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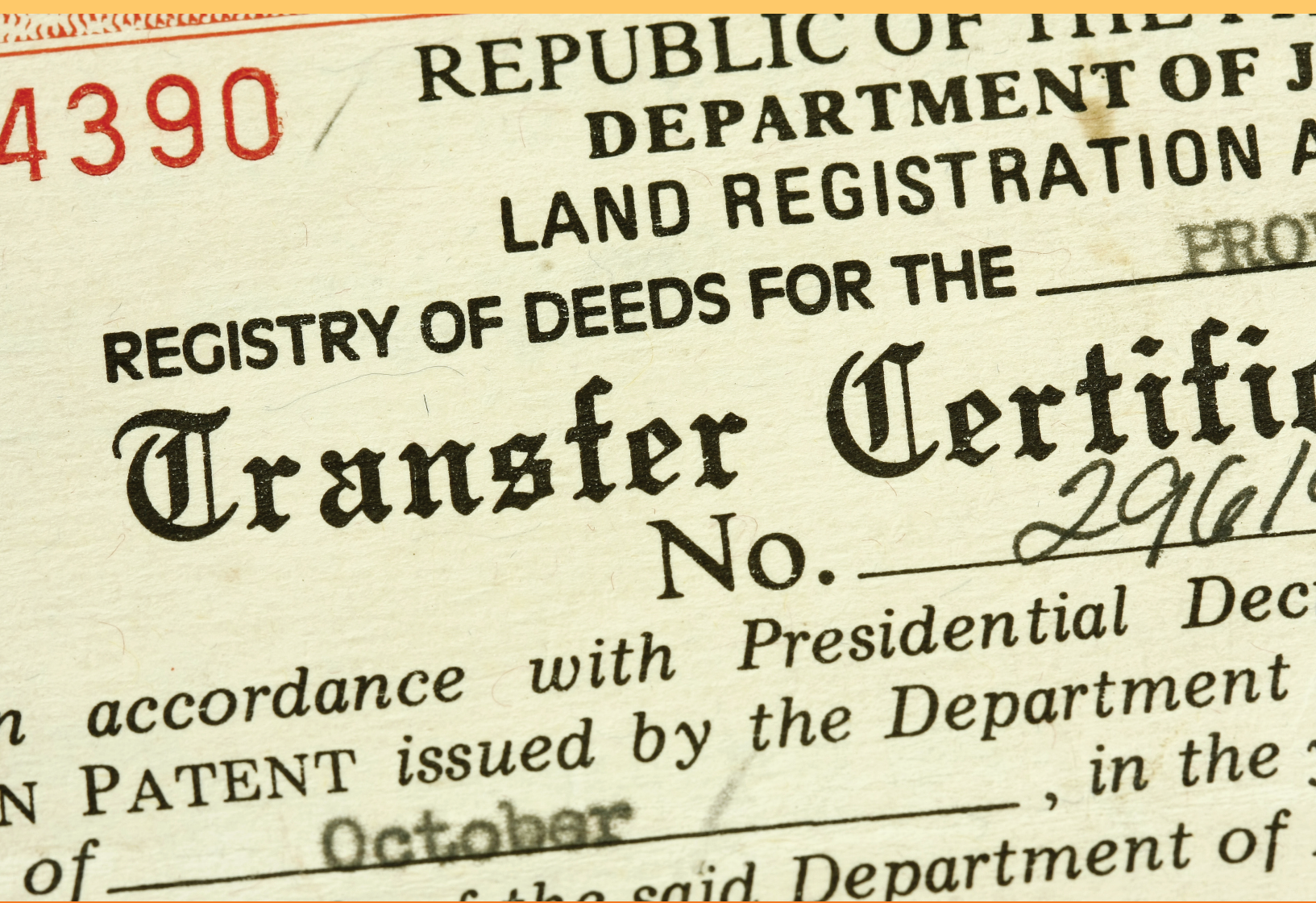


# The Legal Environment of Business

*A Critical Reasoning Approach*

SEVENTH EDITION

Nancy K. Kubasek • Bartley A. Brennan • M. Neil Browne



THE **LEGAL**  
**ENVIRONMENT**  
OF **BUSINESS**



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A Critical Thinking Approach

SEVENTH EDITION  
GLOBAL EDITION

NANCY K.  
KUBASEK

BARTLEY A.  
BRENNAN

M. NEIL  
BROWNE

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**Cover Design:** Lumina Datamatics  
**Cover Photo:** © RAGMAG/Shutterstock  
**Procurement Specialist:** Nancy Maneri-Miller  
**Full-Service Project Management:** S4Carlisle Publishing Services  
**Composition:** S4Carlisle Publishing Services

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*Authorized adaptation from the United States edition, entitled *The Legal Environment of Business, 7th edition*, ISBN 978-0-13-354642-2, by Nancy K. Kubasek, Bartley A. Brennan, and M. Neil Browne, published by Pearson Education © 2015.*

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**British Library Cataloguing-in-Publication Data**

A catalogue record for this book is available from the British Library

14 13 12 11 10 9 8 7 6 5 4 3 2 1

ISBN 13: 978-1-292-06015-6

ISBN 10: 1-292-06015-8

Typeset in 10.5/12 ITC Garamond by S4Carlisle Publishing Services  
Printed and bound in Great Britain by CPI Group (UK) Ltd, Croydon, CRO 4YY

*To the numerous students who appreciate the importance of  
developing their critical thinking skills for their personal growth  
and development.*

**NANCY K. KUBASEK AND M. NEIL BROWNE**

*To Sandra for everything.*

**BARTLEY A. BRENNAN**



# Brief Contents

## PART ONE

### What is the Legal Environment of Business? 37

- 1 Fundamentals of Critical Thinking and Reasoning 38
- 2 What is the Legal Environment of Business? 51
- 3 Legal Frameworks in the U.S. 68
- 4 Settling Disputes Without Litigation 106
- 5 The Constitution for Business Managers 134
- 6 Defining White-Collar Crime 171
- 7 Business Ethics and Social Responsibility 213
- 8 The International Legal Business Environment 240

## PART TWO

### Private Law 273

- 9 Contract and Sales Law—I 274
- 10 Contract and Sales Law—II 302
- 11 Tort Law 321
- 12 Modern Product Liability Law 355
- 13 Real Estate and Property Law 385
- 14 Intellectual Property Rights 409
- 15 Agency Relationships 431
- 16 Company and Partnership Law—I 455
- 17 Company and Partnership Law—II 474

