

This is the 15th UCC Edition (and the twenty-first overall edition) of a business law text that first appeared in 1935. Throughout its over 75 years of existence, this book has been a leader and an innovator in the fields of business law and the legal environment of business. One reason for the book's success is its clear and comprehensive treatment of the standard topics that form the traditional business law curriculum. Another reason is its responsiveness to changes in these traditional subjects and to new views about that curriculum. In 1976, this textbook was the first to inject regulatory materials into a business law textbook, defining the "legal environment" approach to business law. Over the years, this textbook has also pioneered by introducing materials on business ethics, corporate social responsibility, global legal issues, and e-commerce law. The 15th Edition continues to emphasize change by integrating these four areas into its pedagogy.

Continuing Strengths

The 15th UCC Edition continues the basic features that have made its predecessors successful. They include:

- *Comprehensive Coverage.* We believe that the text continues to excel both in the number of topics it addresses and the depth of coverage within each topic. This is true both of the basic business law subjects that form the core of the book and also of the regulatory and other subjects that are said to constitute the "legal environment" curriculum.
- *Style and Presentation.* This text is written in a style that is direct, lucid, and organized, yet also relatively relaxed and conversational. For this reason, we often have been able to cover certain topics by assigning them as reading without lecturing on them. As always, key points and terms are emphasized; examples, charts, figures, and concept summaries are used liberally; and elements of a claim and lists of defenses are stated in numbered paragraphs.
- *Case Selection.* We try very hard to find cases that clearly illustrate important points made in the text, that should interest students, and that are fun to teach. Except when older decisions are landmarks or continue to best illustrate particular concepts, we also try to select recent cases. Our collective in-class teaching experience with recent editions has helped us determine which of those cases best meet these criteria.
- *AACSB Curricular Standards.* The AACSB's curriculum standards say that both undergraduate and MBA curricula should include ethical and global issues; should address the influence of political, social, legal and regulatory, environmental, and technological issues on business; and should also address the impact of demographic diversity on organizations. In addition to its obvious emphasis on legal and regulatory issues, the book contains considerable material on business ethics, the legal environment for international business, and environmental law, as well as Ethics in Action boxes. By putting legal changes in their social, political, and economic

context, several text chapters enhance students' understanding of how political and social changes influence business and the law. For example, Chapter 4 discusses the ethical issues of recent years, and Chapters 43 and 45 address the mortgage lending crisis, the current credit crunch, and options backdating. Chapter 51's discussion of employment discrimination law certainly speaks to the subject of workplace diversity. Finally, the 15th UCC Edition examines many specific legal issues involving e-commerce and the Internet.

Features The 15th Edition continues 10 features introduced by previous editions:

Opening Vignettes precede the chapter discussion in order to give students a context for the law they are about to study. Many opening vignettes raise issues that come from the corporate social responsibility crisis that students have read about the last few years. Others place students in the position of executives and entrepreneurs making management decisions and creating new business.

Ethics in Action boxes are interspersed where ethical issues arise, asking students to consider the ethics of actions and laws. The ethics boxes often ask students to apply their learning from Chapter 4, the chapter on ethical and rational decision making. The boxes also feature the most important corporate social responsibility legislation of the last 20 years, the Sarbanes–Oxley Act of 2002.

Cyberlaw in Action boxes discuss e-commerce and Internet law at the relevant points of the text.

The Global Business Environment boxes address the legal and business risks that arise in international business transactions, including being subject to the laws of other countries. By the integration of the global business environment boxes in each chapter, students are taught that global issues are an integral part of business decision making.

Log On boxes direct students to Internet sites where they can find additional legal and business materials that will aid their understanding of the law.

Online Research Boxes close each chapter by challenging students to use their Internet research skills to expand their understanding of the chapter.

Concept Reviews appear throughout the chapters. These Concept Reviews visually represent important concepts presented in the text to help summarize key ideas at a glance and simplify students' conceptualization of complicated issues.

Cases include the judicial opinions accompanying court decisions. These help to provide concrete examples of the rules stated in the text, and to provide a real-life application of the legal rule.

Problem Cases are included at the end of each chapter to provide review questions for students.

Key Terms are bolded throughout the text and defined in the Glossary at the end of the text for better comprehension of important terminology.

