

The Legal and Regulatory Environment of Business, 18e

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Chapter by Chapter Changes

Chapter 1 Law as Foundation for Business

- Edited the Introduction to incorporate new themes: FinTech and issues related to privacy and cyber security.
- Updated Sidebar 1.1, adding information about Deutsche Bank and bank issues with cybersecurity.
- Updated the chapter with additional information about the rule of law from the World Justice Project.
- Added a new Sidebar 1.3 about China's new protections for property rights, replacing the material about Russia (replacing Russia's Property Problems).
- Updated Sidebar 1.4 about Bank of America.
- Added Sidebar 1.5 about the role women are playing in corporate governance.

Chapter 2 Ethics in Decision Making

- Added new marginalia referencing findings from the 2016 Global Business Ethics Survey.
- Added new Sidebar 2.1 about Wells Fargo's sham account revelation and organization ethical values.
- Added new Sidebar 2.3 discussing the business response to concerns that Facebook profited from misinformation.
- Added new Sidebar 2.5 with the updated Statement of Ethics from the American Marketing Association.
- Updated Sidebar 2.6 to include an additional paragraph from the Code.
- Added new Sidebar 2.10, Removing Conflict Minerals from the Supply Chain, describing Intel's efforts to eliminate funding militant-controlled mines in the Democratic Republic of Congo.

Chapter 3 Courts

- Added new Sidebar 3.1 on the workload of federal judges (replacing previous sidebar on the costs of legal representation).
- Updated marginalia (number of lawyers in the United States).
- Updated Sidebar 3.2 with a Mark Zuckerberg example.
- Updated Sidebar 3.3 to incorporate an example about entrepreneurs.
- Sidebar 3.4 update with the 2015 term stats.

- Updated Sidebar 3.5 and added statistics about the “strength of the majority.”
- Revised Sidebar 3.6, adding more information about the history and role of the Supreme Court.
- Updated Sidebar 3.7, Choosing a Supreme Court Justice, with information about the hiatus following Justice Scalia’s death.
- Replaced Sidebar 3.8 with information about how business fares in the Roberts Court.
- Updated Sidebar 3.9.
- Updated Sidebar 3.11 with information on Neil Gorsuch, the newest justice.
- Added new Case 3.1 Spokeo, Inc. v. Robins and commentary in the text, replacing National Federation of Business v. Sebelius. The corresponding Case Briefing in Appendix I has been updated as well.

Chapter 4 Litigation

- Updated Sidebar 4.1, including adding information about Deutsche Bank.
- Added new Sidebar 4.4 about Volkswagen litigation and settlements.
- Added new Sidebar 4.5 about securities-related class-action lawsuits (replacing a general list).
- Revised Sidebar 4.8 to include the usefulness of data analytics in discovery.
- Updated Sidebar 4.9, adding new federal rules about e-discovery.
- Updated Sidebar 4.10 on Ringling Brothers.
- Updated Sidebar 4.14 about the status of the Open Court project.
- Updated Sidebar 4.15 with new information about a bill introduced to televise Supreme Court proceedings.

Chapter 5 Alternative Dispute Resolution

- Added new marginalia outlining arbitration pros and cons.
- Added new Sidebar 5.7 about Wells Fargo’s enforcement of arbitration clauses in cases of identity theft, referencing Sidebar 2.1.

Chapter 6 The Constitution

- Added clarification about private employers.
- Added new material on “police power” related to the Commerce Clause.
- Added new Sidebar 6.7 with the Elonis Supreme Court case involving allegedly threatening speech on Facebook (replacing sidebar on an older case about free speech versus privacy).
- Updated Sidebar 6.8 with new international regulations on cigarette packaging.

PART TWO

Chapter 7 Property

- Replaced Semoon v. Wooster School (Case 7.2) with Duke Energy Carolinas v. Gray.
- Revised Figure 7.1: Divisions of Property.
- Added Sidebar 7.5 about drones and incursions on air rights.
- Replaced sidebar on car rental bailments (follow instructions or else) with Sidebar 7.7 on FinTech and bailments.

Chapter 8 Contract Formation

- Replaced sidebar on confidentiality agreements with Sidebar 8.8 on non-competes and Jimmy John’s, and moved it to the section on illegality.
- Added Table 8.1, distinguishing certain common law contract rules from analogous UCC rules.
- Replaced Montz v. Pilgrim with Case 8.1, Leyden v. American Accreditation Healthcare Commn., which describes implied agreements in employment contexts.
- Revised Sidebar 8.2 to expand discussion of implied agreements in idea submission.
- Added Sidebar 8.3 on serious intent to make an offer.

