

# Business law

Law



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BUSINESS LAW Before the Uniform Commercial (UCC), and the Uniform Computer Information Transactions Act (UCITA), what was one of the first, and most significant, of the U. S. governments attempts to promote uniformity in commercial laws from state to state? Historically, commercial laws have taken on new faces for centuries. However, the onset of the strengths of the U. S. Congress allows states to regulate commerce law. One of the first and most effective attempts at commerce regulation can be dated back to the Constitutional Convention described under specific origins in a proposal offered by Madison and John Tyler in the Virginia assembly that the Continental Congress be given power to regulate commerce throughout the Confederation (National Archives and Records Administration, 1986). A revision of the Articles of Confederation was implemented to aid in reducing the number of commercial problems.

What are the major differences between Article 2 of the Uniform Commercial Code and Uniform Computer Information Transactions Act? What we now know as the the Uniform Computer Information Transactions Act (UCITA) originated in the process of revising Article 2 of the UCC. The provisions of what is now UCITA were originally meant to be “ Article 2B” within a revised Article 2 on Sales. According to the American Law Institute (1999), the proponents of UCITA argue that separate rules are needed for products such as computer software because they involve the conveyance of rights in intellectual property. However, many ordinary sales transactions, which have long been covered under Article 2, also involve rights in intellectual property. “ The most common illustration of this is the purchase of an ordinary book or a musical or other recording, in which the purchaser acquires the physical book or CD but not the rights to reproduce its contents. In fact, the sale and <https://assignbuster.com/business-law-essay-samples-14/>

use of products embodying intellectual property is ubiquitous in ordinary life.” (Ibid)

What is the legal distinction between selling a product and licensing it? In a 2000 article, Neil McAllister discussed this exact topic as applicable to the UCITA in which he gives the following example:

When you buy a pair of shoes, you're paying money to own the product, plain and simple. But under UCITA, what you'd be paying for when you purchase software wouldn't be the program itself, merely a license to use it. That's a subtle difference, but a significant one.

Differences in selling a product and licensing the product depend on the product itself. McAllister cites additional examples of the license screen when purchasing software online: “ You're told to read them, and then click ‘ I Agree,’ before you're allowed to complete the installation.” While not all consumers read this “ fine print” page, McAllister advises everyone should “ because the way the software industry would have it, those screens of text are legally binding contracts.” (Ibid)

Many of the provisions in the Uniform Computer Information Transactions Act were first proposed as a modification to Article 2 of the Uniform Commercial Code. Why did the drafters decide to propose it as a separate and distinct uniform act? Because of the growing online commerce actions, the “ powers that be” in the U. S. government felt there needed to be a more clear-cut law for such commercial acts. The wording of Article 2, Congress felt, was not sufficient to cover the needs of the buyer and seller. Furthermore, amending Article 2 (originally intended to be Article 2B) was viewed as ineffective for such growing electronic businesses. Therefore, the onset of the UCITA gave both sides of the transaction a clear picture of what is legally expected (in <https://assignbuster.com/business-law-essay-samples-14/>

buying and selling).

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