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Contracts--Non-Enforceability of Lottery Contracts--Effect of Consideration Apart From chance of Winning

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RECENT CASE COMMENTS

CONTRACTS — NON-ENFORCEABILITY OF LOTTERY CONTRACTS —
EFFECT OF CONSIDERATION APART FROM CHANGE OF WINNING. —
Defendant advertised a lot sale, announcing that he would give
to every white person over the age of sixteen years who attended
the sale, whether a bidder or not, a chance to win a new Ford
automobile. Plaintiff’s name was drawn as winner of the car.
When defendant refused to carry out his promise, plaintiff
brought this action for the value of the car. Held, plaintiff could
not recover. Maughs v. Porter.¹

The result of the case, of course, no surprise to members
of the bar. However, there seems to be prevalent among laymen
an idea that a lottery, raffle, or similar game of chance can be
hooked up with a sale of merchandise or some other business trans-
action and be thereby legalized. The case well illustrates that
the law recognizes no foundation for such a belief.

The court, in Maughs v. Porter, was satisfied as to the suf-
ficiency of the consideration but denied recovery because the con-
tract was founded on a lottery which violated both the Constitu-
tion² and the Code³ of Virginia. The statute made participating
in a lottery a misdemeanor, punishable by confinement in the
county jail for not more than one year and a fine not exceeding
five hundred dollars. Mr. Chief Justice Prentiss agreed with
Lord Mansfield⁴ that, while the defense of illegality sounded very
ill in the mouth of the defendant, public policy would forbid the
enforcement of contracts made in direct violation of the laws of
the commonwealth.

The case was properly distinguished from Cardwell v. Kelly.⁵
In that case the suit was not between the original parties to the
illegal transaction. To have allowed the illegality to be set up
there would have encouraged lottery contracts and thus have de-
feated the purpose of the statute. Generally, the illegal nature of
the enterprise can be taken advantage of only in suit between the
immediate parties to the illegal contract.⁶

Aside from a few criminal prosecutions,⁷ Virginia does not

¹ 161 S. E. 242 (Va. 1931).
² Va. Const., § 60.
⁴ Holman v. Johnson, 1 Cowper 341, 343 (1775).
⁵ 95 Va. 570, 28 S. E. 953 (1898).
⁶ Matta v. Katsaulas, 192 Wis. 212, 212 N. W. 261 (1927).
⁷ Commonwealth v. Gaylord, 5 Rand. 652 (Va. 1826); Commonwealth v.
    Chubb, 5 Rand. 715 (Va. 1827); Temple v. Commonwealth, 75 Va. 892 (1881);
seem to have any other cases dealing with lotteries; but the rule that lottery contracts are unenforceable is well supported by modern authority. The only difficulty is to determine just when a given situation amounts to a lottery. The usual test is that there must be consideration, chance and prize. Chance is the thing that stands out most conspicuously. A contest wherein the success of the participants depends more on the exercise of skill and judgment than on chance does not violate the lottery statutes. But if the element of luck or chance is the dominant factor in electing the winner, the undertaking will usually fall within the statutory prohibition. The fact that the tickets are given away with a sale of merchandise and the scheme is called something else does not save it from being a lottery.

West Virginia has a constitutional provision against the authorization of lotteries and a statute almost identical with that of Virginia. No West Virginia case seems to have dealt with the question that arose in Maughs v. Porter; but since the doctrine of that case appears to be sound and to be rather well settled law in most jurisdictions, it is hardly probable that any other rule will be adopted when, if ever, the question does come up in West Virginia.

—GEORGE W. McQUAIN.

EASEMENTS — DISTINCTION BETWEEN EASEMENT AND LEASE — EASEMENTS LESS THAN Fee. — Defendant conveyed a lot to plaintiffs in fee; on the same day by another writing it “leased” to plaintiffs a right of way for a pipe line across adjacent land of defendant to a railroad side track, and granted in addition the right of unloading gasoline and oil tank cars from that side track. Plaintiffs agreed to pay ½c a gallon for all gas and oil put

Lawrence v. Commonwealth, 86 Va. 573, 10 S. E. 840 (1890); Young v. Commonwealth, 101 Va. 853, 45 S. E. 327 (1903).

Featherstone v. Ind. Service Station Ass'n. of Texas, 10 S. W. (2d) 124 (Tex. 1928); Blair v. Lowham, 73 Utah 599, 276 Pac. 292 (1929); Whiteley v. McConnell, 133 Ga. 738, 66 S. E. 933 (1910).


W. Va. Const., art. 6, § 36.