

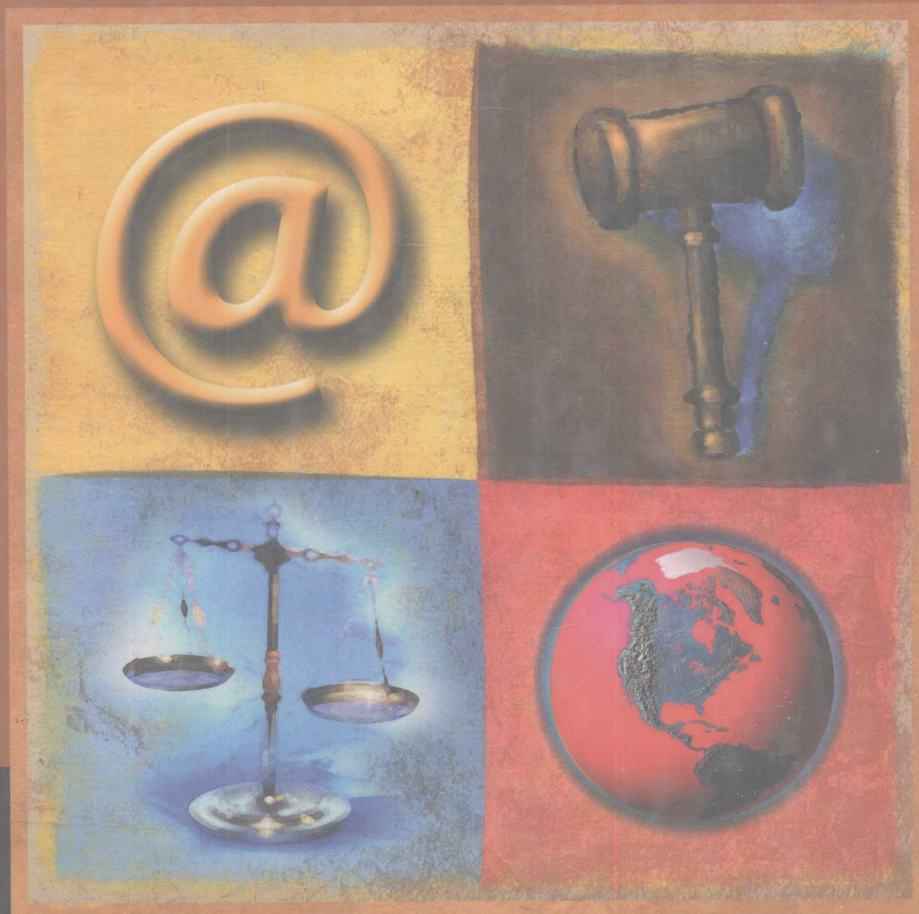
Miller | Jentz

# Business Law Today

Text &  
Summarized  
Cases –

*E-Commerce,  
Legal,  
Ethical, and  
International  
Environment*

*Standard Edition*



Seventh  
Edition

SEVENTH EDITION

# BUSINESS LAW TODAY

STANDARD EDITION

TEXT & SUMMARIZED CASES

E-Commerce, Legal, Ethical, and International Environment

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ROGER LEROY MILLER      GAYLORD A. JENTZ

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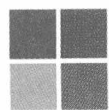
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# Preface

## To the Instructor

**W**e have always felt that business law and the legal environment should be an exciting, contemporary, and interesting course. We believe that *Business Law Today*, Seventh 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 its established tradition of being the most up-to-date text on the market. The law presented in the Seventh Edition of *Business Law Today* 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* 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.

### Emphasis on Internet Law

*Business Law Today*, Seventh Edition, is truly up to date and reflects current law to the fullest extent possible. Throughout the text, we have included sections discussing the most recent developments in the law as it is being applied to transactions and commerce conducted via the Internet. For example, in Chapter 5, which focuses on 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 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 also have devoted an entire chapter (Chapter 14) solely to the topic of *electronic contracts*, or e-contracts.

