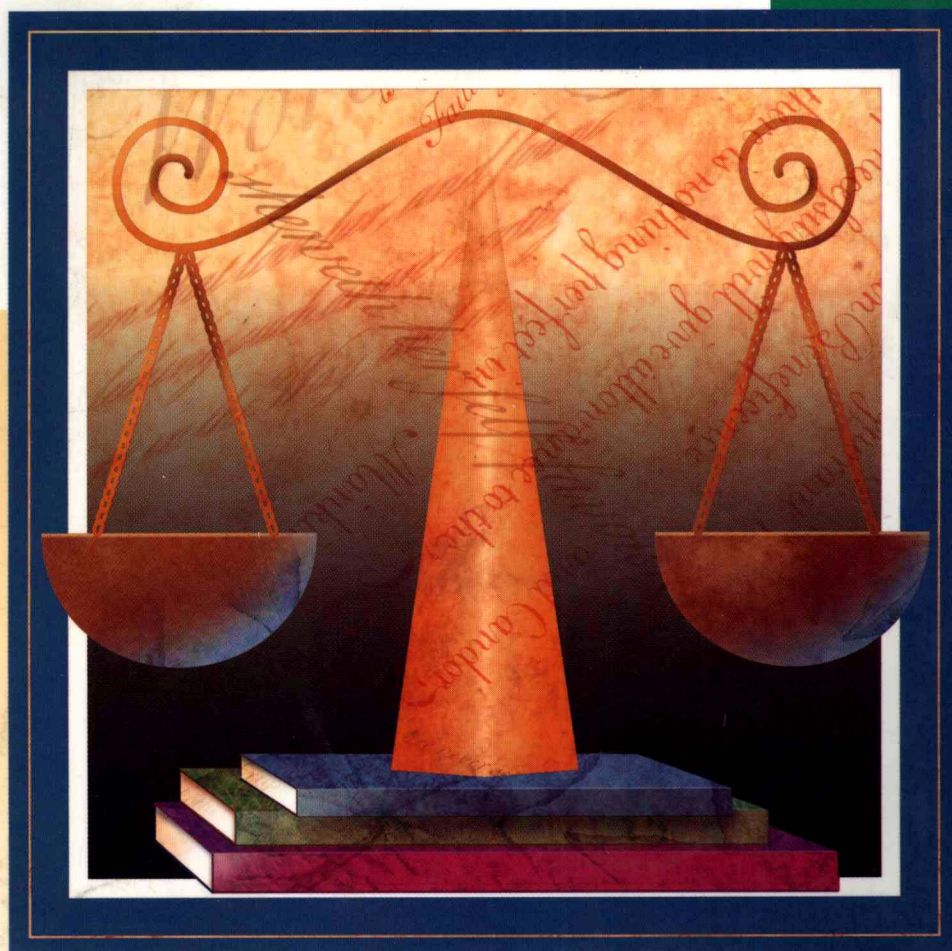


NEW
Student
Resource
CD-ROM
Inside

Miller • Jentz

Business Law Today

Text & Summarized Cases —
E-Commerce, Legal,
Ethical, and International
Environment



THE ESSENTIALS



sixth edition



Business Law Today **6TH** EDITION

THE ESSENTIALS

Text & Summarized Cases
E-Commerce, Legal, Ethical, and
International Environment

SIXTH EDITION

Roger LeRoy Miller

Institute for University Studies
Arlington, Texas

Gaylord A. Jentz

Herbert D. Kelleher
Emeritus Professor in Business Law
MSIS Department
University of Texas at Austin

THOMSON
★
SOUTH-WESTERN
WEST

Australia • Canada • Mexico • Singapore • Spain • United Kingdom • United States



Business Law Today THE ESSENTIALS
Text & Summarized Cases
E-Commerce, Legal, Ethical, and International Environment
SIXTH EDITION

Roger LeRoy Miller
Institute for University Studies
Arlington, Texas

Gaylord A. Jentz
Herbert D. Kelleher Emeritus Professor in Business Law
MSIS Department
University of Texas at Austin

**Vice President and
Team Director:**
Michael P. Roche

Sr. Acquisitions Editor:
Rob Dewey

Sr. Developmental Editor:
Jan Lamar

Marketing Manager:
Nicole C. Moore

Production Manager:
Bill Stryker

**Manufacturing
Coordinator:**
Rhonda Utley

Compositor:
Parkwood Composition
New Richmond, WI

Printer:
Quebecor World
Versailles, KY

Design Project Manager:
Michelle Kunkler

Internal Designer:
Bill Stryker

Cover Designer:
Grannan Graphic Design,
Cincinnati

Cover Image:
© Getty Images,
Andrew Parish

COPYRIGHT © 2003 by
West Legal Studies in Business,
a division of Thomson
Learning. Thomson Learning™
is a trademark used herein
under license.

