



DENTONS

‘Opinionated?’

2025 Legal Opinion Competition

Fact Scenario

July 2025

Trouble at the Old Chocolate Factory

Your firm acts for a commercial landlord, Roly Dole Properties Limited ('RDP'). Its sole director, Roland Dole, has a few questions...

Last year, RDP leased some industrial premises in Dunedin to Charlie & his Olfactory Limited ('the Company').

The Company makes and sells chocolate bars. It traded well at first. Then it employed a marketing manager, William Won-Kerr, who decided to market the chocolate bars with the branding 'Charlie's Chocolate – even better than hugs from Grandma'. This seemed like a smart move – sales initially went up. But then the local chapter of the Grandma Mob got very upset. Its members used a variety of tactics to trash the Company's image and reputation, including spraying graffiti on the premises – involving messages that suggested what the Company could do with its chocolate.

Sales plummeted. The Company is now in receivership, although it is currently up to date with the rent due under the lease and has not advised RDP of any concerns. Nor are there any disputes between the parties. Despite this, Roland wants to cancel the lease, primarily because he does not wish to be associated with the Grandma brand, and would prefer to lease the premises to another chocolate maker (the Silky Bar Kid).

Roland wants answers to the following questions:

- Q1:** Does the lease allow for cancellation in these circumstances?
- Q2:** If cancellation is allowed, does RDP need to give the Company any kind of notice or formal warning?
- Q3:** If some kind of notice or formal warning is required, what does our property law say about the period of time that must be given before RDP can cancel, and what would need to happen during that period for the Company to avoid cancellation? (Please note that Roland does not need any advice about receivership law).
- Q4:** Is there anything else that Roland needs to know about our property law before deciding whether or not to proceed with the proposed cancellation?

If there are any additional facts you need to know or points that need clarifying before you can answer any of the questions, please ensure you call those out in your response.