



Law Offices of Donald W. Hudspeth, P.C.

What Standard Must be Met for an Emailed Contract to be Considered Valid

| By [Donald W. Hudspeth, ESQ. blog.azbuslaw.com](http://blog.azbuslaw.com) |

A new ruling that could affect how [Phoenix law offices](#) advise their clients on [contract law](#) is currently in the news. In September, an Arizona appellate court advised that a trial court needed to determine what constitutes an electronic signature in a contract.

The ruling follows a case between a real estate agent and a couple who were accused of breaking an exclusivity contract. The agent responded to a signed, emailed contract for a property from the couple with the words, "Thank you" and her electronic business card. At issue is whether the agent's response was sufficient to make the contract valid.

The basics of electronic contract law

In 1999, the Uniform Electronic Transaction Act (UETA) - currently enforced in 47 states, including Arizona - made it possible for emailed and faxed contracts to be considered legally binding. While UETA settled the issue of what constituted a contract, it did not clarify the standard that had to be met for a contract to be considered binding.

Caption: The legal aspect of what constitutes an emailed contract as being valid is being disputed.

Alternate Text: The legal aspect of what constitutes an emailed contract as being valid is being disputed.

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Since then, as electronic forms of information transmission have become the norm for most applications, written information that might be perceived by one party to be innocuously non-binding could be construed by a court as completely the opposite.

Further complicating the issue is that states have interpreted UETA differently over the years. Lawyers.com points out that in Missouri, there is legal precedent for an individual's email header being interpreted as a signature, while in Texas, the standard has been that the party must express his or her intentions.

Businesses should always tread carefully when engaging in professional conversations regarding contractual obligations. Without careful consideration of all details involving a particular agreement, a business could find itself legally obliged to fulfill the terms of a contract it may not have willingly agreed to.

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Donald W. Hudspeth is president of the Law Offices of Donald W. Hudspeth, P.C. in Phoenix, AZ, where he is the senior attorney in the firm's transaction group. Don can be reached at DWH@azbuslaw.com.

