

SUPREME COURT OF THE STATE OF ALASKA

The Happy Farmer, LLC d/b/a Releaf Alaska v. Alaska State Fair, Inc.

No. 7561 (Alaska Oct. 29, 2021) · No. Supreme Court No. S-17928; Superior Court No. 3PA-18-02656 CI; No. 7561 · Decided October 29, 2021

SUMMARY

The Alaska Supreme Court affirmed summary judgment for Alaska State Fair, Inc. in a vendor's action arising from the theft of merchandise from a fairground booth. The court held that the undisputed facts did not establish either a constructive bailment or an implied-in-fact bailment because the fair did not obtain exclusive possession, control, or dominion over the merchandise.

CASE DETAILS

COURT	Supreme Court of the State of Alaska
WRITING FOR THE COURT	Winfree, Chief Justice; Maassen, Justice; Borghesan, Justice; Henderson, Justice
JURISDICTION	Alaska
DECIDED	October 29, 2021
DOCKET	Supreme Court No. S-17928; Superior Court No. 3PA-18-02656 CI; No. 7561
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from a superior court order granting the defendant summary judgment on contract and bailment claims and denying the plaintiff partial summary judgment on its implied or constructive bailment claim.
STANDARD OF REVIEW	Summary judgment is reviewed de novo to determine whether a genuine issue of material fact exists and whether the moving party was entitled to judgment under the applicable law.
PRECEDENTIAL VALUE	Published Alaska Supreme Court opinion; precedential
PARTIES	The Happy Farmer, LLC d/b/a Releaf Alaska v. Alaska State Fair, Inc.

TOPICS

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PRACTICE AREAS

Contracts

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QUESTIONS PRESENTED

1. Whether the Fair became a constructive bailee of Releaf's merchandise.
2. Whether the undisputed facts established an implied-in-fact bailment requiring the Fair to exercise possession, control, and dominion over Releaf's merchandise.

HOLDINGS

1. No constructive bailment existed because the Fair did not mistakenly or accidentally acquire possession of Releaf's merchandise, and the record did not identify circumstances imposing a legal duty on the Fair to keep and return the merchandise.
2. No implied-in-fact bailment existed because the undisputed facts did not show that the Fair had exclusive possession, control, and dominion over Releaf's merchandise.
3. Summary judgment for the Fair was proper because the undisputed facts defeated both constructive and implied-in-fact bailment theories.

KEY QUOTATIONS

“At minimum, facts must show an understanding that one party will have “exclusive possession, control, and dominion over” the property at issue.” (-5-)

“Even if Fair controlled all aspects of Releaf’s use of the booth space, it begs the question whether Fair also agreed to an after-hours bailment obligation for the merchandise.” (-7-)

FACTUAL BACKGROUND

Releaf entered into a written agreement with Alaska State Fair for indoor vendor space during the 2017 Palmer fair. The agreement incorporated a handbook stating that the Fair assumed no responsibility for theft, loss, or vandalism and that merchandise was not covered by the included insurance. Releaf kept merchandise in its own locked display cases and retained the only keys, while Fair security locked and unlocked the building; an unknown thief broke in overnight and stole merchandise.

PROCEDURAL HISTORY

Releaf sued Alaska State Fair for breach of contract and bailment after merchandise was stolen from its vendor booth. The superior court granted summary judgment to the Fair on both claims, concluding that the agreement disclaimed responsibility for theft or damage and that the Fair was not a bailee. Releaf appealed only the bailment ruling, and the Alaska Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Alaska Constr. Equip., Inc. v. Star Trucking, Inc., 128 P.3d 164, 168 n.13 (Alaska 2006)
- United Truck Rental Equip. Leasing, Inc. v. Kleenco Corp., 929 P.2d 99, 103 (Haw. App. 1996)
- Arnoult v. Webster, 480 P.3d 592, 596 (Alaska 2020)
- Harrell v. Calvin, 403 P.3d 1182, 1185 (Alaska 2017)
- Palmer v. Borg-Warner Corp., 818 P.2d 632, 634 (Alaska 1990)
- Bank of N.Y. v. Sumter Cnty., 691 S.E.2d 473, 479 (S.C. 2010)
- Hadfield v. Gilchrist, 538 S.E.2d 268, 272 (S.C. App. 2000)
- Woodson v. Hare, 13 So.2d 172, 174 (Ala. 1943)
- Green v. Koslosky, 384 P.2d 951, 952 (Alaska 1963)
- J.P. Enters. v. Ursin Seafoods, Inc., 777 P.2d 1165, 1166 (Alaska 1989)

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