

IN THE COURT OF COMMON PLEAS OF LYCOMING COUNTY, PENNSYLVANIA

HOT LIGHTS, LLC,	:	NO. 11 – 00,745
Plaintiff	:	
	:	CIVIL ACTION - LAW
vs.	:	
	:	
WEATHERFORD U.S., LP,	:	
Defendant	:	Motion for Summary Judgment

OPINION AND ORDER

Before the court is Defendant’s Motion for Summary Judgment, filed April 13, 2012. Argument on the motion was heard May 21, 2012, at which time Defendant requested and was granted an opportunity to file a reply brief. Defendant’s reply brief was filed May 29, 2012.

Plaintiff’s action for breach of contract, quantum meruit and promissory estoppel is based on an alleged oral agreement between the parties whereby Plaintiff would supply and maintain commercial lighting units for use by Defendant for a specified term at a specified rate. Plaintiff contends it purchased the lighting units and delivered them to Defendant’s facility but that Defendant then informed Plaintiff that it would not honor the agreement. In its motion for summary judgment, Defendant argues that enforcement of the oral agreement is barred by the statute of frauds, the claim for promissory estoppel is also barred by the statute of frauds, and the claim for quantum meruit is not supported by the evidence as there is no evidence that any benefit was conferred on Defendant.

Lease agreements are governed by Article 2A of the Pennsylvania Uniform Commercial Code:

(a) General rule. – A lease contract is not enforceable by way of action or defense unless: (1) the total payments to be made under the lease contract, excluding payments for options to renew or buy, are less than \$1,000; or (2) there is a writing, signed by the party against whom enforcement is sought or by that party’s authorized agent, sufficient to indicate that a lease contract has been made between the parties and to describe the goods leased and the lease term.

13 Pa.C.S. Section 2A201(a). Here, Plaintiff contends it agreed to provide to Defendant 50 lighting units for a period of nine months for a fee of \$62.50 per unit per day. These terms

clearly make the agreement a lease contract as “lease” is defined as “[a] transfer of the right to possession and use of goods for a term in return for consideration”. 13 Pa.C.S. Section 2A103(a). Although Plaintiff argues that its further agreement to deliver, set up and breakdown the units, as well as provide any necessary maintenance, makes the contract one for services rather than a lease of goods, the court finds the argument without merit. The main objective of the alleged agreement was the rental of lighting units for a daily rental fee and the consideration to be paid was based on the units rather than any incidental service. *See KSM Associates, Inc. v. ACS State Healthcare, LLC, 2006 U.S. Dist. LEXIS 14261 (E.D. Pa. 2006)*(in determining the applicability of the UCC, the court is to assess which aspect predominates by considering the contract’s main objective and the compensation structure). Therefore, the statute of frauds is applicable.

Plaintiff argues nevertheless that its claim falls within an exception to the rule: the statute of frauds will not apply where “the goods have been received and accepted by the lessee.” 13 Pa.C.S. Section 2A201(d)(3). Plaintiff contends that the lighting units were received and accepted because they were delivered to Defendant’s facility. The evidence shows that they were simply being stored at that facility, however, and that Defendant never took possession of them. It appears Plaintiff continued to maintain control over the units and Defendant never did any act which would evidence Defendant’s receipt or acceptance. Therefore, the statute of frauds prevents Plaintiff from enforcing the alleged oral agreement and its breach of contract claim cannot stand.

The estoppel claim must also be dismissed. It is clear that the principles of estoppel may not be invoked to circumvent the statute of frauds. *See Del Borrello v. Lauletta, 317 A.2d 154 (Pa. 1974).*

Finally, with respect to the claim for quantum meruit, as Plaintiff cannot show any benefit to Defendant, and indeed did not even plead that a benefit was conferred, it has failed to sustain a claim for quantum meruit and such must also be dismissed.

ORDER

AND NOW, this 6th day of June 2012, for the foregoing reasons, Defendant's motion for summary judgment is hereby GRANTED and the complaint in this matter is hereby DISMISSED.

BY THE COURT,

Dudley N. Anderson, Judge

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Hon. Dudley Anderson