## PART THREE

### Public Law 499

- 18 Administrative Agencies and Functions 500
  - 19 The Employment Relationship 521
  - 20 Laws Governing Labor–Management Relations 553
  - 21 Discrimination at Work 583
  - 22 Environmental Law 629
  - 23 Rules Governing the Issuance and Trading of Securities 658
  - 24 Enforcing Antitrust Policies 708
  - 25 Consumer Protection Practices 748
- APPENDIX A The Constitution of the United States 792
- APPENDIX B Uniform Commercial Code (2000 Official Text), Article 2 798
- GLOSSARY 813
- INDEX 827





# Contents

PREFACE	29
ACKNOWLEDGMENTS	33
ABOUT THE AUTHORS	35

## PART ONE

### What is the Legal Environment of Business? 37

1	Fundamentals of Critical Thinking and Reasoning	38
	The Importance of Critical Thinking	38
	A Critical Thinking Model	39
	<i>United States of America v. Martha Stewart and Peter Bacanovic</i>	40
	The Critical Thinking Steps	41
	<i>Facts</i>	41
	<i>Issue</i>	42
	<i>Reasons and Conclusion</i>	42
	<i>Rules of Law</i>	43
	<i>Ambiguity</i>	43
	<i>Ethical Norms</i>	43
	<i>Analogies</i>	44
	<i>Missing Information</i>	45
	Using Critical Thinking to Make Legal Reasoning Come Alive	45
	<i>Legal Reasoning</i>	46
	Applying the Critical Thinking Approach	50
	Assignment on the Internet	50
	On the Internet	50
	For Future Reading	50
2	What is the Legal Environment of Business?	51
	Definition of the Legal Environment of Business	52
	Definition of Law and Jurisprudence	53
	<i>Natural Law School</i>	54
	<i>Positivist School</i>	55
	<i>Sociological School</i>	55
	<i>American Realist School</i>	56
	<i>Critical Legal Studies School</i>	56
	<i>Feminist School</i>	56
	<i>Law and Economics School</i>	57
	Sources of Law	57
	<i>The Legislature as a Source of Statutory Law</i>	58
	<i>The Judicial Branch as a Source of Case Law</i>	59

*The Executive Branch as a Source of Law* 60  
*Administrative Agencies as a Source of Law* 61

Classifications of Law 61

*Criminal Law and Civil Law* 61

*Public and Private Law* 62

*Substantive and Procedural Law* 63

*Cyberlaw* 63

Global Dimensions of the Legal Environment of Business 63

Summary 64

Review Questions 64

Review Problems 64

Case Problems 65

Thinking Critically about Relevant Legal Issues 66

Assignment on the Internet 67

On the Internet 67

For Future Reading 67

### 3 Legal Frameworks in the U.S. 68

Jurisdiction 68

*Original Versus Appellate Jurisdiction* 68

*Jurisdiction Over Persons and Property* 69

*World-Wide Volkswagen Corp. v. Woodson, District Judge of Cook County* 70

*Subject Matter Jurisdiction* 73

*Hertz Corporation v. Friend* 74

Venue 76

The Structure of the Court System 78

*The Federal Court System* 78

*State Court Systems* 81

The Actors in the Legal System and their Relationship  
to the Business Community 81

*The Attorney* 81

*The Jury* 84

The Adversary Process 85

*Criticisms of the Adversary System* 85

Steps in Civil Litigation and the Role of Businesspersons 86

*The Pretrial Stage* 86

*The Trial* 91

*J.E.B. v. Alabama, ex rel. T.B.* 92

*Appellate Procedure* 96

*Class Actions* 98

Global Dimensions of the American Legal System 99

Summary 101

Review Questions 101

Review Problems 101

Case Problems 102

Thinking Critically about Relevant Legal Issues 104

Assignment on the Internet 104

On the Internet 105

For Future Reading 105

---

4	Settling Disputes Without Litigation	106
	Negotiation and Settlement	108
	Mediation	108
	<i>Selection of a Mediator</i>	108
	<i>Common Uses of Mediation</i>	109
	<i>Advantages of Mediation</i>	109
	<i>Criticisms of Mediation</i>	110
	Arbitration	110
	<i>Hall Street Associates, L.L.C. v. Mattel, Inc.</i>	112
	<i>Methods of Securing Arbitration</i>	113
	<i>Ignazio v. Clear Channel Broadcasting, Inc. et al.</i>	115
	<i>AT&amp;T Mobility LLC v. Concepcion et ux</i>	119
	<i>Selection of an Arbitrator</i>	120
	<i>Common Uses of Arbitration</i>	121
	<i>Problems with Arbitration</i>	122
	Minitrials	123
	Early Neutral Case Evaluation	124
	Private Trials	124
	Summary Jury Trials	125
	Court-Annexed Alternative Dispute Resolution	125
	<i>Use of Court-Annexed ADR in the State and Federal Systems</i>	125
	<i>Differences Between Court-Annexed and Voluntary ADR</i>	126
	The Future of Alternative Dispute Resolution	127
	Global Dimensions of Alternative Dispute Resolution	127
	<i>Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth</i>	128
	Summary	129
	Review Questions	130
	Review Problems	130
	Case Problems	131
	Thinking Critically about Relevant Legal Issues	132
	Assignment on the Internet	133
	On the Internet	133
	For Future Reading	133
5	The Constitution for Business Managers	134
	The Constitution	134
	Federalism	134
	<i>Supremacy Clause</i>	135
	<i>Federal Preemption</i>	135
	Separation of Powers	136
	<i>William Jefferson Clinton v. Paula Corbin Jones</i>	137
	The Impact of the Commerce Clause on Business	139
	<i>The Commerce Clause as a Source of Federal Authority</i>	139
	<i>Gonzales v. Raich</i>	141
	<i>The Commerce Clause as a Restriction on State Authority</i>	143
	<i>Nat'l Ass'n of Optometrists &amp; Opticians v. Brown</i>	145
	The Taxing and Spending Powers of the Federal Government	146
	<i>Taxation of the Internet?</i>	148