Printed in the United States of
America
3 4 5 04 03

For more information
contact South-Western,
5191 Natorp Boulevard,
Mason, Ohio 45040.
Or you can visit our Internet
site at:
<http://www.westbuslaw.com>

ALL RIGHTS RESERVED.
No part of this work covered by
the copyright hereon may be
reproduced or used in any form
or by any means—graphic,
electronic, or mechanical,
including photocopying,
recording, taping, Web
distribution, or information
storage and retrieval systems—
without the written permission
of the publisher.

For permission to use material
from this text or product,
contact us by
Tel (800) 730-2214
Fax (800) 730-2215
<http://www.thomsonrights.com>

**Library of Congress
Cataloging-in-Publication
Data**

Miller, Roger LeRoy.
Business law today: the
essentials: text & summarized
cases; e-commerce, legal,
ethical, and international
environment / Roger LeRoy
Miller, Gaylord A. Jentz.
—6th ed.
p. cm.
Includes bibliographical
references and index.
ISBN 0-324-12096-6
1. Commercial law—United
States—Cases. 2. Business
law—United States. I. Jentz,
Gaylord A. II. Title.
KF888.M5543 2003
346.7307—dc21
99-21224

PREFACE To the Instructor . . .

We have always felt that business law and the legal environment should be an exciting, contemporary, and interesting course. We believe that *Business Law Today: The Essentials*, Sixth Edition, imparts this excitement to your students. We have spent a great deal of effort in giving this book a visual appeal that will encourage students to learn the law. We have also worked hard to make sure that *Business Law Today* continues in the established tradition of being the most up-to-date text on the market. The law presented in the Sixth Edition of *Business Law Today: The Essentials* includes new statutes, regulations, and cases, as well as the most recent developments in cyberlaw.

You will find that coverage of traditional business law has not been sacrificed in the process of creating this text. Additionally, *Business Law Today: The Essentials* explicitly addresses the American Assembly of Collegiate Schools of Business's (AACSB's) broad array of curriculum requirements. As you will see, many of the features and special pedagogical devices in this text focus on the global, political, ethical, social, environmental, technological, and cultural contexts of business law.

Student Resource CD-ROM

Included with every new copy of *Business Law Today: The Essentials*, Sixth Edition, is a CD-ROM entitled *Student Resource CD-ROM to Accompany Business Law Today, Sixth Edition*. This CD-ROM includes the following elements:

- Video clips from the *Drama of the Law* video series.
- *Handbook on Critical Thinking and Writing*.
- *A Guide to Personal Law*.
- *Handbook of Landmark Cases and Statutes in Business Law*.
- The full text of all cases (listed alphabetically, by case title) that were presented in briefed form in *Business Law Today: The Essentials*, Sixth Edition.
- Supreme Court audio clips.
- Links to the *Business Law Today: The Essentials* Web site at <http://blt.westbuslaw.com>.

Revised Article 9

To ensure that *Business Law Today: The Essentials*, Sixth Edition, offers the most up-to-date coverage possible, we have virtually rewritten the section in Chapter 14 covering secured transactions to base it on the requirements of the revised Article 9 of the Uniform Commercial Code. Because all of the states have now adopted the revised version, we do not make references to the unrevised Article 9 within this text.

Emphasis on Internet Law

Business Law Today: The Essentials, Sixth Edition, is truly up to date and reflects current law to the fullest extent possible. We have included throughout the text, whenever relevant, sections discussing the most recent developments in the law as it is being applied to Internet transactions and e-commerce. For example, in Chapter 4, when discussing intellectual property, we point out how traditional laws—and some newly enacted laws—are being applied to online issues relating to *copyrights*, *trademarks*, *patents*, and *trade secrets*. Other chapters in the text include sections on *privacy rights* in the online world, *jurisdictional issues* as they arise in cyberspace, *cyber torts* and *cyber crimes*, *online securities offerings*, and a number of other topics relating to the online legal environment. We have also added an entirely new chapter (Chapter 12) devoted solely to the topic of *electronic contracts*, or e-contracts.

The Internet Connection

In addition to incorporating cyberlaw throughout the basic text of the book, the Sixth Edition offers several other components focusing on technology.