Important Changes in This Edition

In this edition, there are many new cases, the text has been thoroughly updated, and a good number of problem cases have been replaced with new ones. The cases continue to include both hypothetical cases as well as real-life cases so that we can target particular issues that deserve emphasis. The 15th UCC Edition continues the development of components that were added to the text's previous edition. Examples of these components are as follows:

- Active **Learning Objectives** open each chapter, and are tied to AACSB standards. LOs inform you of specific outcomes you should have after finishing the chapter. Icons reference each LO's reference within the chapter.

Chapter 1

- Two new text cases on statutory interpretation—both of which are 2011 decisions of the U.S. Supreme Court. One, *Federal Communications Commission v. AT&T*, deals with whether the statutory phrase “personal privacy” applies to corporations. The other, *Kasten v. Saint-Gobain Performance Plastics Corp.*, involves an interpretation of a Fair Labor Standards Act provision in light of its purpose and historical context.

Chapter 2

- A discussion of the new federal rules governing discovery of electronically stored information.
- The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 is covered throughout the corporations chapters. This important legislation gives shareholders a greater role in corporate governance and expands the liability of corporate officers and those involved in securities transactions. The Dodd-Frank Act receives treatment in Chapters 43, 45, and 46.
- Expanded treatment of class-action issues, including discussion of the U.S. Supreme Court's influential 2011 decision in *Wal-Mart Stores, Inc. v. Dukes*.
- New text case dealing with class arbitration issues (U.S. Supreme Court's influential 2011 decision in *AT&T Mobility v. Concepcion*).

Chapter 3

- *Citizens United v. Federal Election Commission*, the U.S. Supreme Court's landmark 2010 decision, included as new text case in First Amendment section.
- New text case dealing with whether federal law on employment of illegal immigrants preempts Arizona law dealing with same subject (U.S. Supreme Court's 2011 decision in *Chamber of Commerce v. Whiting*).

Chapter 5

- Chapter title changed to “Criminal Law and Procedure.”
- *Skilling v. United States*, U.S. Supreme Court's 2010 decision, included as new text case in section dealing with constitutional challenges to criminal statutes on vagueness grounds.

- *Berghuis v. Thompkins*, U.S. Supreme Court's 2010 decision establishing that person held for custodial interrogation must affirmatively speak up in order to invoke right to remain silent, included as new text case in section dealing with Fifth Amendment and *Miranda* warnings.

Chapter 6

- New text case dealing with intentional infliction of emotional distress (*Durham v. McDonald's Restaurants of Oklahoma, Inc.*, Oklahoma Supreme Court, 2011).
- New Global Business Environment box dealing with whether the right of publicity is violated when the relevant activities occurred outside the United States.

Chapter 7

- New introductory problem dealing with duty, breach of duty, *respondeat superior*, and comparative negligence issues (problem based on *Cabral v. Ralphs Grocery Co.*, California Supreme Court, 2011).
- New text case dealing with business owner's potential negligence liability when customer is attacked by third party in parking lot outside business premises (*Kroger v. Plonski*, Indiana Supreme Court, 2010).

Chapter 8

- As new text cases, recent Supreme Court decisions on patent law. Chapter 8 also includes new material on the Trademark Dilution Revision Act of 2006.
- The contracts chapters integrate e-commerce issues at various points. Examples include treatments of the proposed Uniform Computer Information Transactions Act in Chapter 9, shrink-wrap and clickwrap contracts in Chapter 10, and digital or electronic signatures in Chapter 16.
- New—and extensive—discussion of various patent reform issues and changes in U.S. patent law (including, but not limited to, switching the U.S. from a “first-to-invent” approach to a “first-to-file” approach).
- *Bilski v. Kappos*, the U.S. Supreme Court's high-profile 2010 decision dealing with business method patents, included as new text case.

Chapter 9

- *Aceves v. U.S. Bank*, a topical case involving mortgage foreclosure and loan modification.

Chapter 10

- Added the case of *Hines v. Overstock.com* (a topical case involving website terms and conditions).

Chapter 20

- A new section on the preemption and regulatory compliance defenses in product liability cases, and features the Supreme Court's recent *Riegel* decision in that section.
- New text case dealing with alleged design defects and the negligence and strict liability theories (*Branham v. Ford Motor Co.*, South Carolina Supreme Court, 2010).