The Impact of the Amendments on Business	149
<i>The First Amendment</i>	149
<i>Central Hudson Gas &amp; Electric Corp. v. Public Service Commission of New York</i>	151
<i>The Fourth Amendment</i>	155
<i>Florida v. Jardines</i>	157
<i>The Fifth Amendment</i>	159
<i>D.A.B.E., Inc. v. City of Toledo</i>	163
<i>The Fourteenth Amendment</i>	165
Summary	166
Review Questions	166
Review Problems	166
Case Problems	167
Thinking Critically about Relevant Legal Issues	169
Assignment on the Internet	169
On the Internet	170
For Future Reading	170
<b>6</b> Defining White-Collar Crime	171
Crime and Criminal Procedure	174
<i>Crime</i>	174
<i>Criminal Procedure</i>	175
Distinguishing Features of White-Collar Crime	179
<i>The Corporation as a Criminal</i>	180
<i>Arguments in Support of Corporate Liability</i>	181
<i>Arguments in Opposition to Corporate Liability</i>	182
<i>Imposition of Liability on Corporate Executives</i>	182
<i>United States v. Park</i>	183
<i>Imposition of Liability on Lower-Level Corporate Criminals</i>	185
<i>Factors Encouraging the Commission of White-Collar Crime</i>	186
<i>Sentencing of White-Collar Criminals</i>	187
Common White-Collar Crimes	189
<i>Bribery</i>	189
<i>Violations of Federal Regulations</i>	190
<i>Criminal Fraud</i>	191
<i>United States v. Gray</i>	191
<i>Larceny</i>	193
<i>Embezzlement</i>	194
<i>Computer Crimes</i>	194
Prevention of White-Collar Crime	197
Federal Laws Used in the Fight Against White-Collar Crime	199
<i>The Racketeer Influenced and Corrupt Organizations Act (RICO)</i>	199
<i>Boyle v. U.S. United States Supreme Court</i>	200
<i>False Claims Act</i>	201
<i>Sarbanes-Oxley Act</i>	203
<i>Whistleblower Protection Act</i>	204
State Laws Used in the Fight Against White-Collar Crime	205
Global Dimensions of White-Collar Crime	205
Summary	207

---

Review Questions	207
Review Problems	207
Case Problems	208
Thinking Critically about Relevant Legal Issues	210
Assignment on the Internet	211
On the Internet	212
For Future Reading	212
<b>7</b> Business Ethics and Social Responsibility	213
Definition of Business Ethics and Social Responsibility	215
<i>Business Ethics</i>	215
<i>The Social Responsibility of Business</i>	215
<i>In re Exxon Valdez</i>	216
Theories of Ethical Thought	217
<i>Consequential Theories</i>	217
<i>Deontological Theories</i>	219
<i>Humanist Theories</i>	219
Codes of Ethics	220
<i>Individual Codes of Ethics</i>	220
<i>Corporate Codes of Ethics</i>	221
<i>Industry Codes of Ethics</i>	222
<i>Professional Codes of Ethics</i>	223
Schools of Social Responsibility	225
<i>Bates v. State Bar of Arizona</i>	225
<i>Profit-Oriented School</i>	228
<i>Managerial School</i>	230
<i>Institutional School</i>	231
<i>Cooper Industries v. Leatherman Tool Group, Inc.</i>	231
<i>Professional Obligation School</i>	232
<i>Regulation School</i>	232
<i>Fog Cutter Capital Group v. Securities and Exchange Commission</i>	233
Global Dimensions of Ethics and Social Responsibility	234
<i>Code of Conduct for Transnational Corporations</i>	234
Summary	234
Review Questions	235
Review Problems	235
Case Problems	236
Thinking Critically about Relevant Legal Issues	237
Assignment on the Internet	238
On the Internet	239
For Future Reading	239
<b>8</b> The International Legal Business Environment	240
Dimensions of the International Environment of Business	241
<i>Political Dimensions</i>	241
<i>Economic Dimensions</i>	242
<i>Cultural Dimensions</i>	243
<i>Corruption and Trade</i>	243

<i>United States v. Kay</i>	244
<i>Legal Dimensions</i>	246
<i>Selected National Legal Systems</i>	248
<i>Crosby v. National Foreign Trade Council</i>	249
Methods of Engaging in International Business	250
<i>Trade</i>	250
<i>International Licensing and Franchising</i>	251
<i>Foreign Direct Investment</i>	252
<i>In re Union Carbide Corp. Gas Plant Disaster v. Union Carbide Corp.</i>	253
Risks of Engaging in International Business	255
<i>Expropriation of Private Property</i>	255
<i>Sovereign Immunity Doctrine</i>	256
<i>Keller v. Central Bank of Nigeria</i>	256
Act-of-State Doctrine	257
<i>Republic of the Philippines v. Ferdinand E. Marcos</i>	257
<i>Export and Import Controls</i>	258
Legal and Economic Integration as a Means of Encouraging International Business Activity	259
<i>The World Trade Organization</i>	261
<i>The European Union</i>	262
<i>North American Free Trade Agreement</i>	266
Global Dispute Resolution	267
<i>Arbitration</i>	268
<i>Litigation</i>	268
<i>Globalization: Hurts or Helps</i>	268
Summary	269
Review Questions	270
Review Problems	270
Case Problems	271
Thinking Critically about Relevant Legal Issues	271
Assignment on the Internet	272
On the Internet	272
For Future Reading	272

## PART TWO

### Private Law 273

<b>9</b> Contract and Sales Law—I	274
Definition, Sources, and Classifications of Contract Law	275
<i>Definition</i>	275
<i>Sources of Contract Law</i>	275
<i>Classifications of Contracts</i>	276
<i>Fox v. Mountain West Electric</i>	277
<i>Audito v. City of Providence</i>	278
Elements of a Legal Contract	280
<i>Legal Offer</i>	280
<i>Beer v. Chase</i>	281
<i>Legal Acceptance</i>	283

