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***Armiros v Rohr, 1 CA-CV 16-0755 (2018)***

Arizona residents can form legally binding agreements through online auction sites, and when breached, those agreements can result in significant damages awarded against the breaching party.

In 2014, Julie Rohr (“Rohr”) listed her 10-carat diamond ring on eBay for \$100,000. Evangelos Armiros (“Armiros”), a Georgia resident, emailed Rohr for more information about the ring. In response, Rohr provided the information requested, and sent Armiros the diamond’s Gemological Institute of America (GIA) report. Armiros wanted to finalize the transaction in person and when Rohr agreed, Armiros clicked eBay’s “Buy It Now” for the ring’s purchase. Armiros then purchased a plane ticket for himself and his gemologist.

Later Rohr received an email from another buyer offering \$150,000 for the ring. The subsequent buyer persuaded Rohr to sell the ring to him instead of Armiros. The next day, Rohr emailed Armiros to cancel the sale. Rohr also sent a cancellation notice through eBay, but Armiros denied it. When Armiros discovered the details of the later offer he sent text messages offering to match it, but Rohr declined, falsely stating she had kept the ring.

Armiros sued Rohr, her husband, and the subsequent buyer. The trial court dismissed Rohr’s husband, and the subsequent buyer settled with Armiros. Armiros moved for summary judgment asserting eBay’s terms and conditions specified a contract existed after a purchaser selected the “Buy It Now” option to close an online auction. Rohr also moved for summary judgment asserting Armiros had no provable damages. The trial court determined a contract existed, and Rohr had breached it, but material facts existed regarding Armiros’s damages. After a one-day bench trial, the trial court determined the ring’s true market value was \$295,250, and therefore Armiros’s damages were \$195,250 (the difference between the market value and Armiros’s offer). Both Armiros and Rohr timely appealed.

On appeal, the Court determined there were no material issues of fact regarding the contract’s formation. Both parties had agreed to abide by eBay’s User Agreement. Under the agreement’s terms, Rohr and Armiros formed a legal contract when Armiros selected the “Buy It Now” option. The Court of Appeals also rejected Rohr’s argument lost profit should be the measure of Armiros’s damages under the UCC. The Court held the record supported Armiros’s election of benefit-of-the-bargain damages, and Armiros sufficiently established he was ready, willing, and able to perform under the parties’ contract. Finally, the Court agreed with the trial court’s determination of the ring’s value. Accordingly, the Court of Appeals dismissed Rohr’s appeal and affirmed the trial court’s order.

The Court of Appeals also awarded Armiros his reasonable attorneys’ fees and costs as the successful party on appeal.