

## Key Terms

- **Acceptance:** the expression of willingness to take an offer, including all of its stated terms.
- **Advance fee fraud:** the perpetrator offers to share the proceeds of some large payoff with the victim if the victim will make a “good faith” deposit or provide some partial funding first.
- **Authority to bind:** can arise when an employee of a company accepts a contract and the company later asserts that the employee did not have such authority.
- **Breach of contract:** occurs when either party to a contract does not comply with the terms of the contract; the other party can sue for failure to comply.
- **Browser-wrap acceptance:** agree to a site’s EULA or its terms and conditions by using a Web site.
- **Business process patent:** protects a specific set of procedures for conducting a particular business activity, and is quite controversial.
- **Click-wrap acceptance:** agree to a site’s EULA or its terms and conditions by clicking a button on the Web site.
- **Common law:** the part of British and U.S. law established by the history of court decisions that has accumulated over many years.
- **Conflict of laws:** in the United States, business is governed by federal laws, state laws, and local laws. Sometimes, these laws address the same issues in different ways.
- **Consideration:** the agreed upon exchange of something valuable, such as money, property, or future services.
- **Constructive notice:** received by people that have become subject to new laws and cultural norms when they cross an international border, even if they are not specifically warned of the changed laws and norms by a sign or a border guard’s statement.
- **Contract:** a promise or set of promises between two or more legal entities—people or corporations—that provides for an exchange of value (goods, services, or money) between or among them.
- **Cookies:** small text files placed on Web client computers to identify returning visitors.
- **Copy control:** an electronic mechanism for limiting the number of copies that one can make of a digital work.
- **Copyright:** a right granted by a government to the author or creator of a literary or artistic work.
- **Customs duty (duty):** a tax levied on products as they enter the country.
- **Cyberbullying:** young people can use technology to harass, humiliate, threaten, and embarrass each other.
- **Cybersquatting:** the practice of registering a domain name that is the trademark of another person or company in the hopes that the owner will pay huge amounts of money to acquire the URL.
- **Defamatory:** a statement that is false and that injures the reputation of another person or company.
- **Digital watermark:** a digital code or stream embedded undetectably in a digital image or audio file.
- **Domain name ownership change:** occurs when owner information maintained by a public domain registrar is changed in the registrar’s database to reflect a new owner’s name and business address.
- **Effects:** impact of a person’s behavior.

- **End-user license agreement (EULA):** a contract that the user must accept before installing the software.
- **Fair use:** copying copyrighted work for use in criticism, comment, news reporting, teaching, scholarship, or research.
- **Forum selection clause:** a contract that includes a statement that the contract will be enforced according to the laws of a particular state.
- **Implied contract:** formed by two or more parties that act as if a contract exists, even if no contract has been written and signed.
- **Implied warranty:** promise to which the seller can be held even though the seller did not make an explicit statement of that promise.
- **Income tax:** levied by national, state, and local governments on the net income generated by business activities.
- **Intellectual property:** a general term that includes all products of the human mind. These products can be tangible or intangible.
- **Intentional tort:** a criminal act where the seller knowingly or recklessly causes injury to the buyer.
- **Judicial comity:** principle followed by courts when they voluntarily enforce other countries' laws or judgments out of a sense of comity, or friendly civility.
- **Jurisdiction:** the ability of a government to exert control over a person or corporation.
- **Legitimacy:** the idea that those subject to laws should have some role in formulating them.
- **Long-arm statute:** individual states have laws that can create personal jurisdiction for their courts.
- **Name changing (typosquatting):** occurs when someone registers purposely misspelled variations of well-known domain names.
- **Name stealing:** occurs when someone other than a domain name's owner changes the ownership of the domain name.
- **Negligent tort:** the seller unintentionally provides a harmful product.
- **Nexus:** the connection between a tax-paying entity and a government.
- **Nigerian scam (419 scam):** the victim receives an e-mail from a Nigerian government official requesting assistance in moving money to a foreign bank account.
- **Notice:** the expression of a change in rules.
- **Offer:** a commitment with certain terms made to another party, such as a declaration of willingness to buy or sell a product or service.
- **Opt-in:** in this approach, the company collecting the information assumes that the customer does not object to the company's use of the information unless the customer specifically chooses to deny permission.
- **Opt-out:** the company collecting the information does not use the information for any other purpose (or sell or rent the information) unless the customer specifically chooses to allow that use (that is, to opt in and grant permission for the use).
- **Patent:** an exclusive right granted by the government to an individual to make, use, and sell an invention.
- **Per se defamation:** a court deems some types of statements to be so negative that injury is assumed.
- **Personal jurisdiction:** in general, determined by the residence of the parties.
- **Power:** a form of control over physical space and the people and objects that reside in that space; a defining characteristic of statehood.
- **Product disparagement:** occurs if the statement injures the reputation of a product or service instead of a person.

- **Property tax:** levied by states and local governments on the personal property and real estate used in the business.
- **Right of publicity:** a limited right to control others' commercial use of an individual's name, image, likeness, or identifying aspect of identity.
- **Service mark:** similar to a trademark, but it is used to identify services provided.
- **Shrink-wrap acceptance:** the practice of accepting the conditions of the EULA by removing the shrink-wrap from the box.
- **Signature:** any symbol executed or adopted for the purpose of authenticating a writing.
- **Statute of Frauds:** specifies that contracts for the sale of goods worth more than \$500 and contracts that require actions that cannot be completed within one year must be created by a signed writing.
- **Statutory law:** arises when elected legislative bodies pass laws, which are also statutes.
- **Subject-matter jurisdiction:** a court's authority to decide a particular type of dispute.
- **Sufficient jurisdiction:** when a court has both subject-matter jurisdiction and personal jurisdiction.
- **Tariff:** a tax levied on products as they enter the country.
- **Terms of service (ToS):** intended to limit the Web site owner's liability for what you might do with information you obtain from the site.
- **Tort:** an intentional or negligent action (other than breach of contract) taken by a legal entity that causes harm to another legal entity.
- **Trademark:** a distinctive mark, device, motto, or implement that a company affixes to the goods it produces for identification purposes.
- **Trademark dilution:** the reduction of the distinctive quality of a trademark by alternative uses.
- **Trade name:** the name (or a part of that name) that a business uses to identify itself.
- **Transaction tax:** levied by national, state, and local governments on the net income generated by business activities.
- **Use tax:** a tax levied by a state on property used in that state that was not purchased in that state.
- **Vicarious copyright infringement:** an entity becomes liable if it is capable of supervising the infringing activity and obtains a financial benefit from the infringing activity.
- **Warranty disclaimer:** a statement declaring that the seller will not honor some or all implied warranties.
- **Web-wrap acceptance:** agree to a site's EULA or its terms and conditions by using a Web site.
- **Writing:** exists when the terms of a contract have been reduced to some tangible form.