### Emphasis on Ethics

For the Seventh Edition of *Business Law Today*, we have included a significantly revised and updated chapter on ethics and professional responsibility (Chapter 7). The chapter now presents a more practical approach to this topic, including a case study examining the scandal surrounding the actions of Enron Corporation in the early 2000s. We also discuss the Sarbanes-Oxley Act of 2002 and the corporate scandals that led to its passage. In addition to this chapter on ethics, nearly every chapter contains at least one *Ethical Issue* addressing an ethical dimension of the

topic under discussion in the chapter. Also, many of the cases presented in the text conclude with an *Ethical Consideration* that encourages students to probe the ethical ramifications of the court's decision. Moreover, for each chapter, a special case problem titled *A Question of Ethics* appears in the *Questions and Case Problems*.

## The Web Connection

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

### *BUSINESS LAW TODAY ON THE WEB*

For this edition of *Business Law Today*, we have redesigned and streamlined the text's Web site so that users can easily locate the resources they seek. When you visit our Web site at <http://blt.westbuslaw.com>, you will find a broad array of teaching/learning resources, including the following:

- **Relevant Web sites** for all of the *Landmark in the Law* features and *Landmark and Classic Cases* that are presented in this text.
- **Sample answers** to the *Case Problem with Sample Answer*, which appears at the end of every chapter. This problem-answer set is designed to help your students learn how to answer case problems by acquainting them with model answers to selected case problems.
- **Videos** referenced in the new video questions (discussed next) that have been added to selected chapters for this edition of *Business Law Today*.
- **Internet exercises** for every chapter in the text (at least two per chapter). These exercises, which are substantially new, help familiarize students with online legal resources while introducing them to additional information on topics covered in the chapters.
- **Interactive quizzes** for every chapter in the text. At the end of each chapter, a *Before the Test* section directs students to the Web site, where they will find at least twenty questions relating to the topics covered in the chapter.
- **Court case updates** that present summaries of new cases from various West legal publications, all specifically keyed to chapters in this text.
- **A "Statutes" page** that offers links to the full text of selected statutes referenced in the text.
- **Links to other important legal resources** available for free on the Web.

### WEST'S DIGITAL VIDEO LIBRARY

For this edition of *Business Law Today*, we have added special new *Video Questions* at the end of selected chapters. Each *Video Question* directs students to the text's Web site (at <http://blt.westbuslaw.com>) to view a video relevant to a topic covered in the chapter. This instruction is followed by a series of questions based on the video. The questions are repeated on the Web site, when the student accesses the video. The videos are part of West's Digital Video Library, a compendium of over sixty-five video scenarios and explanations. An access code for the videos can be packaged with each new copy of this textbook for no additional charge. If West's

Digital Video Library access did not come packaged with the textbook, students can purchase it online at <http://digitalvideolibrary.westbuslaw.com>.

These videos can be used as homework assignments, discussion starters, or classroom demonstrations and are useful for generating student interest. Some of the videos are clips from actual movies, such as *The Money Pit* and *Bowfinger*. By watching a video and answering the questions, students will gain an understanding of how the legal concepts they have studied in the chapter apply to the real-life situation portrayed in the video. **Suggested answers for all of the questions are given in both the *Instructor's Manual* and the *Answers Manual* that accompany this text.**

## WESTLAW® CAMPUS

Westlaw® Campus is now available to students using West Legal Studies in Business texts. Westlaw Campus is derived from Westlaw®, the preferred computer-assisted legal research database of legal professionals. Access to Westlaw Campus can be bundled with the text at an outstanding discount. (Students who buy used books may purchase access to Westlaw Campus at <http://campus.westbuslaw.com>.)

In addition to primary legal materials (federal and state cases, statutes, and administrative law), Westlaw Campus offers secondary resources such as *American Law Reports* (ALR), *American Jurisprudence 2d* (Am.Jur.2d), and law reviews. These materials can greatly enhance research assignments, critical-thinking exercises, and term papers.

## 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 Seventh Edition of *Business Law Today*. There is even an appendix on how to evaluate information obtained from the Internet.

