## Contents

#### Preface vi



## Part One Ethics, Law, and the Judicial System 1

Chapter 1 Ethics, Social Responsibility, and the Law 2
Defining the Law, Morality, and Ethics 3
Ethical Theories 7
Ethics and the Government 12
Social Responsibility in the Business Sector 15
The Relationship between Law and Ethics 19
Chapter 2 Sources of the Law 24

The Purpose and Operation of the Law 25 Constitutional Law 28 Statutory Law 35 Court Decisions 38 Administrative Regulations 40

Chapter 3 The Judicial Process and Cyberprocedure 44

The Court System 45 Civil Procedure 52 Cyber-procedure 59 Criminal Procedure 61

Chapter 4 Alternative Dispute Resolution 68

A Primer on ADR 69 ADR Techniques 72 Proactive ADR 77

Chapter 5 Criminal Law and Cybercrimes 86 Definition and Classes of Crimes 87

Elements of a Crime 90

Specific Crimes 96 Cybercrimes 101 Defenses to Criminal Liability 106

Chapter 6 Tort Law and Cybertorts 114 Tort Law Defined 115 Intentional Torts 118 Negligence 123 Strict Liability 127 Cybertorts 128 Remedies for Torts 131 Developments in Tort Law 132

Case Study: Citizens United v. Federal Election Commission 139



Part Two Contract Law 145

Chapter 7 The Essentials of Contract Law 146 The History of Contract Law 147 The Multidimensional Nature of Contract Law 153 Contractual Characteristics in Contract Law 160 Chapter 8 Offer, Acceptance, and Mutual Assent 168 Mutual Assent and the Offer 169 The Acceptance of an Offer 173 Mutual Assent in Cyberspace 178 The Destruction of Mutual Assent 180 Chapter 9 Consideration and Cyber-Payments 190 Requirements of Consideration 191

#### Contents

Types of Consideration 195 Problems with Consideration 197 Agreements without Consideration 199 Cyber-Payment Tactics and Concerns 202

Chapter 10 Capacity and Legality: The Final Elements 210 The Final Elements 211

Other Capacity Problems 216 Agreements to Engage in Unlawful Activities 218

Chapter 11 Written Contracts and Cyber-Commerce 228

The Statute of Frauds 229 Legal Rules for Written Contracts 235 Formalities of Construction 239 Cyber-Commerce and the Law 241

Chapter 12 Third Parties, Discharge, and Remedies 248 Contracts and Third Parties 249 The Law of Assignment 251 Assignment Rights, Duties, and Restrictions 254 Discharge by Performance 256 Discharge by Nonperformance 260 Damages and Equitable Remedies 264

Case Study: Murray v. Accounting Center & Tax





### Part Three Sales and Consumer Protection 275

Chapter 13 Sales Contracts: Formation, Title, and Risk of Loss 276 The Sale and Lease of Goods 277 Rules for Sales Contracts 279 The Form of a Sales Contract 283 Title, Passage of Title, and Risk of Loss 288 Sales, Returns, and Insurable Interest 293 Chapter 14 Sales Contracts Rights, Duties, Breach, and Warranties 298 Rights and Duties of the Parties 299 Breach of Contract 303 Warranty Protection 309

Chapter 15 Product Liability and Consumer Protection 318 Product Liability 319 Consumer Protection Laws 323

Case Study: DiCenzo v. A-Best Products Company Inc. 337

Consumer Credit Laws 329



#### **Part Four**

# Negotiable Instruments and Banking 341

Chapter 16 The Nature of Negotiable Instruments 342 The Essentials of Negotiable Instruments 343 Parties to Negotiable Instruments 348 Transferring Negotiable Instruments 352

Chapter 17 Holders in Due Course, Defenses, and Liabilities 362

Holder in Due Course 363 Personal Defenses 366 Real Defenses 369 Liability of the Parties 372

Chapter 18 Bank–Depositor Relationships, and Cyber-Banking 376

The Bank–Depositor Relationship 377 Bank Deposits and Collections 385 Cyber-Banking 387