BUSINESS LAW TODAY: THE ESSENTIALS ON THE WEB

When your students visit our Web site at <http://blt.westbuslaw.com>, they will find, at a minimum, the following:

- Interactive quizzes for every chapter in *Business Law Today: The Essentials*, Sixth Edition.
- Internet exercises for each chapter in this text as well as selected Web sources of information relevant to each chapter. (These are included in the Interactive Study Center.)
- Answers to the end-of-chapter “Test Your Knowledge” case problems. (These can be accessed through the Interactive Study Center.)
- Court case updates, which present summaries of new cases from various West legal publications, all linked to this text.
- Links to legal resources available for free on the Web.
- A “Talk to the Authors” feature that allows you and your students to e-mail your questions about *Business Law Today: The Essentials* to the authors.

ONLINE LEGAL RESEARCH GUIDE

With every new book, your students will receive a free copy of the *Online Legal Research Guide*. This is the most complete brief guide to using the Internet that exists today. Text co-author Roger LeRoy Miller developed and wrote this supplement, which has been updated for the Sixth Edition, especially to accompany *Business Law Today*. There is even an appendix on how to evaluate information obtained from the Internet.

SPECIAL TECHNOLOGY ONLINE FEATURES AND PEDAGOGY

The following special features and pedagogy in the Sixth Edition of *Business Law Today: The Essentials* are designed to acquaint your students with online trends in business law, as well as with the broad array of legal resources available on the Web.

- **Business Law in the Online World**—Nearly every chapter in the Sixth Edition contains one of these special features. Each feature explores how a court has applied a traditional legal concept (or a newly enacted statute) to a specific real-world dispute relating to an online transaction.
- **Test Your Knowledge—Answer on the Web**—At the end of each chapter, we include one case problem, titled *Test Your Knowledge—Answer on the Web*, for which students can find the answer by going to the text's companion Web site at <http://blt.westbuslaw.com>. This problem-answer set, which is new to this edition, is designed to help your students learn how to answer case problems by acquainting them with model answers to selected problems.
- **On the Web**—These margin features direct students to online articles, statutes, or other legal or information sources concerning a topic being discussed in the text. The features include specific Uniform Resource Locators (URLs), or Internet addresses, as well as navigational instructions when necessary.
- **URLs for Cases**—Whenever possible, we have included URLs that can be used to access the cases presented in the text of *Business Law Today: The Essentials*. When a URL is available, it appears just below the case citation.
- **Online Activities**—To familiarize your students with online legal resources and help them learn to navigate the Internet, we have included at the end of every chapter one or more Internet exercises. The exercises refer students to Internet activities presented on the *Business Law Today: The Essentials* Web site at <http://blt.westbuslaw.com>.
- **Before the Test**—At the end of every chapter, just following the Internet exercises in the *Online Activities* section, students are again directed to the text's Web site to access interactive questions relating to the topics covered in the chapter. There are at least twenty of these questions for each chapter.

Other Special Features and Pedagogy

In addition to the components of *Business Law Today: The Essentials*, Sixth Edition, described above, the text offers a number of other special features and pedagogy.

FEATURES

Virtually all of the chapters in this text have one or more of the following special features, which are designed both to instruct and to pique the interest of the student of business law and legal environment. To emphasize critical thinking, many of these features conclude with a question section titled *For Critical Analysis*. **Suggested answers for these questions are included in the *Answers Manual* that accompanies this text.**

- **Landmark in the Law**—This feature, which appears in most of the chapters in this edition, discusses a landmark case, statute, or other law that has had a significant effect on business law. Each of these features concludes with a section titled *Application to Today's World*, which indicates how the law discussed in the feature affects the legal landscape of today's world.
- **Application**—Almost all of the chapters have an *Application* feature, which presents the student with some practical advice on how to apply the law discussed in the chapter to real-world business problems. Each *Application* ends with a "Checklist" for the future businessperson on how to avoid legal problems.

- **Letter of the Law**—This feature provides students with a glimpse at sometimes humorous, sometimes serious illustrations of how the letter of the law has been phrased, interpreted, or applied. Each feature concludes with a section called *The Bottom Line*, which consists of a statement summarizing the implications of the illustrated topic for businesspersons.
- **Ethical Issues**—In addition to a chapter on ethics, chapter-ending ethical questions, and the *Ethical Considerations* following many of the cases presented in this text, we have included special features called *Ethical Issues*. These features, which are closely integrated with the text, open with a question addressing an ethical dimension of the topic being discussed. Each *Ethical Issue* has been given a number so that it can be easily located for review or discussion.
- **International Perspectives**—These features give students an awareness of the global legal environment by indicating how international laws or the laws of other nations deal with a specific legal concept or topic being discussed in the chapter.