---

<i>The Private Movie Company, Inc. v. Pamela Lee Anderson et al.</i>	283
<i>Consideration</i>	286
<i>Genuine Assent</i>	287
<i>Stambovsky v. Ackley and Ellis Realty</i>	288
<i>Competent Parties</i>	290
<i>Legal Object</i>	291
<i>Moore v. Midwest Distribution, Inc.</i>	292
Contracts That Must Be in Writing	293
<i>Contracts for the Sale of an Interest in Land</i>	293
<i>Contracts to Pay the Debts of Another</i>	294
<i>Contracts not Performable in One Year</i>	294
<i>Sale of Goods of \$500 or More</i>	294
<i>Iacono v. Lyons</i>	294
<i>Nonbusiness Contracts</i>	295
Parol Evidence Rule	295
Third-Party Beneficiary Contracts and Assignment of Rights	296
<i>Types of Third-Party Beneficiary Contracts</i>	296
<i>Assignment of Rights</i>	297
Summary	297
Review Questions	298
Review Problems	298
Case Problems	299
Thinking Critically about Relevant Legal Issues	300
Assignment on the Internet	300
On the Internet	301
For Future Reading	301
<b>10</b> Contract and Sales Law—II	302
Methods of Discharging a Contract	303
<i>Discharge by Performance</i>	303
<i>Plante v. Jacobs</i>	303
<i>Discharge by Mutual Agreement</i>	305
<i>Discharge by Conditions Precedent and Subsequent</i>	306
<i>Architectural Systems, Inc. v. Gilbane Building Co.</i>	306
<i>Discharge by Impossibility of Performance</i>	307
<i>Discharge by Commercial Impracticability</i>	307
<i>Contracts with the Government and the Sovereign Acts Doctrine</i>	307
<i>Facto v. Pantagis</i>	308
Remedies for a Breach of Contract	309
<i>Monetary Damages (“Legal” Remedies)</i>	309
<i>Arrowhead School District No. 75, Park County, Montana v. James A. Klyap, Jr.</i>	310
<i>Equitable Remedies</i>	312
<i>Remedies for Breach of a Sales Contract (Goods)</i>	312
<i>Fil v. Strek</i>	313
E-Contracts	314
<i>E-Signatures</i>	314
<i>The Uniform Computer Information Transaction Act</i>	315
Global Dimensions of Contract and Sales Law	316



Summary	317
Review Questions	317
Review Problems	317
Case Problems	318
Thinking Critically about Relevant Legal Issues	319
Assignment on the Internet	320
On the Internet	320
For Future Reading	320

<b>11</b>	Tort Law	321
	The Goals of Tort Law	321
	Damages Available in Tort Cases	322
	<i>Compensatory Damages</i>	322
	<i>Nominal Damages</i>	323
	<i>Punitive Damages</i>	323
	<i>Young v. Becker &amp; Poliakoff</i>	325
	Classifications of Torts	329
	Intentional Torts	329
	<i>Intentional Torts Against Persons</i>	329
	<i>Nemet Chevrolet, Ltd. v. Consumeraffairs.com, Inc.</i>	332
	<i>Ellen Johnston v. One America Productions, Inc.</i>	337
	<i>Intentional Torts Against Property</i>	341
	<i>Intentional Torts Against Economic Interests</i>	341
	Negligent Torts	343
	<i>Elements of Negligence</i>	343
	<i>Defenses to Negligence</i>	345
	<i>Venkateswarlu Thota, and North Texas Cardiology Center, v. Margaret Young</i>	347
	Strict Liability Torts	349
	Global Dimensions of Tort Law	349
	Summary	350
	Review Questions	350
	Review Problems	351
	Case Problems	351
	Thinking Critically about Relevant Legal Issues	353
	Assignment on the Internet	354
	On the Internet	354
	For Future Reading	354

<b>12</b>	Modern Product Liability Law	355
	Theories of Recovery in Product Liability Cases	356
	<i>Negligence</i>	356
	<i>Donna S. Riegel v. Medtronic, Inc.</i>	363
	<i>Strict Liability in Contract for Breach of Warranty</i>	365
	<i>Williams v. Braum Ice Cream Store, Inc.</i>	367
	<i>Strict Liability in Tort</i>	370
	<i>Welge v. Planters Lifesavers Co.</i>	371

---

<i>Beard v. Johnson &amp; Johnson, Inc.</i>	373
<i>Liability to Bystanders</i>	376
Market Share Liability	376
Service Liability	377
<i>Accountants' Liability</i>	378
Global Dimensions of Product Liability Law	379
Summary	380
Review Questions	381
Review Problems	381
Case Problems	381
Thinking Critically about Relevant Legal Issues	383
Assignment on the Internet	384
On the Internet	384
For Future Reading	384

## 13 Real Estate and Property Law 385

Real Property	386
<i>Definition of Real Property</i>	387
<i>Extent of Ownership</i>	387
Interests in Real Property	387
<i>Fee Simple Absolute</i>	387
<i>Conditional Estate</i>	388
<i>Life Estate</i>	388
<i>Future Interest</i>	388
<i>Leasehold Estates</i>	389
<i>Easements</i>	389
<i>License</i>	390
<i>Co-Ownership</i>	390
<i>Condominiums and Cooperatives</i>	390
<i>Burton Stevens v. Elk Run Homeowners' Association, Inc.</i>	391
Voluntary Transfer of Real Property	392
<i>Execution</i>	393
<i>Delivery</i>	395
<i>Acceptance</i>	395
<i>Recording</i>	395
Involuntary Transfer of Real Property	395
<i>Adverse Possession</i>	395
<i>Condemnation</i>	395
<i>Susette Kelo et al., Petitioners, v. City of New London, Connecticut, et al.</i>	397
Restrictions on Land Use	398
<i>Restrictive Covenants</i>	398
<i>Zoning</i>	399
<i>Emine Bayram v. City of Binghamton and City of Binghamton Zoning Board of Appeals</i>	400
<i>Other Statutory Restrictions on Land Use</i>	402
Personal Property	402
<i>Voluntary Transfer of Personal Property</i>	402
<i>Involuntary Transfers of Personal Property</i>	403
<i>Bailments</i>	403

Global Dimensions of Property Law	404
Summary	405
Review Questions	405
Review Problems	405
Case Problems	406
Thinking Critically about Relevant Legal Issues	407
Assignment on the Internet	408
On the Internet	408
For Future Reading	408

<b>14</b> Intellectual Property Rights	409
Introduction to Intellectual Property	409
Trademarks	409
<i>Toys “R” Us, Inc., v. Canarsie Kiddie Shop, Inc.</i>	410
<i>Trade Dress</i>	413
<i>Federal Trademark Dilution Act of 1995</i>	413
<i>Victor Moseley and Kathy Moseley et al., dba Victor’s Little Secret v. V Secret Catalogue, Inc. et al.</i>	415
Trade Secrets	416
Patents	417
<i>Bilski v. Kappos</i>	417
Copyrights	419
<i>Fair Use Doctrine</i>	420
<i>Zomba Enterprises, Inc.; Zomba Songs, Inc., Plaintiffs-Appellees v. Panorama Records, Inc., Defendant-Appellant</i>	420
<i>Copyrights in the Digital Age</i>	423
<i>RealNetworks, Inc. v. DVD Control Copy Association, Inc., et al.</i>	425
Global Dimensions of Intellectual Property Law	425
Summary	426
Review Questions	427
Review Problems	427
Case Problems	428
Thinking Critically about Relevant Legal Issues	429
Assignment on the Internet	430
On the Internet	430
For Future Reading	430

