



Civil Resolution Tribunal

Date Issued: April 2, 2024

File: SC-2023-004384
and SC-CC-2023-008284

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Aigo Technology Inc. v. Zhang*, 2024 BCCRT 329

B E T W E E N :

AIGO TECHNOLOGY INC.

APPLICANT

A N D :

XIAO HONG ZHANG

RESPONDENT

A N D :

AIGO TECHNOLOGY INC.

RESPONDENT BY COUNTERCLAIM

REASONS FOR DECISION

Tribunal Member:

Christopher C. Rivers

INTRODUCTION

1. This dispute is about a home karaoke system.
2. Xiao Hong Zhang¹ hired Aigo Technology Inc. (Aigo) to install a home theater system, including speakers and a karaoke system. Xiao Hong Zhang paid Aigo \$5,000 of the \$10,000 total cost, and Aigo installed the system. A month later, when an Aigo employee taught Xiao Hong Zhang how to use the karaoke system, Xiao Hong Zhang complained about the sound quality. Aigo agreed to defer payment until it could adjust her system at a later date. Aigo attempted to fix the sound quality to Xiao Hong Zhang's satisfaction but was unable to do so.
3. Aigo claims \$5,000 for the balance owing on its invoice.
4. Xiao Hong Zhang says Aigo never brought the karaoke system's quality to her satisfaction as it promised. She also says Aigo promised she could return the equipment for a refund. She claims a refund of \$5,000.
5. Aigo is represented by its owner, Jun (Adam) Ren. Xiao Hong Zhang is represented by a friend who is not a lawyer.
6. For the reasons that follow, I allow Aigo's claim and dismiss Xiao Hong Zhang's counterclaim.

JURISDICTION AND PROCEDURE

7. These are the Civil Resolution Tribunal (CRT)'s formal written reasons. The CRT has jurisdiction over small claims brought under *Civil Resolution Tribunal Act* (CRTA) section 118. CRTA section 2 states that the CRT's mandate is to provide dispute

¹ The CRT has a policy to use inclusive language that does not make assumptions about a person's gender. As part of that commitment, the CRT asks parties to identify their pronouns and titles to ensure that the CRT respectfully addresses them throughout the process, including in published decisions. Xiao Hong Zhang did not provide their title or pronouns, but their representative referred to her using she/her pronouns throughout submissions. So, I refer to her by her full name and with she/her pronouns throughout this decision, intending no disrespect.

resolution services accessibly, quickly, economically, informally, and flexibly. In resolving disputes, the CRT must apply principles of law and fairness.

8. CRTA section 39 says the CRT has discretion to decide the hearing's format, including by writing, telephone, videoconferencing, email, or a combination of these. Here, I find that I am properly able to assess and weigh the documentary evidence and submissions before me. Further, bearing in mind the CRT's mandate that includes proportionality and a speedy resolution of disputes, I find that an oral hearing is not necessary in the interests of justice.
9. CRTA section 42 says the CRT may accept as evidence information that it considers relevant, necessary, and appropriate, whether or not the information would be admissible in court.
10. Where permitted by CRTA section 118, in resolving this dispute the CRT may order a party to do or stop doing something, pay money or make an order that includes any terms or conditions the CRT considers appropriate.

ISSUES

11. The issues in this dispute are:
 - a. Does Xiao Hong Zhang owe Aigo the unpaid balance of its karaoke system invoice?
 - b. Did Aigo breach its warranty, and if so, what is Xiao Hong Zhang's remedy?

EVIDENCE AND ANALYSIS

12. In a civil proceeding like this one, each party, as applicant, must prove their respective claims on a balance of probabilities. I have read all the parties' submissions and evidence but refer only to the evidence and argument that I find relevant to provide context for my decision.

13. In the fall of 2021, Xiao Hong Zhang agreed to purchase a karaoke system with speakers from Aigo for \$10,000. The purchase price included installation and set-up. On November 14, 2021, an Aigo employee installed the karaoke system. Photos show system included a large number of speakers, including four wall-mounted speakers, a soundboard, two microphones, a karaoke machine, and another unidentified piece of equipment. On November 17, Xiao Hong Zhang paid \$5,000 towards the karaoke system's cost.
14. On December 11, 2021, Mr. Ren went to Xiao Hong Zhang's house to teach her how to use the system and to make adjustments to the sound quality. The parties agreed that an Aigo representative would attend again at a later date to make further adjustments to the sound quality. Neither party reached out to the other in the next few months.
15. Beginning in May 2022, and continuing until April 2023, Mr. Ren repeatedly tried to set up an appointment to adjust the sound quality. On multiple occasions Xiao Hong Zhang gave reasons why he could not attend for months at a time, such as having guests staying at her home and concerns for her parents' health. On other occasions, she simply did not reply to his messages. She did so despite saying she wanted to solve the problem and that she was not using the equipment because the sound was terrible.
16. Xiao Hong Zhang primarily argues breach of warranty on the basis of Mr. Ren's text messages and the parties' oral agreement that she did not have to pay the balance until she was satisfied.
17. The written warranties are contained in text messages on two dates. On November 24, 2022, Mr. Ren told Xiao Hong Zhang that he could adjust the sound quality until she is satisfied, but that if she did not want it anymore, he would accept returns. On February 2, 2023 he said he would take the karaoke equipment back and that Xiao Hong Zhang would not have to pay.