Chapter 9 Contract Performance and Breach

- Revised Figure 9.1 for clarity.
- Text on contract performance expanded with specific treatment on the consequences of material breach and substantial performance (non-material breach).
- Rhodes v. Davis replaced with Case 9.3, Oliver v. Ball, a case on specific performance of a real estate contract.
- Remedies for breach of contract expanded and level of detail increased.
- Delegation added as a specific category of third-party rights.

Chapter 10 Torts

- Revised Sidebar 10.1, separating assault and battery.
- Revised assault and battery section to clarify that criminal assault and battery differs from civil.
- Modified paragraphs prior to Case 10.1 for clarity.
- Updated Case 10.2 to include the subsequent summary judgment decision.
- Revised Trespass section to reflect two separate types of trespass: trespass to land and trespass to personal property.
- Revised Conversion section to address the difference between trespass to personal property and conversion.
- Revised Injurious Falsehood section to include the term product disparagement.
- The standard of proof statement related to defamation was eliminated because this common law standard is no longer the rule in most states.
- Added marginalia quoting Supreme Court decision Spokeo, Inc. v. Robins on difficulty of calculating tort recovery.

Chapter 11 Intellectual Property

- Added Figure 11.1, a chart of major U.S. intellectual property rights.
- Updated Figure 11.2 to reflect change in term of design patents.
- Added Sidebar 11.3 on the Defend Trade Secrets Act of 2016.
- Replaced sidebar on patent validity with a more relevant Sidebar 11.6 on the rise of design patents.
- Revised and simplified Sidebar 11.8, explanation of obviousness.
- Replaced case AMP v. Myriad with new, very relevant Supreme Court Case 11.2, Alice v. CLS Bank.
- Updated Sidebar 11.7 on patentability of software.
- Updated Sidebar 11.9 to include the Slants case (In re Tam) and the Supreme Court's pending review.
- Added Sidebar 11.11 on trademark counterfeiting.
- Added Sidebar 11.12 on the Supreme Court's Star Athletica case from 2016.
- Key points added to Case 11.4 on Acuff Rose.

Chapter 12 International Law

- Updated Figure 12.1, Top Ten Trading Partners, with 2016 year-end data.
- Updated Sidebar 12.2 with current information from Transparency International, including new commentary about corruption and inequality.
- Updated Sidebar 12.3 with new FCPA prosecutions.
- Added a discussion about money laundering and the intersection with big data.
- Updated Sidebar 12.5 with new pirate attacks.
- Updated the text and Table 12.2 and added a note about Brexit.
- Updated Sidebar 12.8 regarding anti-smoking law.
- Updated Sidebar 12.9 about the top ten international franchises and added Airbnb.
- Updated Sidebar 12.10 regarding Chiquita's liability for alleged acts in Colombia.
- Updated Sidebar 12.12 regarding Chevron and Texaco's liability for alleged acts in Ecuador.

Chapter 13 Criminal Law

- Made general chapter updates, including the chapter introduction.
- Revised Sidebar 13.1 with all new content about the department of Justice’s Financial Fraud Task Force prosecutions.
- Updated Sidebar 13.2 with additional information regarding the fraud at WorldCom.
- Added new material on the Eighth Amendment.
- Updated Sidebar 13.6 with additional information about the fallout from Bernie Madoff’s Ponzi scheme.
- Updated Sidebar 13.7 and added more examples, including “Bluff My Call,” which can customize caller ID with a misleading name.
- Updated Sidebar 13.8 with new information about preventing identity theft. Cross-referenced Sidebar 5.7 regarding arbitration in identity theft cases.
- Updated Sidebar 13.9 with new false claims act cases and information about health care fraud.
- Updated Sidebar 13.10 with more details about Enron.
- Updated Sidebar 13.12 with new information about the convictions of executives charged after the explosions.
- Replaced Sidebar 13.13 with a new example involving the prosecution of executives at the New England Compounding Center.
- Updated Sidebar 13.14 with new material on cybersecurity, including ransomware and the massive 2017 attack (replacing some examples of cybercrimes).

Chapter 14 Business Organizations

- Discussion of business tax in Sidebar 14.6 removed and re-envisioned as a trend of managing the organization.
- Discussion of Nonprofits removed from Sidebar 14.8 and inserted into text. The discussion was also expanded.
- Agency Law moved from Chapter 21 and inserted after discussion of corporate forms at LO 14-4.

PART THREE

Chapter 15 Regulatory Process

- Added Sidebar 15.2 examining the unique structure of the Consumer Financial Protection Bureau being challenged in D.C. Circuit Court.
- Added marginalia with the website for commenting on proposed regulations: <https://www.regulations.gov/>.
- Added discussion about the role of chief compliance officers in navigating complex business regulations
- Updated website for finding a list of federal agencies to <https://www.usa.gov/federal-agencies>.