<b>15</b> Agency Relationships	431
Definition and Types of Agency Relationships	432
<i>Definition of Agency</i>	432
<i>Types of Agency Relationships</i>	432
<i>Alberty-Vélez v. Corporación de Puerto Rico</i>	434
Creation of an Agency Relationship	436
<i>Expressed Agency or Agency by Agreement</i>	436
<i>Agency by Implied Authority</i>	436
<i>Penthouse International v. Barnes</i>	437
<i>Agency Through Ratification by Principal</i>	438
<i>Agency by Estoppel or Apparent Authority</i>	438

<i>Motorsport Marketing, Inc. v. Wiedmaier, Inc.</i>	439
Duties of Agents and Principals	439
<i>Principal's Duties to Agent</i>	439
<i>Agent's Duties to Principal</i>	440
<i>Cousins v. Realty Ventures, Inc.</i>	440
<i>Gossels v. Fleet National Bank</i>	442
Principal's and Agent's Liability to Third Parties	443
<i>Contractual Liability</i>	443
<i>McBride v. Taxman Corp.</i>	444
<i>E-Commerce: Intelligent Agents</i>	444
<i>Liability of Disclosed, Partially Disclosed Principals, and Undisclosed Principals</i>	445
<i>Liability of Undisclosed Principal</i>	445
<i>Tort Liability</i>	445
<i>Tort Liability and Negligence</i>	446
<i>Pennsylvania State Police v. U.S.</i>	446
<i>Criminal Liability</i>	447
Termination of the Principal–Agent Relationship	448
<i>Termination by Agreement</i>	448
<i>Termination by Operation of Law</i>	448
<i>Gaddy v. Douglass</i>	448
Global Dimensions of Agency Law	450
<i>Japan</i>	450
<i>European Union</i>	450
<i>U.S. Agents Abroad</i>	450
Summary	451
Review Questions	451
Review Problems	452
Case Problems	453
Thinking Critically about Relevant Legal Issues	454
Assignment on the Internet	454
On the Internet	454
For Future Reading	454

<b>16</b> Company and Partnership Law—I	455
Factors Influencing a Business Manager's Choice of Organizational Form	457
Some Common Forms of Business Organization in the United States	457
<i>Sole Proprietorships</i>	457
<i>General Partnerships</i>	458
<i>In re KeyTronics</i>	460
<i>Enea v. Superior Court of Monterey County</i>	461
<i>Limited Partnerships and Limited Liability Limited Partnerships</i>	465
Specialized Forms of Business Associations	466
<i>Joint Stock Company</i>	466
<i>Syndicate</i>	467
<i>Joint Venture</i>	467
<i>Franchising</i>	467

Global Dimensions of Business Associations	469
<i>Outsourcing</i>	469
Summary	470
Review Questions	470
Review Problems	471
Case Problems	471
Thinking Critically about Relevant Legal Issues	473
Assignment on the Internet	473
On the Internet	473
For Future Reading	473

<b>17</b> Company and Partnership Law—II	474
The Corporation	474
Classification of Corporations	475
<i>Closely Held Corporation</i>	475
<i>Publicly Held Corporation</i>	476
<i>Multinational or Transnational Corporation</i>	476
<i>Subchapter S Corporation</i>	476
<i>Robs Corporation</i>	476
<i>Professional Corporation</i>	476
<i>Nonprofit Corporation</i>	477
Creation of Corporations	477
Financing of Corporations	477
<i>Debt Financing</i>	477
<i>Equity Financing</i>	478
<i>Consideration</i>	480
Operation of Corporations	481
<i>The Role of the Shareholders</i>	481
<i>The Role of the Board of Directors</i>	483
<i>In Re Abbott Laboratories Derivative Shareholders Litigation</i>	484
<i>The Role of the Officers and Managers</i>	485
<i>Fiduciary Obligations of Directors, Officers, and Managers</i>	485
<i>Beam v. Stewart</i>	486
<i>Smith v. Van Gorkom</i>	488
Limited Liability Companies	491
<i>The Uniform Limited Liability Act</i>	491
<i>LLC Characteristics</i>	491
<i>Creating a Limited Liability Company</i>	492
<i>Duration of the LLC</i>	492
<i>Financing of the LLC</i>	492
<i>Control Considerations</i>	492
<i>Tax Ramifications</i>	492
Global Dimension of Corporations: A “Big Fat Greek” Bailout II and III	493
Summary	493
Review Questions	494
Review Problems	494
Case Problems	495
Thinking Critically about Relevant Legal Issues	496

Assignment on the Internet	496
On the Internet	497
For Future Reading	497

## PART THREE

### Public Law 499

<b>18</b>	Administrative Agencies and Functions	500
	Introduction to Administrative Law and Administrative Agencies	501
	<i>Administrative Law</i>	501
	<i>Administrative Agencies</i>	502
	Creation of Administrative Agencies	503
	Functions of Administrative Agencies	504
	<i>Rulemaking</i>	504
	<i>Massachusetts v. EPA</i>	506
	<i>Adjudication</i>	507
	<i>Fox Television Stations, Inc. v. Federal Communications Commission</i>	511
	<i>Administrative Activities</i>	512
	Limitations on Administrative Agencies' Powers	512
	<i>Statutory Limitations</i>	512
	<i>Institutional Limitations</i>	513
	State and Local Administrative Agencies	514
	<i>Vonage Holdings Corp. v. Minnesota Public Utilities Commission</i>	515
	Global Dimensions of Administrative Agencies	516
	Summary	516
	Review Questions	516
	Review Problems	517
	Case Problems	518
	Thinking Critically about Relevant Legal Issues	519
	Assignment on the Internet	520
	On the Internet	520
	For Future Reading	520
<b>19</b>	The Employment Relationship	521
	Wage and Hour Laws	522
	Unemployment Compensation	526
	<i>Cassandra Jenkins v. American Express Financial Corp.</i>	526
	Consolidated Omnibus Budget Reconciliation Act of 1985	527
	Worker's Compensation Laws	528
	<i>Coverage</i>	528
	<i>Recoverable Benefits</i>	529
	<i>The Claims Process</i>	529
	<i>Benefits of the Worker's Compensation System</i>	529
	The Family and Medical Leave Act of 1993	530
	<i>Major Provisions</i>	530