18. On March 10, 2023, Mr. Ren followed up with Xiao Hong Zhang. She asked him to calculate the balance owing and said she would settle the bill with him when she returned from a trip abroad. He told her it was \$5,000, but again, promised to fix the system.
19. Finally, on April 8 2023, Mr. Ren attended Xiao Hong Zhang's home to review and adjust the system. Mr. Ren said all the equipment was functioning properly. When Xiao Hong Zhang refused to pay the balance owing, Mr. Ren offered her two options: either she could pay him \$2,000 for the balance owing on the speakers and he could take back the karaoke system, or he could refund her \$3,500 and he would take back everything. She undisputedly refused both options.
20. Mr. Ren and a member of Xiao Hong Zhang's family then got into a disagreement and Mr. Ren left.
21. Aigo issued Xiao Hong Zhang an invoice dated April 8, 2023. It lists the home theater system price as \$7,000 and the karaoke system as \$3,000. This is consistent with the refund amounts he offered when he attended her home. While Xiao Hong Zhang argues the invoice is "deceptive," she does not explain how, and does not provide any evidence to suggest the breakdown of prices for the speaker system or karaoke system are inaccurate.
22. I find Mr. Ren's offers were consistent with Aigo's warranties.
23. First, he offered to accept the karaoke system's return and allow Xiao Hong Zhang to pay for only the speakers. This is precisely what he offered by text message on February 2, 2023. As noted above, she declined.
24. Next, he offered to take back everything and refund her \$3,500. Practically, this meant Xiao Hong Zhang would be out of pocket \$1,500.
25. In his text messages, I find Mr. Ren said he would take back the equipment by saying Aigo accepts returns. However, I find he never promised a full refund in those circumstances. Since there was no written warranty at the time of purchase, I must

look at all evidence together to determine the parties' intent. I find that if Mr. Ren intended to say Aigo offered a full, money-back guarantee, he would have done so. Instead, I find he limited his language to saying Aigo accepted returns. To the extent Xiao Hong Zhang alleges the parties had any specific warranty beyond that, I find she has not proven it.

26. Since Xiao Hong Zhang had the system for over a year, and since she repeatedly delayed Mr. Ren's attendance to her home to try to fix it to her satisfaction, I find Mr. Ren's offer of a partial refund was reasonable in the circumstances and consistent with his texted promises.
27. So, I find Xiao Hong Zhang has not proved Aigo breached its warranties.
28. In her submissions, Xiao Hong Zhang also argues that parties cannot make contracts through text messages. Without providing any source for her position, she says "legal experts" say that traditional requirements for contract, such as offer, acceptance, and consideration are not "typically" met through text messages.
29. While written terms are not necessary for a contract, text messages can and often do provide helpful in determining contractual terms. In this transaction, for example, I find the text messages contain the key elements of the parties' contract, including price, purchased components, and terms around returns and equipment adjustments. They also include the terms of the warranty that Xiao Hong Zhang argues, albeit unsuccessfully, in her submissions.
30. So, I dismiss her counterclaim. I also find that since Xiao Hong Zhang agreed to pay \$10,000 for the karaoke system and has only paid \$5,000, she must pay Aigo the outstanding balance of \$5,000.
31. The *Court Order Interest Act* applies to the CRT. Aigo is entitled to pre-judgment interest on its unpaid invoice from April 8, 2023, the invoice's date, to the date of this decision. This equals \$242.22.

32. Under CRTA section 49 and the CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. I see no reason in this case not to follow that general rule. I find Aigo is entitled to reimbursement of \$175 in CRT fees. It did not claim any dispute-related expenses. As she was unsuccessful, I dismiss Xiao Hong Zhang's claims for CRT fees and dispute-related expenses.

ORDERS

33. Within 14 days of the date of this order, I order Xiao Hong Zhang to pay Aigo a total of \$5,417.22, broken down as follows:

- a. \$5,000 in debt,
- b. \$242.22 in pre-judgment interest under the *Court Order Interest Act*, and
- c. \$175 in CRT fees and \$X for dispute-related expenses.

34. Aigo is entitled to post-judgment interest, as applicable.

35. I dismiss Xiao Hong Zhang's counterclaim.

36. This is a validated decision and order. Under CRTA section 58.1, a validated copy of the CRT's order can be enforced through the Provincial Court of British Columbia. Once filed, a CRT order has the same force and effect as an order of the Provincial Court of British Columbia.

Christopher C. Rivers, Tribunal Member