## ■ Special Features and Pedagogy

In addition to the components of the *Business Law Today*, Seventh Edition, teaching/learning package 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 the 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 both the *Instructor's Manual* and the *Answers Manual* that accompany this text.**

- ***Adapting the Law to the Online Environment***—Nearly every chapter in the Seventh Edition contains one of these special features. A concluding *For Critical Analysis* section asks the student to think critically about some aspect of the issue discussed in the feature. **Suggested answers to these questions are included in both the *Instructor's Manual* and the *Answers Manual* that accompany 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 has 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. In addition, for the Seventh Edition we have added a *Relevant Web Sites* section that directs students to the book's companion Web site for links to additional information available online.
- **Application**—The majority 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 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 summarizes 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 law or the laws of other nations deal with specific legal concepts or topics being discussed in the chapter.

## CASE PRESENTATION

In each chapter, we present cases that 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 selecting the cases to be included in this edition, our goal has been to choose cases that reflect the most current law or represent a significant precedent in case law.

Each case is presented in a special format, beginning with the case title and citation (including parallel citations). Whenever possible, we also include a URL, just below the case citation, that can be used to access the case online (a footnote to the URL explains how to find the specific case at that Web site). We then briefly outline the facts of the dispute, the legal issue presented, and the court's decision. To enhance student understanding, we paraphrase the reason for the court's decision. Each case normally concludes with a *For Critical Analysis* section. For one case in each chapter, however, we have added a section titled *Why Is This Case Important?* This section clearly sets forth the importance of the court's decision for businesspersons today.

We give special emphasis to landmark and classic cases by setting them off with a special heading and logo. These cases also include a *Comments* section that stresses the significance of that particular decision for the evolution of the law in that area. For the Seventh Edition, we have added a section titled *Relevant Web Sites* at the conclusion of each landmark and classic case that directs students to additional online resources.

## 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 Outline* (an outline of the chapter's first-level headings).
- Margin definitions.
- *Margin On the Web* features (directing students to relevant Web sites where they will find online articles, statutes, or other legal or information sources concerning a topic being discussed in the text).
- **Highlighted and numbered examples illustrating legal principles** (we have added more for this edition to better clarify legal concepts).
- **URLs for cases** (whenever possible, we have included URLs that can be used to access the cases presented in the text; when a URL is available, it appears just below the case citation).
- **Quotations.**
- **Exhibits and forms** (including many new exhibits illustrating basic principles of contract law).
- **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; answers to the even-numbered questions for each chapter are provided in Appendix P).
- *Questions and Case Problems* (including hypotheticals and case problems; many of the case problems are based on cases from the 2000s).
- *Case Problem with Sample Answer* (as discussed earlier, each chapter contains one of these case problems; the answer for the problem is provided on the text's Web site at <http://blt.westbuslaw.com>).
- *A Question of Ethics.*
- *For Critical Analysis* (requiring students to think critically about some topic discussed in the chapter).
- *Video Question* (in selected chapters).
- *Online Activities* (including Internet exercises and interactive quizzes for each chapter).

## UNIT-ENDING PEDAGOGY—CUMULATIVE BUSINESS HYPOTHETICALS

Each unit in *Business Law Today*, Seventh Edition, concludes with a section titled *Cumulative Business Hypothetical*. The section introduces a hypothetical business firm and then asks a series of questions about how the law applies to various actions taken by the firm. To answer the questions, the student must apply the laws discussed throughout the unit. **Suggested answers to the unit-ending cumulative questions are included in both the *Instructor's Manual* and the *Answers Manual*.**



## UNIT-ENDING PEDAGOGY—EXTENDED CASE STUDIES

At the end of each unit is a two-page feature titled *Extended Case Study*. This feature focuses on a recent court case relating to a topic covered in the unit. Each feature opens with an introductory section, which discusses the background and significance of the case being presented. Then we present excerpts from the court's majority opinion and from a dissenting opinion in the case as well. The feature concludes with a series of questions, under the heading *Questions for Analysis*, that prompt the student to think critically about the legal, ethical, economic, international, or general business implications of the case. **Suggested answers to these questions are included in both the *Instructor's Manual* and the *Answers Manual*.**

## 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 includes an annotated sample court case to help your students learn how to read and understand the cases presented in this text.*

