and there is a reasonably certain basis for giving an appropriate remedy.

Substantial evidence supports the district court's conclusion. The fact that the parties' interpretations coincided during the first three years of the contract is persuasive.

The district court found that at the time of contract formation "Clear Lakes and Griffith had an un-

derstanding about what fish were "market size." Specifically, "as between Griffith and Clear Lakes, the term is suggestive of a trout approximating one pound as the parties had considered it over the years." This finding is significant in determining whether Clear Lakes breached and negates the contention that there was no meeting of the minds as to the meaning of the term.

The district court found that the course of performance between the parties over the first three years of the contract, as well as their course of dealing prior to executing the Agreement, confirmed that the parties intended market size to indicate trout approximating one pound live weight. Griffith also presented evidence of similar trade usage predating the contract.

The evidence cited by the district court is sufficient to support its finding that both parties understood the term "market size" to refer to a fixed range approximating one pound live weight. . . . Affirmed.

#### Questions for Analysis

1. The Idaho high court held that by their actions the parties understood the meaning of "market size," so there was an agreement. How could Clear Lakes have avoided this problem?
2. Since market conditions changed, and customers began to want bigger fish, how could Clear Lakes and Griffith have adjusted their relationship in a friendly manner?