CASES

In each chapter, we present cases that have been selected to illustrate the principles of law discussed in the text. The cases are numbered sequentially for easy referencing in class discussions, homework assignments, and examinations. In choosing the cases to be included in this edition, our goal has been to include the most recent cases from the late 1990s and early 2000s, as well as some of the landmark and classic cases in business law.

For the Sixth Edition of *Business Law Today: The Essentials*, we have given special emphasis to landmark and classic cases by setting these off with a special heading and logo. Additionally, a *Comment* section at the end of each landmark or classic case stresses the importance of the court's decision in the case to the evolution of the law concerning the issue.

OTHER PEDAGOGICAL DEVICES WITHIN EACH CHAPTER

- **Learning Objectives** (a series of brief questions at the beginning of each chapter designed to provide a framework for the student as he or she reads through the chapter).
- **Chapter Contents** (an outline of the chapter's first-level headings and, when space permits, second-level headings).
- **Margin definitions.**
- **Margin On the Web features** directing students to relevant Web sites.
- **Highlighted and numbered examples illustrating legal principles.**
- **Quotations.**
- **Exhibits and forms** (about one hundred).
- **Photographs** (with critical-thinking questions).

CHAPTER-ENDING PEDAGOGY

- **Key Terms** (with appropriate page references).
- **Chapter Summary** (in graphic format with page references).
- **For Review** (the questions set forth in the chapter-opening *Learning Objectives* section are again presented to aid the student in reviewing the chapter).

- **Questions and Case Problems** (including hypotheticals and case problems; many of the case problems are based on cases from the late 1990s and early 2000s).
- **Test Your Knowledge—Answer on the Web** (each chapter contains one of these case problems, for which the answer has been provided on the text's Web site at <http://blt.westbuslaw.com>).
- **A Question of Ethics and Social Responsibility.**
- **For Critical Analysis.**
- **Online Activities** (including online Internet exercises and chapter-by-chapter interactive quizzes).

APPENDICES

To help students learn how to find and analyze case law, we have included a special appendix at the end of Chapter 1. There your students will find information, including an exhibit, on how to read case citations, how to locate cases in case reporters, and what the different components of URLs (Internet addresses) mean. *The appendix to Chapter 1 also presents an annotated sample court case to help your students understand how to read and understand the cases presented within this text.*

Because the majority of students keep their business law text as a reference source, we have included at the end of the book the following full set of appendices (Appendices G, H, I, and J are new to the Sixth Edition):

- A. The Constitution of the United States.
- B. Articles 2 and 2A of the Uniform Commercial Code.
- C. The Uniform Limited Liability Company Act (Excerpts).
- D. The Securities Act of 1933 (Excerpts).
- E. The Securities Exchange Act of 1934 (Excerpts).
- F. Title VII of the Civil Rights Act of 1964.
- G. The Digital Millennium Copyright Act of 1998 (Excerpts).
- H. The Uniform Electronic Transactions Act (Excerpts).
- I. The Uniform Computer Information Transactions Act (Excerpts).
- J. The Electronic Signatures in Global and National Commerce Act of 2000 (Excerpts).
- K. Spanish Equivalents for Important Legal Terms in English.

A Flexible Teaching/Learning Package

We realize that different people have different teaching philosophies and learning goals. We believe that the Sixth Edition of *Business Law Today: The Essentials* and its extensive supplements offer business law instructors a flexible teaching/learning package. For example, although we have attempted to make the materials flow from chapter to chapter, most of the chapters are self-contained. In other words, you can use the chapters in any order you wish. Additionally, the extensive number of supplements accompanying *Business Law Today: The Essentials* allows instructors to choose those supplements that will most effectively complement classroom instruction.

Suggestions on how you can adapt the *Business Law Today: The Essentials* teaching/learning package to fit your particular teaching and learning goals are given in the *Instructor's Course Planning Guide*. Furthermore, each chapter of the *Instructor's Manual*

contains teaching suggestions, possible discussion questions, and additional information on key statutes or other legal sources that you may wish to use in your classroom. These and numerous other supplementary materials (including printed and multimedia supplements) all contribute to the goal of making *Business Law Today* the most flexible teaching/learning package on the market today.

Supplemental Teaching Materials

This edition of *Business Law Today: The Essentials* is accompanied by an expansive number of teaching and learning supplements. Individually and in conjunction with a number of our colleagues, we have developed supplementary teaching materials that we believe are the best available today. Each component of the supplements package is listed below.