- New discussion of two key U.S. Supreme Court decisions dealing with possible federal preemption of state product liability claims (*Wyeth v. Levine*, 2009, and *Pliva, Inc. v. Mensing*, 2011).

Chapter 27

- New feature discussing the Patient Protection and Affordable Care Act, which was enacted by Congress and signed into law by President Obama in 2010.

Chapter 30 (Bankruptcy)

- A case from the Madoff bankruptcy, *In Re Bernard Madoff Investment Securities LLC*.

Chapters 35 and 36

- Expanded coverage of the *Restatement (Third) of Agency*, making it the primary source of law for those chapters. Changes include the new *Restatement's* change in terminology, such as nonemployee agent (instead of independent contractor) and unidentified principal (instead of partial disclosed principal), as well as different definitions for express and implied authority.
- *Ederer v. Gursky*, a decision of New York's highest court, exploring whether partners in limited liability partnership have limited liability to their partners, has been added to Chapter 38.
- The Supreme Court's decision in *Goodyear Dunlop Tires Operations, S.A. v. Brown*, explaining the limits of the *International Shoe* case regarding state jurisdiction over foreign and alien corporations, is a new text case in Chapter 41.

Chapter 41

- A new Ethics in Action box that considers the State of Indiana's grant to Amazon.com of an exemption from the Indiana sales tax in exchange for Amazon's building warehouses in Indiana.
- The Dodd-Frank Act's provisions requiring periodic shareholder approval of executive compensation and expanding liability of officers is covered in Chapter 43.
- The recent Delaware Supreme Court case, *Versata Enterprises, Inc. v. Selectica*, regarding the legality of poison pills, is cited in Chapter 43's coverage of directors' duties when adopting tender offer defenses.

Chapter 44

- As a text case the Delaware Supreme Court's decision in *City of Westland Police & Fire Retirement System v. Axelis Technologies, Inc.*, which delineated the limits of the shareholder inspection right.

Chapter 45

- Securities Regulation, clarifies the distinction between the preliminary and final prospectuses, on the one hand, and the free-writing prospectus, on the other.
- The Dodd-Frank Act requirement that the SEC issue rules expanding shareholder proxy solicitation rights is covered in Chapter 45, as is the Act's dictate that the SEC give cash awards to whistleblowers who report securities violations.

- The Securities Regulation chapter also updates information on the cost of complying with Sarbanes-Oxley Act section 404.
- One of the first cases addressing the liability of banks as a result of the current credit crisis, *SRM Global Fund L.P. v. Countrywide Financial Corp.*, is a new text case in Chapter 45.
- The insider trading materials, including a concept review, have been clarified in Chapter 45.
- Chapter 45 new material on the safe harbor for issuers releasing forward-looking information.
- A problem case in Chapter 45 addresses whether Dallas Mavericks owner Mark Cuban may be liable for insider trading.

Chapter 46

- A discussion of the recent Supreme Court case, *Janus Capital Group, Inc. v. First Derivative Traders*, limiting the persons who can have liability under Securities Exchange Act Rule 10b-5.
- The Frank-Dodd Act's imposition of greater liability on brokers and dealers who tout securities is covered in the professional liability chapter.
- New language in Chapter 45's coverage of negligent misrepresentation clarifies the application of the *Ultramares* case.

Chapter 47

- Chapter title changed to "Administrative Law."
- New introductory problem dealing with the saga of the FDA's attempts to regulate tobacco problems (including the Supreme Court's decision that Congress had not given the FDA such authority and the later action by Congress to grant the FDA such authority).

Chapter 48

- Contains new text material discussing recent amendments to the Consumer Product Safety Act.

Chapter 49

- As a new text case, the recent *Leegin* decision, in which the Supreme Court held that vertical minimum price-fixing would be treated under the rule of reason rather than as a per se violation of the Sherman Act.
- Recent Supreme Court cases, such as *EXXON Shipping Co. v. Baker* (Chapter 52), have been integrated in this edition.
- *American Needle, Inc. v. National Football League*—the U.S. Supreme Court's 2010 decision dealing with the concerted action requirement under Sherman Act § 1 and with rule of reason analysis—included as new text case.

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