	<i>Rachael Schaar, Appellant v. Lehigh Valley Health Services, Inc.;</i>	
	<i>Lehigh Valley Physicians Business Services, Inc.</i>	531
	<i>Remedies for Violations of the FMLA</i>	533
	<i>The Future of the FMLA</i>	534
	The Occupational Safety and Health Act of 1970	536
	<i>Occupational Safety and Health Administration</i>	536
	<i>Occupational Safety and Health Review Commission</i>	539
	<i>National Institute for Occupational Safety and Health</i>	539
	<i>Implementation of the OSH Act</i>	539
	Employee Privacy Rights	540
	<i>Electronic Monitoring and Communication</i>	541
	<i>Brian Pietrylo and Doreen Marino v. Hillstone Restaurant Group</i>	542
	<i>Drug Testing</i>	545
	<i>Other Testing</i>	546
	Global Dimensions of the Employment Relationship	547
	Summary	547
	Review Questions	548
	Review Problems	548
	Case Problems	549
	Thinking Critically about Relevant Legal Issues	550
	Assignment on the Internet	551
	On the Internet	551
	For Future Reading	552
<b>20</b>	<b>Laws Governing Labor–Management Relations</b>	<b>553</b>
	Structure of the Primary U.S. Labor Legislation and the Mechanisms for Its Enforcement	555
	<i>The Wagner Act of 1935</i>	555
	<i>The Taft–Hartley Act of 1947</i>	556
	<i>The Landrum–Griffith Act of 1959</i>	556
	<i>The National Labor Relations Board</i>	557
	Labor Organizing	562
	<i>Board Rules</i>	562
	<i>Unfair Labor Practices by Employers</i>	563
	<i>Progressive Electric, Inc. v. National Labor Relations Board</i>	564
	<i>Gaetano &amp; Associates, Inc. v. National Labor Relations Board</i>	567
	<i>Unfair Labor Practices by Employees</i>	568
	<i>Organizing the Appropriate Unit</i>	569
	<i>Specialty Healthcare and Rehabilitation Center of Mobile and United Steelworkers, District 9, Petitioner.</i>	570
	The Collective Bargaining Process	572
	<i>Subjects of Bargaining</i>	573
	Strikes, Boycotts, and Picketing	573
	<i>Strikes</i>	574
	<i>Boycotts</i>	576
	<i>Picketing</i>	576
	Global Dimensions of Labor–Management Relations	577
	Summary	577
	Review Questions	578
	Review Problems	578

---

Case Problems	579
Thinking Critically about Relevant Legal Issues	581
Assignment on the Internet	582
On the Internet	582
For Future Reading	582
<b>21</b> Discrimination at Work	583
The Employment-at-Will Doctrine	584
Constitutional Provisions	586
The Civil Rights Acts of 1866 and 1871	586
<i>Applicability of the Acts</i>	586
The Equal Pay Act of 1963	587
<i>Equal Work</i>	587
<i>Defenses</i>	588
<i>Remedies</i>	589
The Civil Rights Act of 1964, as Amended (Title VII), and the Civil Rights Act of 1991	589
<i>Applicability of the Act</i>	589
<i>Proof in Employment Discrimination Cases</i>	590
<i>Teresa Harris v. Forklift Systems, Inc.</i>	594
<i>Vance v. Ball State University</i>	597
<i>Retaliation</i>	597
<i>Statutory Defenses</i>	598
<i>Desert Palace, Inc., dba Caesar's Palace Hotel &amp; Casino v. Catharina Costa</i>	599
<i>Protected Classes</i>	601
<i>Enforcement Procedures</i>	604
<i>Remedies</i>	605
<i>Lilly Ledbetter Fair Pay Act of 2009</i>	607
The Age Discrimination in Employment Act of 1967	608
<i>Applicability of the Statute</i>	609
<i>Proving Age Discrimination</i>	609
<i>Jones v. National American University</i>	610
<i>Statutory Defenses</i>	611
<i>Enforcement Procedures</i>	612
<i>Remedies Under Adea</i>	613
The Rehabilitation Act of 1973	613
The Americans with Disabilities Act of 1991	613
<i>Covered Individuals</i>	614
<i>McMillan v. City of New York</i>	615
<i>Enforcement Procedures</i>	617
<i>Remedies</i>	617
Affirmative Action	618
Global Dimensions of Employment Discrimination Legislation	622
Summary	623
Review Questions	623
Review Problems	624
Case Problems	625



Thinking Critically about Relevant Legal Issues 626  
Assignment on the Internet 627  
On the Internet 627  
For Future Reading 628

**22** Environmental Law 629  
Alternative Approaches to Environmental Protection 630  
    *Tort Law* 630  
    *Boomer et al. v. Atlantic Cement Co.* 630  
    *Government Subsidies Approach* 632  
    *Emission Charges Approach* 632  
    *Marketable Discharge Permits Approach* 632  
    *Direct Regulation Approach* 633  
The Environmental Protection Agency 633  
The National Environmental Policy Act of 1970 634  
    *Threshold Considerations* 635  
    *Content of the EIS* 635  
*Brodsky v. United States Nuclear Regulatory Commission* 636  
    *Effectiveness of the EIS Process* 637  
Regulating Water Quality 637  
    *The Federal Water Pollution Control Act* 637  
    *The Safe Drinking Water Act* 638  
Regulating Air Quality 638  
*Massachusetts v. Environmental Protection Agency* 639  
    *The National Ambient Air Quality Standards* 640  
    *New Source Review* 641  
    *The Acid Rain Control Program* 641  
    *Climate Change* 642  
Regulating Hazardous Waste and Toxic Substances 643  
    *The Resource Conservation and Recovery Act of 1976* 644  
    *The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as Amended by the Superfund Amendment and Reauthorization Act of 1986* 646  
    *The Toxic Substances Control Act of 1979* 648  
    *The Federal Insecticide, Fungicide, and Rodenticide Act of 1972* 648  
The Pollution Prevention Act of 1990 649  
    *Business Aspects of Voluntary Pollution Prevention* 650  
    *Sustainable Development* 650  
Global Dimensions of Environmental Regulation 650  
    *The Need for International Cooperation* 650  
    *The Transnational Nature of Pollution* 651  
    *The Global Commons* 652  
    *Primary Responses of the United States* 652  
Summary 653  
Review Questions 654  
Review Problems 654  
Case Problems 655  
Thinking Critically about Relevant Legal Issues 656