PRINTED SUPPLEMENTS

- *Online Legal Research Guide* (free with every new copy of the text; updated for the Sixth Edition).
- *Instructor's Course Planning Guide* (also available on the *Instructor's Resource CD-ROM*, or IRCD).
- *Instructor's Manual* (also available on the IRCD).
- *Study Guide*.
- A comprehensive *Test Bank* (also available on the IRCD).
- *Case Printouts*, including printouts of cases referred to in selected features (also available on the IRCD).
- *Answers Manual* (also available on the IRCD).
- *Instructor's Manual for the Drama of the Law* video series (also available on the IRCD).
- *Handbook on Critical Thinking and Writing*.
- *Handbook of Landmark Cases and Statutes in Business Law*.
- *A Guide to Personal Law*.

SOFTWARE, VIDEO, AND MULTIMEDIA SUPPLEMENTS

- *Student Resource CD-ROM*—Allows students to have access to relevant video and audio clips, selected supplements, and other learning enhancements; included with every new copy of the text.
- *Instructor's Resource CD-ROM*—Includes the following supplements: *Instructor's Course Planning Guide*, *Instructor's Manual*, *Answers Manual*, *Case-Problem Cases*, *ExamView*, PowerPoint slides, *Instructor's Manual for the Drama of the Law* video series, *Lecture Outline System*, *Test Bank*, and *Case Printouts*.
- *ExamView Testing Software*.
- *Web Tutor* (on WebCT or Blackboard)—Features chat, discussion groups, testing, student progress tracking, and business law course materials.
- *Lecture Outline System* (also available on the IRCD).
- PowerPoint slides.

- **Transparency Acetates.**
- **Westlaw®**—to qualified adopters.
- **Video Library**—Including Court TV® and the *Drama of the Law* videos. (For further information on video supplements, go to <http://www.westbuslaw.com>.)
- **InfoTrac® College Edition.**

For Users of the Fifth Edition

We thought that those of you who have been using *Business Law Today: The Essentials* would like to know some of the major changes that have been made for the Sixth Edition. We think that we have greatly improved the book and its supplements package, thanks in part to the many letters, telephone calls, and reviews that we have received.

NEW CD-ROMs

As mentioned earlier, every new copy of the Sixth Edition is accompanied by a *Student Resource CD-ROM* containing video clips and other resources. Additionally, as already noted, many of the supplements are now available on the *Instructor's Resource CD-ROM*.

EXPANDED COVERAGE OF CYBERLAW

In the last several years, cyberspace has become a normal part of the business environment. For that reason, instead of treating cyberlaw in a separate chapter, we have integrated coverage of Internet law throughout the text. We indicate below, in the subsection describing significantly revised chapters, those chapters that now include substantial coverage of cyberlaw. Additionally, as mentioned earlier, an entirely new chapter titled E-Contracts (Chapter 12) has been added for the Sixth Edition. Finally, most chapters in the book include a *Business Law in the Online World* feature that focuses on a specific court case involving a dispute arising in the online environment.

INCORPORATION OF REVISED ARTICLE 9 PROVISIONS

As already mentioned, the discussion of secured transactions has been updated and, in many sections, completely rewritten to base the coverage of this topic on the revised Article 9 of the Uniform Commercial Code.

NEW FEATURES AND SPECIAL PEDAGOGY

All of the features that have been retained from the Fifth Edition of *Business Law Today: The Essentials* have been updated or modified as necessary. A great number of them have been replaced with newly written features. In addition, we have added the following entirely new elements for the Sixth Edition:

- *Business Law in the Online World.*
- An *Application to Today's World* section concluding each *Landmark in the Law* feature.
- A *Comment* section concluding each landmark and classic case.
- *Test Your Knowledge—Answer on the Web* (in the *Questions and Case Problems* section).

SIGNIFICANTLY REVISED CHAPTERS

Every chapter of the Sixth Edition has been revised as necessary to incorporate new developments in the law or to streamline the presentations. A number of new trends in business law are also addressed in the cases and special features of the Sixth Edition. Other major changes and additions made for this edition include the following:

