

SIKPERIT SECHARMIDAL, Appellant

v.

NOBORU UEDA, Appellee

Civil Action No. 196

Trial Division of the High Court

Palau District

March 12, 1963

Appeal from judgment of Palau District Court, in which seller was ordered to return whole amount paid toward purchase price of engine which was repossessed by buyer in accordance with Palau customary law for non-payment of part of purchase price. The Trial Division of the High Court, Chief Justice E. P. Furber, held that seller is entitled to hold back as rental fair part of money received from buyer.

Modified and affirmed.

1. Palau Custom—Installment Sales

Palau custom with regard to purchase of boats on installment basis applies also to purchase of engines.

2. Palau Custom—Installment Sales

Under Palau custom, seller of engine is entitled to hold back as rental a fair part of money he has received toward purchase price of engine when buyer fails to pay whole purchase price.

3. Palau Custom—Installment Sales

Under Palau custom, thirty dollars is fair amount to be withheld by seller of engine when buyer who has failed to pay whole purchase price has used engine for over one year.

FURBER, *Chief Justice*

OPINION

This is an appeal from a judgment of the Palau District Court holding in a case where an engine had been repossessed in accordance with Palauan custom for non-payment of part of the purchase price that the seller must return the whole amount that had been paid toward the purchase price even though the buyer had had the engine for over a year.

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[1-3] The court holds that the Palauan custom with regard to purchase of boats on an installment payment basis, discussed in the opinion of this court in *Ngiramulei v. Malchiyanged Rideb*, 2 T.T.R. 370, also applies to such a purchase of an engine. The court accordingly holds that the seller here is entitled to hold back as "terekel a mlai" (i.e. rental) a fair part of the money he had received toward the purchase price. In this instance, it is considered that thirty dollars (\$30.00) is the fair amount to be withheld as "terekel a mlai".

JUDGMENT

The judgment of the Palau District Court in its Civil Action No. 677 is modified by changing paragraph numbered 1 thereof to read:—

"1. The defendant Sikperit Secharmidal is to pay back to the plaintiff Noboru Ueda fifty dollars (\$50.00)."

As so modified the judgment is affirmed without costs.