Because the majority of students keep their business law texts as a reference source, we have included at the end of the book the following full set of appendices (Appendix P is new to the Seventh Edition):

- A. How to Brief Cases and Analyze Case Problems.
- B. The Constitution of the United States.
- C. Uniform Commercial Code (Excerpts, including excerpts from the 2003 amendments to Article 2).
- D. Uniform Partnership Act (Excerpts).
- E. Revised Model Business Corporation Act (Excerpts).
- F. Uniform Limited Liability Company Act (Excerpts).
- G. *Restatement (Second) of Torts* (Excerpts).
- H. *Restatement (Third) of Torts* (Excerpts).
- I. Sherman Antitrust Act of 1890 (Excerpts).
- J. Securities Act of 1933 (Excerpts).
- K. Securities Exchange Act of 1934 (Excerpts).
- L. United Nations Convention on Contracts for the International Sale of Goods (Excerpts).
- M. Digital Millennium Copyright Act of 1998 (Excerpts).
- N. Uniform Electronic Transactions Act (Excerpts).
- O. Electronic Signatures in Global and National Commerce Act of 2000 (Excerpts).
- P. Answers to Even-Numbered *For Review* Questions.

## A Flexible Teaching/Learning Package

We realize that different people have different teaching philosophies and learning goals. We believe that the Seventh Edition of *Business Law Today* 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* allows instructors to choose those supplements that will most effectively complement classroom instruction.

Suggestions on how you can adapt the *Business Law Today* teaching/learning package to fit your particular teaching and learning goals are given in the *Resource Integration 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* is accompanied by an expansive group 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 Seventh Edition).
- *Resource Integration Guide* (also available on the *Instructor's Resource CD-ROM*, or IRCD, to be discussed shortly).
- *Instructor's Manual* (includes additional cases on point with at least one such case summary per chapter, answers to all *For Critical Analysis* questions in the features, answers for the *Video Questions* at the end of selected chapters, and answers to the *Cumulative Business Hypothetical* and *Extended Case Study* that conclude each unit; also available on the IRCD).
- *Study Guide*.
- A comprehensive *Test Bank* (also available on the IRCD).
- *Case Printouts* (includes printouts of cases referred to in selected features; also available on the IRCD).
- *Answers Manual* (includes answers to the *Questions and Case Problems*, answers to the *For Critical Analysis* questions in the features, and answers for the *Video Questions* that conclude selected chapters; also available on the IRCD).
- *Instructor's Manual for the Drama of the Law* video series (also available on the IRCD).

### SOFTWARE, VIDEO, AND MULTIMEDIA SUPPLEMENTS

- *Instructor's Resource CD-ROM (IRCD)*—Includes the following supplements: *Resource Integration 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.**
- **WebTutor Advantage and WebTutor ToolBox**—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®**—Ten free hours for qualified adopters.
- **Westlaw® Campus** (previously described).
- **West's Digital Video Library**—Provides access to over sixty-five videos, including the *Drama of the Law* videos and video clips from actual Hollywood movies. Access to West's Digital Library is available in an optional package with a new text at no additional cost. If West's Digital Video Library access did not come packaged with the textbook, students can purchase it online at <http://digitalvideolibrary.westbuslaw.com>.
- **Videos**—Qualified adopters using this text have access to the entire library of West videos, a vast selection covering most business law issues. For more information about the videos, visit <http://video.westbuslaw.com>.
- **Wall Street Journal**—Students and professors have the opportunity to subscribe to the *Wall Street Journal* and access the *Journal's* Web site (<http://wsj.com>) at a discount when bundled with the text. For students, the offer includes a fifteen-week subscription and access to the Web site. Qualifying professors can receive a fifty-two-week subscription, one-year access to the Web site, access to ProfessorJournal.com, and a video instructing students on how to use the *Wall Street Journal*.

## ■ ■ For Users of the Sixth Edition

We thought that those of you who have been using *Business Law Today* would like to know some of the major changes that have been made for the Seventh Edition.