Chapter 16 Antitrust Regulation

- Updated DOJ and European Commission enforcement data.
- Updated Figure 16.3.
- Case 16.1, U.S. v. Apple, updated to the 2015 Second Circuit decision.
- Replaced Sidebar 16.6 with a discussion of the failed Staples-Office Depot merger.
- Added Sidebar 16.7 on FTC and DOJ guides.

Chapter 17 Financial and Securities Regulation

- Table 17.2 eliminated because Chapter 4 includes new Sidebar 4.5 about securities related class-action lawsuits.
- Updated Sidebar 17.4 to reflect recent Supreme Court decision concerning statute of limitations for government actions.
- Expanded the text discussion of international application of securities laws post-Morrison (Case 17.2).
- Updated recent SEC settlement numbers in the text.
- Updated Table 17.2 (previously Table 17.3) with number of federal security claims filed each year.
- Added Dodd-Frank whistleblower update in text discussion.
- Added new Sidebar 17.6, CFPB Files Brief Addressing Spokeo v. Robins Petition.
- Added new Sidebar 17.7, Title II of JOBS Act Funds Start-Ups.

- Added new review questions and problems for Dodd-Frank and JOBS Act.

Chapter 18 Privacy and Consumer Protection

- Updated FTC enforcement data.
- Revised Table 18.1 on selected laws enforced by the FTC.
- Clarified chapter title and rearranged content to more clearly delineate privacy protection, false advertising, and consumer protection.
- Replaced Sidebar 18.1 with Volkswagen diesel scandal example.
- Added Case 18.2, Lexmark International Inc. v. Static Control Components Inc., as a false advertising case.
- Deleted Case 18.3, Jerman v. Carlisle.
- Added Sidebar 18.3 on FinTech regulation.

Chapter 19 Environmental Regulation and Resource Sustainability

- Updated chapter title to include the sustainability issues addressed throughout the chapter.
- Updated LO 19.4 to more explicitly address sustainability.
- Added marginalia with the Volkswagen claims settlement in 2016.
- Added new Sidebar 19.3 addressing the Dakota Access Pipeline controversy.
- Added new Sidebar 19.5 detailing Hershey's Environmental Sustainability efforts.
- Included discussion in the text about the Paris Agreement to combat climate change and the United States' decision to withdraw from the agreement in 2017.

PART FOUR

Chapter 20 Employment Discrimination

- Updated Figure 20.1 EEOC data.
- Updated Sidebar 20.1 with additional new material about code words and actions brought by the EEOC.
- Updated Sidebar 20.2 with new material from the Supreme Court case EEOC v. Abercrombie about discrimination at Abercrombie involving an applicant who was wearing a headscarf.
- Updated Sidebar 20.4 with additional information about religious accommodation claims related to Muslims.
- Updated Sidebar 20.5 with additional information about "women on Wall Street and the effect of "bro talk."
- Updated Sidebar 20.6 with new information about sexual harassment at Fox News and withdrawal of sponsors.
- Updated Sidebar 20.7 with new EEOC pregnancy discrimination data and added updated information about the Young v. UPS pregnancy discrimination case decided by the Supreme Court.
- Updated Sidebar 20.9 with the recent Seventh Circuit case on Title VII and sexual orientation discrimination protection.
- Updated Sidebar 20.11 with new information about lawsuits involving restaurants, including so-called "drive-by" lawsuits.
- Updated Sidebar 20.11 with additional information about the number of women CEOs in large companies.

Chapter 21 Employment Laws

- Updated minimum wage information.
- Updated Sidebar 21.1 with information about the challenges to the 2016 FLSA regulations.
- Updated Sidebar 21.2 with information about lawsuits against companies for not paying interns.
- Updated Sidebar 21.4 with FMLA information.
- Updated Sidebar 21.5 with tips for work/life balance to the EEOC recommendations.
- Updated Sidebar 21.7 with information about veterans and resources for employers.
- Edited the section on health care and added updated information to Sidebar 21.10, replacing information about the Affordable Care Act.
- Updated Sidebar 21.13 regarding privacy in the workplace.

- Agency section was moved to Contracts.

Chapter 22 Labor–Management Relationship

- Updated Table 22.1 with statistics on union membership.
- Updated Sidebar 22.1 with information on union membership.
- Updated Sidebar 22.3 with the NLRB decision on college football players.
- Updated Sidebar 22.5 with information about the outcome of the NLRB v. Boeing case.
- Updated Sidebar 22.6 with information about a 2017 threat of another strike.

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