

CONTRACTS MIDTERM

[ONE HOUR]

Alpha is an inventor who has been working on the development of animal care robots that can walk dogs, and feed and care for dogs and cats while their people are at work or on vacation. She has built 4 Alpharobots so far and is already in the business of providing dog and cat care and she wants to expand her fleet of robots based on a new improved design.

People can book Alpharobots through a web page or through an app. The web page prominently displays the following statement: "By visiting this web page or by using the Alpharobot app you agree to be bound by the Alpharobot Terms of Use." This language does not appear on the app and on the app it is not at all easy to notice that there are Terms of Use, or to find them. On the web page, the words "Alpharobot Terms of Use" are hyperlinked to a document which contains the following provisions:

To help streamline the resolution of disputes, claims, and controversies under these updated Terms of Use, you agree that you and Alpharobot will be obligated to arbitrate disputes, claims, and controversies that arise out of or relate to your relationship with Alpharobot and that any such proceedings will be conducted only on an individual basis (and not as a class action) and under the Robot Arbitration Association's arbitration rules.

To the fullest extent permissible under applicable law, in no event shall Alpharobot be liable to you for any personal injury, property damage, lost profits or for any form of direct or indirect, special, incidental, consequential, exemplary or punitive damages.

Customers request bookings of Alpharobots through a booking form (either on the web page or in the app). At the time of the booking a payment of part of the total price for the Alpharobot rental is made.

Beta calls the Alpharobots office by telephone and books an Alpharobot to look after her dog, Spot, for a week during the day while she is at work. She makes the booking in conversation with Ivy, who has recently started working for Alpharobots and who does not communicate Alpharobots' Terms of Use to Beta during the conversation. Alpharobot No. 1 is assigned to Beta but it malfunctions on the Monday morning of the week for which Beta booked it. Beta needs to get to work, and quickly, because she has a very important meeting, so she hires a human dog carer to look after her dog for the week. This human dog carer is very much more expensive than an Alpharobot would have been, and more expensive than usual because of the last minute booking. Beta would like to recover the cost of the human carer from Alpharobots, and she would like to recover the deposit of \$500 she paid when she made the booking.

Gamma uses the app to book an Alpharobot to look after her beloved cat, Peanut, for a week while she goes on vacation. While she is on vacation she receives a notification from Alpharobots that Peanut (who is a very expensive and sensitive cat) has run away. Gamma immediately makes arrangements to return home: she books a limo to get to the airport, and expensive last minute plane tickets. When she gets home she hires a pet detective to find Peanut, and, luckily, Peanut is soon found. But Gamma is upset about her ruined vacation, the additional expense she has incurred and the emotional stress she has suffered worrying about Peanut.

Delta books an Alpharobot to look after her dog, Mr. Tiddles, for a week via the web page so that she can go on a business trip. Delta is a successful clothing designer who sells her designs on business trips which she takes several times each year. In the past she has used the services of an agency which employs human animal carers and which has been very reliable, but she has always been interested in technology and thinks that robots are the future. When she books the Alpharobot Delta writes a detailed explanation about her business and her need for a reliable pet carer to enable her to make the business trips which are essential for her to sell her designs, in the comments section of the booking form. She gives some details of the valuable contracts she signed during her last business trip. On the day Delta is expecting the Alpharobot to turn up she is notified that it will not be arriving. She is unable to find anyone to look after Mr. Tiddles before she would need to leave for the airport to begin her trip.

Discuss the contracts law issues raised by these 3 situations, using the course materials.