- Chapter 1 (The Historical and Legal Foundations)—The section on the commerce clause now includes a subsection (and a feature) discussing the dormant commerce clause. Cyberlaw issues, including online speech and privacy rights, are now covered in this chapter.
- Chapter 2 (Ethics and Social Responsibility)—The section on duty-based ethics was expanded to include a discussion of the principle of rights. A new section on ethical decision making was added to the chapter, and the section on corporate social responsibility was rewritten to focus on three views on social responsibility—profit maximization, stakeholders, and corporate citizenship.
- Chapter 3 (Traditional and Online Dispute Resolution)—Several sections were added to this chapter, including sections covering electronic filing, the courts' use of Web sites, cyber courts, online dispute resolution, and the difficulty parties sometimes face in enforcing court judgments.
- Chapter 4 (Torts, Intellectual Property, and Internet Law)—Cyberlaw has been integrated into this chapter throughout. New sections cover cyber torts, cyber marks, business process patents, copyrights in digital information, MP3/file sharing (and the case against Napster), the No Electronic Theft Act of 1997, the Digital Millennium Copyright Act of 1998, and trade secrets in cyberspace.
- Chapter 5 (Criminal Law)—The section on crimes affecting business has been reorganized and rewritten to streamline the presentation. New to the chapter is a discussion of cyber crimes, including cyber theft, cyber stalking, hacking, cyber terrorism, prosecuting cyber crime, and the Computer Fraud and Abuse Act.
- Chapter 12 (E-Contracts)—As mentioned earlier, this chapter is entirely new to the text. Sections in the chapter cover online contract formation, linking and framing, e-signatures, partnering agreements, the Uniform Computer Information Transactions Act, and the Uniform Electronic Transactions Act.
- Chapter 13 (Negotiable Instruments)—This chapter now includes sections covering e-money, online banking, and the Uniform Money Services Act.
- Chapter 14 (Secured Transactions, Creditors' Rights, and Bankruptcy)—The section on secured transactions was virtually rewritten to base it on the revised version of Article 9 of the Uniform Commercial Code. Existing exhibits were replaced as necessary to reflect concepts and requirements set forth in the revised Article 9. The chapter also now includes the updated dollar amounts of various provisions of the Bankruptcy Code.
- Chapter 17 (Financing, Investor Protection, and Online Securities Offerings)—This chapter now includes sections covering online securities offerings and disclosures, as well as online securities fraud.
- Chapter 18 (Agency and Employment) and Chapter 19 (Employment Discrimination)—These two chapters covering employment law now include references to the latest developments in the areas of labor and employment law, including an expanded discussion of electronic performance monitoring and a new section covering online sexual harassment.

WHAT ELSE IS NEW?

In addition to the changes noted above, you will find a number of other new items or features in *Business Law Today: The Essentials*, Sixth Edition, as listed on following page.

New Cases and Case Problems Over half of the cases in this text are new to the Sixth Edition, including many cases decided in 2000 or 2001. We have also added numerous new case problems, and virtually every chapter now has at least one problem based on a case decided in the early 2000s.

New Exhibits We have modified exhibits retained from the Fifth Edition whenever necessary to achieve greater clarity or accuracy. In addition, we have added several new exhibits for the Sixth Edition, including an exhibit illustrating the process of digital encryption (in Chapter 13) and new exhibits showing requirements relating to secured transactions under the revised Article 9 of the Uniform Commercial Code (in Chapter 14).

New Supplements

- A greatly enhanced and streamlined Web site at <http://blt.westbuslaw.com>.
- *Student Resource CD-ROM* (included with every new copy of the text).
- *Instructor's Resource CD-ROM*.
- Web Tutor (on WebCT or Blackboard).

Acknowledgments

Numerous careful and conscientious users of *Business Law Today: The Essentials* were kind enough to help us revise the book. In addition, the staff at West went out of its way to make sure that this edition came out early and in accurate form. In particular, we wish to thank Rob Dewey for his countless new ideas, many of which have been incorporated into the Sixth Edition. Our production manager and designer, Bill Stryker, made sure that we came out with an error-free, visually attractive edition. We will always be in his debt. We also extend special thanks to Jan Lamar, our long-time developmental editor, for her many useful suggestions and for her efforts in coordinating reviews and ensuring the timely and accurate publication of all supplemental materials. We are particularly indebted to Nicole Moore for her support and excellent marketing advice, and to Peggy Buskey for her help in managing the Web site and working on the CD-ROMs. We are also grateful to Tim Butz for his technological help on the computerized elements of some of the supplements, particularly the *Test Bank*.

We must especially thank William Eric Hollowell, co-author of the *Instructor's Manual*, *Study Guide*, *Test Bank*, and *Online Legal Research Guide* for his excellent research efforts. We also wish to thank Lavina Leed Miller, who provided expert research, editing, and proofing services for this project. The copyediting and proofreading services of Pat Lewis and Suzie Franklin DeFazio, respectively, will not go unnoticed. We also thank Roxie Lee for her proofreading and other assistance, which helped us meet our ambitious publishing schedule, and the proofreading skills of Erin Wait helped to ensure an error-free text. Finally, our appreciation goes to Suzanne Jasin for her many special efforts on the project.