Assignment on the Internet 657  
On the Internet 657  
For Future Reading 657

## 23 Rules Governing the Issuance and Trading of Securities 658

Introduction to the Regulation of Securities 659  
    *Summary of Federal Securities Legislation* 660  
    *The Securities and Exchange Commission* 663  
Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 666  
    *Oversight of Financial Problems by Regulatory Agencies* 667  
    *Risk Taking by Large Banks and Nonbanks* 667  
    *Executive Compensation* 667  
    *Too Big to Fail* 668  
    *Credit Rating Agencies* 668  
    *Derivatives* 668  
    *Consumer Protection* 669  
    *Exemptions* 669  
    *Regulation of the Regulators by a Court of Law* 669  
The Sarbanes-Oxley Act of 2002 670  
    *Corporate Accountability* 670  
    *New Accounting Regulations* 671  
    *Criminal Penalties* 671  
The Securities Act of 1933 671  
    *Definition of a Security* 671  
*Securities and Exchange Commission v. Edwards* 672  
    *Registration of Securities Under the 1933 Act* 673  
    *Securities and Transactions Exempt from Registration Under the 1933 Act* 676  
    *Resale Restrictions* 679  
    *Liability, Remedies, and Defenses Under the 1933 Securities Act* 680  
The Securities Exchange Act of 1934 682  
    *Registration of Securities Issuers, Brokers, and Dealers* 682  
    *Disclosure: Compensation* 685  
    *Securities Markets* 685  
    *Proxy Solicitations* 686  
    *Tender Offers and Takeover Bids* 688  
    *Remedies and Defensive Strategies* 689  
*Barbara Schreiber v. Burlington Northern, Inc.* 689  
    *Securities Fraud* 692  
*Stoneridge Investment Partners, LLC, et al. v. Scientific-Atlanta Inc., et al.* 692  
*Securities and Exchange Commission v. Texas Gulf Sulphur Co.* 696  
    *Liability and Remedies Under the 1934 Exchange Act* 698  
*The Wharf (Holdings) Limited v. United International Holdings, Inc.* 699  
    *Short-Swing Profits* 699  
State Securities Laws 701  
E-Commerce, Online Securities Disclosure, and Fraud Regulation 701  
    *Marketplace of Securities* 701  
    *E-Commerce and Fraud in the Marketplace* 701

Global Dimensions of Rules Governing the Issuance and Trading of Securities	701
<i>Legislation Prohibiting Bribery and Money Laundering Overseas</i>	702
<i>Legislation Governing Foreign Securities Sold in the United States</i>	703
<i>Regulations and Offshore Transactions</i>	704
Summary	704
Review Questions	704
Review Problems	705
Case Problems	706
Thinking Critically about Relevant Legal Issues	706
Assignment on the Internet	707
On the Internet	707
For Future Reading	707
<b>24</b> Enforcing Antitrust Policies	708
Introduction to Antitrust Law	709
<i>A Definition of Antitrust</i>	709
<i>Law and Economics: Setting and Enforcing Antitrust Policy</i>	709
<i>Goals of the Antitrust Statutes</i>	711
Enforcement of and Exemptions from the Antitrust Laws	712
<i>Enforcement</i>	712
<i>Exemptions</i>	714
The Sherman Act of 1890	715
<i>Section 1: Combinations and Restraints of Trade</i>	715
<i>Williamson Oil Co. v. Philip Morris, USA</i>	717
<i>Leegin Creative Leather Products, Inc. v. PSKS, Inc., dba Kay's Kloset, Kay's Shoes</i>	721
<i>Continental TV, Inc. v. GTE Sylvania</i>	723
<i>Section 2: Monopolies</i>	726
<i>Newcal Industries, Inc. v. Ikon Office Solutions</i>	727
<i>United States v. Microsoft Corporation</i>	729
The Clayton Act of 1914	731
<i>Section 2: Price Discrimination</i>	732
<i>Section 3: Tying Arrangements and Exclusive-Dealing Contracts</i>	733
<i>Section 7: Mergers and Acquisitions</i>	733
<i>Section 8: Interlocking Directorates</i>	739
Other Antitrust Statutes	739
<i>Federal Trade Commission Act of 1914</i>	739
<i>California Dental Association v. Federal Trade Commission</i>	739
<i>Bank Merger Act of 1966</i>	740
Global Dimensions of Antitrust Statutes	741
<i>Transnational Reach of U.S. Antitrust Legislation</i>	741
<i>Global Dimensions of U.S. Antitrust Laws</i>	741
<i>Enforcement</i>	742
Summary	743
Review Questions	744
Review Problems	744
Case Problems	745

---

Thinking Critically about Relevant Legal Issues	746
Assignment on the Internet	746
On the Internet	747
For Future Reading	747

<b>25</b>	Consumer Protection Practices	748
	Debtor–Creditor Relations	749
	<i>Rights of and Remedies for Creditors</i>	750
	<i>Rights and Remedies for Debtors</i>	751
	The Federal Bankruptcy Code and the Incorporation of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005	752
	<i>History and Background</i>	752
	<i>Bankruptcy Management and Proceedings</i>	753
	Chapter 7	756
	<i>In re Savage v. United State Bankruptcy</i>	757
	Chapter 13	759
	Chapter 11	760
	Chapter 12	761
	<i>The New Bankruptcy Law – 2011</i>	762
	The Evolution of Consumer Law	763
	Economics	763
	Federal Regulation of Business Trade Practices and Consumer–Business Relationships	764
	<i>The Federal Trade Commission: Functions, Structure, and Enforcement Powers</i>	764
	<i>Deceptive and Unfair Advertising</i>	765
	<i>Federal Trade Commission v. Verity International, Ltd.</i>	766
	<i>Federal Trade Commission v. QT, Inc.</i>	767
	Consumer Legislation	769
	Federal Laws Regulating Consumer Credit and Business Debt-Collection Practices	773
	<i>Truth-in-Lending Act</i>	773
	<i>Household Credit Services, Inc. v. Pfenning</i>	775
	<i>Credit Card Accountability, Responsibility and Disclosure Act of 2009</i>	776
	<i>The Electronic Fund Transfer Act</i> <sup>13</sup>	777
	<i>A Plastic Society</i>	777
	<i>The Fair Credit Reporting Act</i> <sup>15</sup>	778
	<i>Safeco Insurance Co. v. Burr</i>	779
	<i>Identity Theft and Credit Ratings</i>	780
	<i>Equal Credit Opportunity Act</i> <sup>17</sup>	780
	<i>The Fair Credit Billing Act</i> <sup>18</sup>	781
	<i>The Fair Debt Collection Practices Act</i> <sup>19</sup>	782
	<i>Miller v. McCalla, Raymer Padrick and Clark, LLC</i>	783
	Dodd-Frank Act and Consumer Protection	784
	Credit And Debit Cards	784
	Consumer Loans	785
	Credit Scores	785
	Residential Mortgages	785

