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ATTORNEYS AT LAW

ELECTRONIC RECORDS AND SIGNATURES – IS YOUR EMAIL A CONTRACT?

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In today's world of technology and electronics, your e-mail could serve as a contract and your facsimile signature could serve as an original signature.

On October 16, 2000, the State of Michigan enacted the Uniform Electronic Transactions Act (UETA), which essentially provides that a contract may not be denied solely because it is in electronic form or bears an electronic signature. The UETA allows individual parties and companies to create contracts through direct electronic interactions. The UETA also validates the formation of contracts through electronic agents, i.e. e-mail and facsimiles. Therefore, contracts and agreements can be formed through e-mail interaction and can be validated through e-mail signatures or signatures received through facsimiles.

The UETA removed legal impediments to the use of electronic contracts and signatures. However, the UETA is a procedural law only and issues of authenticity, integrity and security remain open to subject review.

If your company routinely uses electronic contracts or electronic signatures, you should review your procedures to make sure you are complying with all the necessary requirements of the UETA and that you have sufficient language within your contracts to guarantee that the electronic contract and/or signature is valid and effective.