ACKNOWLEDGMENTS FOR PREVIOUS EDITIONS

- | | |
|--|---|
| John J. Balek
<i>Morton College, Illinois</i> | Jerry Furniss
<i>University of Montana</i> |
| Lorraine K. Bannai
<i>Western Washington University</i> | Elizabeth J. Guerriero
<i>Northeast Louisiana University</i> |
| Marlene E. Barken
<i>Ithaca College, New York</i> | Phil Harmeson
<i>University of South Dakota</i> |
| Daryl Barton
<i>Eastern Michigan University</i> | Nancy L. Hart
<i>Midland College, Texas</i> |
| Merlin Bauer
<i>Mid State Technical College, Wisconsin</i> | Janine S. Hiller
<i>Virginia Polytechnic Institute & State University</i> |
| Donna E. Becker
<i>Frederick Community College, Maryland</i> | Florence E. Elliott-Howard
<i>Stephen F. Austin State University, Texas</i> |
| Brad Botz
<i>Garden City Community College, Kansas</i> | Fred Ittner
<i>College of Alameda, California</i> |
| Teresa Brady
<i>Holy Family College, Philadelphia</i> | Susan S. Jarvis
<i>University of Texas, Pan American, Texas</i> |
| Lee B. Burgunder
<i>California Polytechnic University—San Luis Obispo</i> | Jack E. Karns
<i>East Carolina University, North Carolina</i> |
| Dale Clark
<i>Corning Community College, New York</i> | Sarah Weiner Keidan
<i>Oakland Community College, Michigan</i> |
| Sandra J. Defebaugh
<i>Eastern Michigan University</i> | Richard N. Kleeberg
<i>Solano Community College, California</i> |
| Patricia L. DeFrain
<i>Glendale College, California</i> | Bradley T. Lutz
<i>Hillsborough Community College, Florida</i> |
| Julia G. Derrick
<i>Brevard Community College, Florida</i> | Darlene Mallick
<i>Anne Arundel Community College, Maryland</i> |
| Joe D. Dillsaver
<i>Northeastern State University, Oklahoma</i> | John D. Mallonee
<i>Manatee Community College, Florida</i> |
| Claude W. Dotson
<i>Northwest College, Wyoming</i> | Joseph D. Marcus
<i>Prince George's Community College, Maryland</i> |
| Larry R. Edwards
<i>Tarrant County Junior College, South Campus, Texas</i> | Woodrow J. Maxwell
<i>Hudson Valley Community College, New York</i> |
| Jacolin Eichelberger
<i>Hillsborough Community College, Florida</i> | Beverly McCormick
<i>Morehead State University, Kentucky</i> |
| George E. Eigsti
<i>Kansas City, Kansas, Community College</i> | William J. McDevitt
<i>Saint Joseph's University, Pennsylvania</i> |
| Tony Enerva
<i>Lakeland Community College, Ohio</i> | John W. McGee
<i>Aims Community College, Colorado</i> |
| Benjamin C. Fassberg
<i>Prince George's Community College, Maryland</i> | |

- | | |
|---|---|
| James K. Miersma
<i>Milwaukee Area Technical Institute,
Wisconsin</i> | Anne W. Schacherl
<i>Madison Area Technical College, Wisconsin</i> |
| Susan J. Mitchell
<i>Des Moines Area Community College, Iowa</i> | Edward F. Shafer
<i>Rochester Community College, Minnesota</i> |
| Jim Lee Morgan
<i>West Los Angeles College</i> | Lou Ann Simpson
<i>Drake University, Iowa</i> |
| Jack K. Morton
<i>University of Montana</i> | Denise Smith
<i>Missouri Western State College</i> |
| Solange North
<i>Fox Valley Technical Institute, Wisconsin</i> | Hugh M. Spall
<i>Central Washington University</i> |
| Robert H. Orr
<i>Florida Community College at Jacksonville</i> | James D. Van Tassel
<i>Mission College, California</i> |
| George Otto
<i>Truman College, Illinois</i> | Frederick J. Walsh
<i>Franklin Pierce College, New Hampshire</i> |
| Thomas L. Palmer
<i>Northern Arizona University</i> | James E. Walsh, Jr.
<i>Tidewater Community College, Virginia</i> |
| Donald L. Petote
<i>Genessee Community College, New York</i> | Edward L. Welsh, Jr.
<i>Phoenix College</i> |
| Francis D. Polk
<i>Ocean County College, New Jersey</i> | Clark W. Wheeler
<i>Santa Fe Community College, Florida</i> |
| Gregory Rabb
<i>Jamestown Community College, New York</i> | Kay O. Wilburn
<i>The University of Alabama at Birmingham</i> |
| Hugh Rode
<i>Utah Valley State College</i> | James L. Wittenbach
<i>University of Notre Dame</i> |
| William M. Rutledge
<i>Macomb Community College, Michigan</i> | Joseph Zavaglia, Jr.
<i>Brookdale Community College, New Jersey</i> |
| Martha Wright Sartoris
<i>North Hennepin Community College,
Minnesota</i> | |