### EXPANDED COVERAGE OF CYBERLAW

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, we have devoted an entire chapter to e-contracts (Chapter 14) in the Seventh Edition. Finally, most chapters in the book include an *Adapting the Law to the Online Environment* feature that focuses on a specific court case involving a dispute arising in the online environment.

### AMENDMENTS TO ARTICLES 2 AND 2A

To ensure that *Business Law Today*, Seventh Edition, offers the most up-to-date coverage possible, we have rewritten portions of the chapters covering sales and lease

contracts (Chapters 15 through 18) to incorporate the 2003 amendments to Articles 2 and 2A of the Uniform Commercial Code (UCC). These amendments were made largely to accommodate electronic commerce. At the time this book went to press, no state had yet adopted these amendments. Thus, instead of basing the text of these chapters on the amended version of Articles 2 and 2A, we refer in footnotes to any amendments that significantly change the UCC provisions currently in effect in most states. We include excerpts from these amendments, along with excerpts from the most current version of the UCC, in Appendix C.

## NEW FEATURES AND SPECIAL PEDAGOGY

All of the features that have been retained from the Sixth Edition of *Business Law Today* 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 Seventh Edition:

- *Adapting the Law to the Online Environment.*
- A *Relevant Web Sites* section concluding each *Landmark in the Law* feature and each *Landmark and Classic Case*.
- A *Why Is This Case Important?* section concluding one case in each chapter.
- *Case Problem with Sample Answer* (in the *Questions and Case Problems* section).
- *Video Questions.*

## SIGNIFICANTLY REVISED CHAPTERS

Every chapter of the Seventh 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 Seventh Edition. Other major changes and additions for this edition include the following:

- Chapter 1 (The Legal Environment)—The chapter has been revamped and now includes a section titled “Business Activities and the Legal Environment.” This new section brings home to the student the fact that many different areas of law can affect a single business transaction and also helps the student understand the role that ethics play in business decision making.
- Chapter 2 (Constitutional Law)—The chapter has been thoroughly revised and updated to incorporate recent United States Supreme Court decisions, particularly with respect to unprotected speech and online obscenity. The chapter now includes a discussion of the USA Patriot Act’s effect on constitutional rights and a review of legislation relating to the privacy of individuals’ health records. A feature addressing the constitutionality of state laws regulating the Internet has also been added.
- Chapter 3 (Courts and Alternative Dispute Resolution)—A section (and a feature) on electronic evidence and discovery issues was added to this chapter. The sections on personal jurisdiction and Internet jurisdiction were revised to update and clarify the law. Several new features were added to explore issues surrounding the use of unpublished decisions, secret settlement agreements, and mandatory arbitration clauses. The discussion of electronic filing systems and online dispute resolution has been updated.



- Chapter 4 (Torts and Cyber Torts)—The section on cyber torts in this chapter now includes a discussion of the federal CAN-SPAM Act of 2003, as well as several new features on spamming and online defamation.
- Chapter 5 (Intellectual Property)—The materials on intellectual property rights in the online environment have been thoroughly revised and updated. Several recent United States Supreme Court cases are discussed. The chapter now includes a new section (and a feature) on file-sharing, a discussion of registering trademarks abroad under the Madrid Protocol, and a feature offering practical advice on how to protect trade secrets.
- Chapter 7 (Ethics and Professional Responsibility)—As noted earlier in this preface, this chapter has been extensively rewritten to present a more practical approach to business ethics and decision making. The chapter now includes sections on how to set an ethical tone in a business environment, the Enron scandal, the professional responsibilities of accountants and lawyers, and the requirements of the Sarbanes-Oxley Act of 2002.
- Chapter 8 (Nature and Classification)—The section on types of contracts was reorganized, and three new exhibits that illustrate contract classifications were added to this opening chapter on contracts. Overall, ten exhibits were added to the contracts unit to demonstrate visually the legal principles discussed in the chapters.
- Chapter 14 (E-Contracts)—This chapter has been thoroughly revised and now includes more numbered examples, expanded coverage of the Uniform Electronic Transactions Act (including a new exhibit on this topic), and a video question.
- Chapters 15 through 18 (on sales and lease contracts)—As mentioned previously, throughout this unit, text or footnotes have been added, whenever relevant, to indicate how the 2003 amendments to Article 2 and 2A alter existing law. These chapters also include more numbered examples, expanded coverage of international sales contracts, new features, and video questions.
- Chapter 19 (Negotiability and Transferability) and Chapter 20 (Rights and Liabilities of Parties)—These chapters have been revised to reflect the 2002 amendments to Articles 3 and 4 of the UCC. Additional key terms, numbered examples, video questions, and a concept summary help to improve the comprehensibility of the materials. Several sections were added to Chapter 20 to clarify the liability of the parties in various situations, such as when an agent's actions are authorized and unauthorized.
- Chapter 23 (Creditors' Rights and Bankruptcy)—This chapter now includes the updated dollar amounts of various provisions of the Bankruptcy Code and discusses the bankruptcy reform legislation that is pending in Congress.
- Chapters 24 through 31 (on business organizations)—The materials in this unit have been reorganized and streamlined for a more cohesive presentation. All forms of partnerships are treated in the same chapter (Chapter 26), which is now based on the latest version of the Uniform Partnership Act (UPA) that is in effect in the majority of states (excerpts from the UPA are also presented in Appendix D). The coverage of limited liability companies has been revised and expanded. Several exhibits have been added or revised, including an exhibit (and a section) in Chapter 31 (Investor Protection and Online Securities Offerings) on the Sarbanes-

