Completing the Legal Definition of "Negotiability" Using Monetary Theory

Jose Marlon P. Pabiton

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The Note asserts that the concept of negotiability is not properly defined, as had usually been done, by only looking at the rights available to a subsequent transferee. The Note seeks to prove this by comparing the manner by which money is used in the legal world with the manner by which the facets of money have been tempered by the creation of a negotiable instrument. The Note first provides a history of money, discussing its origins and uses. There follows a discussion on the benefits of trade and the need for valuation. Here, the author illustrates how goods are valued and the importance of valuation mechanisms in trade. The Note also discusses the basic characteristics of money following with the utility of negotiable instruments in trade. Discussed also is the concept of "holder in due course." The requirements in the Negotiable Instruments Law are laid down and discussed individually. The Note then tackles the concept of "holder not in due course," discussing its effects. The Note concludes that the concept of negotiability should not be limited to the status of a transferee taking an instrument, The following questions should instead be answered: (1) was there proper indorsement? (2) what was the intention of the transferor in indorsing? (3) what kind of subsequent holder did the negotiation create?