

Overview of Commercial Law Courses

What is the difference between Commercial Law and Corporate Law?

Corporate Law deals with the formation and operation of the corporation as a separate legal entity from the owners of the corporation. Commercial Law covers the commercial codes and other laws that govern various transactions including sales and leases of goods, payment systems, secured transactions, and consumer transactions. Both Corporate Law and Commercial Law cover “business law” issues, but the former focuses on the structure of the business entity and on capital markets, whereas the latter focuses on business deals and transactions of all kinds.

Which Commercial Law courses are offered in the upper-class curriculum?

Commercial Law (3 hrs): This course covers two separate Uniform Commercial Code (“UCC”) subjects, Payment Systems (also called Commercial Paper) and Secured Transactions. Payment Systems includes the law surrounding bank collection and negotiable instruments, as well as credit and debit cards. Secured Transactions deals with loans secured by collateral and explores the special rights that are given to secured lenders under Article 9 of the UCC.

UCC Article 2 (3 hrs): Also known as Sales, this course covers the various provisions of the UCC Article that governs contracts for the sale of goods, including contract formation, warranties, and remedies. It includes many topics not covered in the first-year Contracts course.

Bankruptcy (3 hrs): This course covers federal bankruptcy law. The Bankruptcy course arguably crosses boundaries between Corporate Law and Commercial Law. Like Commercial Law, it is a “code course,” but Bankruptcy also involves coverage of Corporate Law issues.

Reorganization Seminar (3 hrs): This advanced seminar focuses on Chapter 11 reorganizations under the Bankruptcy Code.

In what sequence should students take the Commercial Law courses?

There is no particular sequence required, other than the need to take Bankruptcy prior to the Reorganization Seminar. Every student should consider taking both Commercial Law and Sales, which together comprise two of the five “core” courses for the Business Law Certificate.

Which type of lawyers would encounter Commercial Law issues in their practice?

Almost all lawyers would. Corporate lawyers doing deals would see UCC and Bankruptcy issues on a regular basis; litigators that argue cases involving business issues would encounter Sales and Commercial Law issues; even lawyers in non-business fields such as family law or trusts and estates would end up dealing with Commercial Law questions of all kinds.

Are Commercial Law issues included on the bar exam?

The Multistate Bar Exam (MBE), the multiple-choice test given in every state except Louisiana, includes UCC Article 2 questions. Almost every jurisdiction, including Illinois, Missouri, New York, and the District of Columbia, includes Secured Transactions, Payment System or both as subjects for their essay exams. These UCC topics are quite complex and thus are difficult to learn for the first time through a bar review course.