State Consumer Legislation 785  
    *Uniform Consumer Credit Code* 785  
    *Unfair and Deceptive Practices Statutes* 786  
    *Arbitration of Disputes* 786  
Global Dimensions of Consumer Protection Laws 786  
Summary 787  
Review Questions 787  
Review Problems 788  
Case Problems 789  
Thinking Critically about Relevant Legal Issues 790  
Assignment on the Internet 790  
    On the Internet 791  
    For Future Reading 791

APPENDIX A THE CONSTITUTION OF THE UNITED STATES 792

APPENDIX B UNIFORM COMMERCIAL CODE (2000 OFFICIAL TEXT),  
ARTICLE 2 798

GLOSSARY 813

INDEX 827

# Preface

***The Legal Environment of Business: A Critical Thinking Approach, 7th edition***, is exactly what its name implies: a comprehensive textbook that not only helps students develop a thorough understanding of the legal environment of business, but also enhances their ability to engage in critical thinking and ethical analysis. Students thus develop the knowledge and skills necessary to survive in an increasingly competitive global environment.

The initial motivation for this book was the authors' perceptions that there was no legal environment book available that explicitly and adequately facilitated the development of students' critical thinking skills. Nor was there a book that really integrated ethical analysis throughout the text.

Some people may argue that the traditional method of case analysis allows students to develop their critical thinking skills. The problem with this approach, however, is that it focuses only on the analytical skills, while ignoring the evaluative component that is really the essence of critical thinking; it also lacks an ethics component. To engage in critical thinking necessarily includes consideration of the impact of values on the outcome being considered.

The use of cases in the legal environment of business classroom, however, can provide an excellent opportunity for the development of students' critical thinking abilities when the traditional case method is modified to emphasize development of these critical thinking skills. Additionally, as the students enhance their critical thinking skills, their understanding of the substance of the law also improves.

The following components of *The Legal Environment of Business: A Critical Thinking Approach* ensure that our goal of developing critically thinking students who understand the important concepts of business law and the legal environment of business is attained.

- **An explicit critical thinking model developed by the author of the best-selling critical thinking textbook is set forth in the first chapter.** An eight-step model has as its base the traditional method of case analysis, but adds crucial critical thinking questions that also incorporate ethical analysis. The steps are clearly explained, and students are encouraged to apply the steps to every case in the text.
- **Additional critical thinking and ethical analysis questions incorporated at the beginning of each chapter and after selected cases.** These additional questions help to reinforce the skills emphasized in the model.
- **“Thinking Critically about Relevant Legal Issues” essays at the end of each chapter, which give students additional opportunities to develop their critical thinking skills.** These essays, found at the end of each chapter, allow students to extend their use of their newly developed critical thinking skills beyond cases to the kinds of arguments they will encounter in their daily lives.

## Other Points of Distinction

- **Explicit links connecting the law to other disciplines.** This text is the only legal environment book to respond to the call for more integration among courses in colleges of business. “Linking Law and Business” boxes explicitly state how the law in an area directly affects or is affected by a concept in one of the core areas of business, such as accounting, management, and marketing. These boxes appear in every chapter.
- **A balanced mix of classic and current cases.** This book contains many of the most significant classic and contemporary cases, including key U.S.

Supreme Court decisions handed down as recently as 2013. Whenever possible, cases were chosen that not only demonstrate important concepts but also contain fact situations that would interest students.

- **Emphasis on the global environment.** Many of our students will be working in countries other than the United States, and U.S. companies will have many dealings with foreign companies. Thus, an understanding of the global environment is essential for today's business student. This text emphasizes the importance of the global environment by using both the stand-alone and infusion approaches. Chapter 9 focuses explicitly on the global environment of business, and then we integrate global considerations into every chapter with our global dimensions sections and our "Comparative Law Corner," which allows students to see how U.S. law compares to that of other nations around the world. The feature can also sensitize students to the idea that if something is not working well in our country, it might make sense to see how some other countries address similar issues. Examples include:
  - Eminent domain in Germany
  - The judicial system in Germany
  - Corporate speech in Canada
  - Unions in Sweden
  - Pollution controls in Japan
- **For Future Reading feature.** We all want our students to become lifelong learners, and we especially want them to continue learning about the law. But how do they know where to go? This feature, found at the end of each chapter, provides a short list of books and articles related to the material in each chapter that interested students may read to learn more about the new areas of law they have just discovered.

## New to This Edition

- Added an exciting new pedagogical feature to every chapter beginning with Chapter 4. This new feature, "Applying the Law to the Facts," provides periodic hypothetical situations to which the students apply legal concepts they have just learned. This feature allows the students to continually check their understanding of new legal concepts as they read the material.
- Reorganized and updated the cyber law material by integrating it throughout the book in the chapters where it is substantively appropriate, rather than grouping it all in one cyberlaw chapter.
- Discussion of recent significant changes in the law that may have an effect on business, such as the overturning of the Defense of Marriage Act, discussed in Chapters 5 and 18.
- Updated cases. Cases in this edition have been significantly updated. We have retained the classic cases from the previous edition, as well as those that students find especially interesting or that do an exceptional job of illustrating an important point of law. All of the other cases have been replaced by more current cases that will be of greater interest to our students and that capture the most current changes in the law. A few examples of new cases include:
  - *AT&T Mobility LLC v. Concepcion et ux* (Chapter 4)
  - *Florida v. Jardines* (Chapter 5)
  - *Bilski v. Kappos* (Chapter 14)
  - *Vance v. Ball State University* (Chapter 21)