Case Study: Triffin v. Dillabough and American Express 395

ХХ



### Part Five

Insurance, Secured Transactions, and Bankruptcy 401

Chapter 19 Insurance 402 Risk Management 403 Types of Insurance 405 The Insurance Policy 416 Cancellation of Insurance by Insurer 417

Chapter 20 Mortgages and Security Interests 424 Real Property as Security 425 The 21st Century Financial Crisis 433 Personal Property as Security 437

Chapter 21 Bankruptcy and Debt Adjustment 444

Bankruptcy's History 445 Liquidation—Chapter 7, Bankruptcy Code 447 Reorganization—Chapter 11, Bankruptcy Code 454 Family Farmer or Fishing Business Debt Adjustment—Chapter 12, Bankruptcy Code 457 Individual Debt Adjustment—Chapter 13, Bankruptcy Code 459

Case Study: In re: Lisa A. Bloch, Debtor Plaintiff v. Windham Professionals, et al., Defendants 465



Part Six Agency and Employment 469

Chapter 22 Agency Law 470 The Nature of Agency Law 471

#### Contents

Principles of Agency Law 478 Duties in Agency Law 483 A Final View of Agency Law 486

Chapter 23 Employment Law 494

The Employment Relationship 495 Laws Regulating Employment Conditions 502 Worker Benefits 504 Equal Employment Opportunity 507 Social Media Policies 513

Chapter 24 Labor Law 520 Labor Law and the Economic Crisis 521 Major Federal Labor Legislation 525 The Collective Bargaining Process 532

Case Study: Griggs v. Duke Power Co. 537



## Part Seven

Business Organization and Regulation 541

Chapter 25 Sole Proprietorships and Partnerships 542 Sole Proprietorships 543 General Partnership Characteristics 544 Partnership Formation 545 Partnership Property Rights and Duties 549 Dissociation and Dissolution 553 Other Forms of Partnership Business 554

Chapter 26 The Corporate Entity 560 The Theory of Corporativism 561 Types of Corporate Entities 565 Corporate Formation 566 Corporate Identity 571 Corporate Financing 574

Chapter 27 Corporate Governance 580 Management of the Corporation 581 Issues in Corporate Governance 583 Governance Responsibilities 594

#### Contents

Shareholder Rights 597 Governance of a Limited Liability Company 598

Chapter 28 Government Regulation of Corporate Business 604

Business and the Constitution 605

Securities Regulation 608

Antitrust Regulation 612

Tactics of Corporate Expansion616The Government and Corporate Dissolution622

Dissolution of a Limited Liability Company 623

Case Study: Gries Sports Enterprises, Inc. v. Cleveland Browns Football Co., Inc. 629



## Part Eight

Property Law 633

Chapter 29 Personal Property and Bailments 634

Personal Property 635 Bailments 638

Chapter 30 Real Property and Landlord and Tenant Law 654

The Rights Related to Real Property 655 Estates in and Co-ownership of Real Property 658 Acquiring Title to and Managing Real Property 663 The Landlord-Tenant Relationship 666 Duties of the Landlord and the Tenant 671

Chapter 31 Wills, Trusts, and Advanced Directives 678

Sources and Relevance of Probate Law 679 The Law of Wills 680 Advanced Directives 689 The Law of Trusts 692

Case Study: Estate of Saueressig v. Goff 699



### Part Nine The Legal Environment 703

Chapter 32 Professional Liability 704

The Liability of Accountants 705 The Liability of Architects and Attorneys 713 The Liability of Health Care Providers 719 Hospital Liability 724

Chapter 33 The Intersection of Law and Science 730

Regulating Science and Technology 731 Facing the Global Challenges 740 Protecting Innovation and Creativity 751 Developing Global Solutions 762

Chapter 34 International Law 774

The New World Order 775 International Law and War 780 International Law and the United Nations 788 International Law, Finance, and Trade 796

Case Study: Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory (Request for Advisory Opinion), The International Court of Justice 803

Appendix A U.S. Constitution 807

Appendix B Uniform Commercial Code (Articles 1, 2, 2a, and 3) 816

Appendix C United Nations Convention for the International Sale of Goods (CISG) 883

Glossary 895 Photo Credits 934 Case Index 935 Subject Index 938

xxii