Oxley Act of 2002, which was mentioned earlier in the context of ethics. The chapter on securities law now includes more coverage of penalties for violations, state securities laws, the Uniform Securities Act of 2002, and issues involving online securities offerings and fraud.

- Chapter 33 (Consumer and Environmental Law)—The chapter now includes a section on the Fair and Accurate Credit Transactions Act of 2003 (concerning identity theft) and a description of the national “Do Not Call” registry.
- Chapter 34 (Labor and Employment Law) and Chapter 35 (Employment Discrimination)—These two chapters covering employment law have been thoroughly revised to include references to the latest developments and United States Supreme Court decisions in the areas of labor and employment law. The chapters now include an expanded discussion of an employer’s obligations under federal law to provide family and medical leave and to offer the option to extend health insurance coverage to workers who have been terminated. Issues concerning employee privacy rights and online harassment are explored, and a discussion of genetic testing has been added.

## 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*, Seventh Edition, as listed below.

**New Cases and Case Problems** Nearly 70 percent of the cases in this text are new, including forty-three cases decided in 2003 or 2004. Additionally, each unit-ending *Extended Case Study* is based on a 2003 or 2004 case. We have also added seventy-two new case problems and nineteen new video questions. Virtually every chapter in this edition now includes at least one problem based on a case decided in 2004.

**New Exhibits and Concept Summaries** We have modified exhibits retained from the Sixth Edition whenever necessary to achieve greater clarity or accuracy. In addition, we have added sixteen new exhibits for the Seventh Edition. Ten exhibits were added to the contracts unit, including an exhibit that helps students classify contracts based on contract formation (in Chapter 8) and an exhibit helping them distinguish between enforceable, void, voidable, and unenforceable contracts (also in Chapter 8). Additional contract exhibits cover mistakes of fact and contracts subject to the Statute of Frauds (in Chapter 11), third party beneficiaries and contract discharge (in Chapter 12), and remedies for breach of contracts (in Chapter 13). Other new exhibits include an exhibit comparing the electronic contracting provisions of the E-SIGN Act and the UETA (in Chapter 14) and an exhibit summarizing the key provisions of the Sarbanes-Oxley Act of 2002 relating to corporate accountability (in Chapter 31).

Also, we have included seven new Concept Summaries for this edition so that students can review at a glance the legal principles that they have learned in the text.

## NEW SUPPLEMENTS

- A greatly enhanced and streamlined Web site at <http://blt.westbuslaw.com>.
- A revised *Instructor’s Resource CD-ROM* (IRCD).
- WebTutor ToolBox.
- West’s Digital Video Library (at an additional cost).

- Westlaw® Campus (at an additional cost).
- *Wall Street Journal* subscription (at an additional cost).

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