ACKNOWLEDGMENTS FOR THE SIXTH EDITION

- | | |
|--|--|
| Daryl L. Barton
<i>Eastern Michigan University</i> | Dan Hall
<i>East Central College, Missouri</i> |
| Gretchen Carroll
<i>Owens Community College, Ohio</i> | Susan J. Mitchell
<i>Des Moines Area Community College</i> |
| Jere Crago
<i>Delgado Community College, Louisiana</i> | Pamela Moore
<i>Riverside City College, California</i> |
| Robert Diotalevi
<i>The College of West Virginia</i> | James G. Rittenbaum
<i>St. Louis University</i> |
| Cheryl Gracie
<i>Washtenaw Community College, Michigan</i> | Anne W. Schacherl
<i>Madison Area Technical College, Wisconsin</i> |

John Thomas
*Northampton County Area Community
College, Pennsylvania*

Maurice Tonissi
*Quinsigamond Community College,
Massachusetts*

Robert William Young
University of Nebraska at Kearney

We know that we are not perfect. If you or your students find something you don't like or want us to change, write to us or let us know via e-mail, using the "Talk to the Author" feature on this text's Web site. That is how we can make *Business Law Today: The Essentials* an even better book in the future.

Roger LeRoy Miller
Gaylord A. Jentz

Dedication

To Francette Labatut,
whose art never ceases to amaze
me. I love watching your talent
grow year after year. May the
market continue to reward you as
richly as you deserve.

R.L.M.

To my wife, JoAnn; to my children,
Kathy, Gary, Lori, and Rory; and to
my grandchildren, Erin,
Megan, Eric, Emily, Michelle,
Javier, Carmen, and Steve.

G.A.J.

Contents in Brief

CHAPTER 1

The Historical and Constitutional Foundations 1

CHAPTER 2

Ethics and Social Responsibility 52

CHAPTER 3

Traditional and Online Dispute Resolution 74

CHAPTER 4

Torts, Intellectual Property, and Internet Law 111

CHAPTER 5

Criminal Law 147

CHAPTER 6

Contracts: Nature, Classification, Agreement, and Consideration 181

CHAPTER 7

Contracts: Capacity, Legality, Assent, and Form 212

CHAPTER 8

Contracts: Third Party Rights, Discharge, Breach, and Remedies 245

CHAPTER 9

Sales and Leases: Formation, Title, and Risk 276

CHAPTER 10

Sales and Leases: Performance and Breach 308

CHAPTER 11

Warranties, Product Liability, and Consumer Law 333

CHAPTER 12

E-Contracts 370

CHAPTER 13

Negotiable Instruments 392

CHAPTER 14

Secured Transactions, Creditors' Rights, and Bankruptcy 436

CHAPTER 15

The Entrepreneur's Options 479

CHAPTER 16

Corporations 502

CHAPTER 17

Financing, Investor Protection, and Online Securities Offerings 537

CHAPTER 18

Agency and Employment 566

CHAPTER 19

Employment Discrimination 601

CHAPTER 20

Antitrust Law 626

CHAPTER 21

Real Property and Environmental Law 651

CHAPTER 22

Personal Property, Bailments, and Insurance 683

CHAPTER 23

International Law in a Global Economy 714

APPENDIX A The Constitution of the United States A-1

APPENDIX B Articles 2 and 2A of the Uniform Commercial Code A-9

APPENDIX C The Uniform Limited Liability Company Act (Excerpts) A-47

APPENDIX D The Securities Act of 1933 (Excerpts) A-50

APPENDIX E The Securities Exchange Act of 1934 (Excerpts) A-52

APPENDIX F Title VII of the Civil Rights Act of 1964 (Excerpts) A-53

APPENDIX G The Digital Millennium Copyright Act of 1998 (Excerpts) A-55

APPENDIX H The Uniform Electronic Transactions Act (Excerpts) A-57

APPENDIX I The Uniform Computer Information Transactions Act (Excerpts) A-59

APPENDIX J The Electronic Signatures in Global and National Commerce Act of 2000 (Excerpts) A-61

APPENDIX K Spanish Equivalents for Important Legal Terms in English A-63