
LEGAL ENVIRONMENT OF BUSINESS in Fall 2019 (LW3075)

Course Code	LW3075	Professor(s)	Fred Einbinder
Prerequisites	None	Office Number	G-3A03
Class Schedule	MR: 13:45-15:05 in G-L22	Office Hours	Mondays 11h30-12h30 and by appointment
Credits	4	Email	feinbinder@aup.edu
Semester	Fall 2019	Office Tel. Ext.	640, Cell 060890846

Course Description

An appreciation of the particularities of the American legal system given its central role in the conduct of business being vital to anyone wishing to understand the nature of American business, or for that matter American society, the first quarter of the course is devoted to providing the student with a general introduction to the nature of US law.

Opportunities for Teamwork aimed at keeping abreast of how legal issues affect business

The format for this course affords us the opportunity to explore how pervasive law is on the conduct of business in the United States. Each class will begin with a look at media accounts (eg; Wall Street Journal, Intl New York Times) of recent legal developments in business providing students with an opportunity for individual class.

In addition, **the class will be divided into teams**. While individual students remain entirely responsible for reading and preparing each class assignment each team will be allotted cases from the text or professor "handouts" for which individual members of the team will discuss to ensure fluid class discussion

To stimulate learning and reflection on important issues of law and business we will apply the principles of law studied in the text, lecture, discussion and topics similar to those debated in previous years, such as the following:

1° To Whom is a duty of care owed? Equifax, data breaches, Distracted and machine driving injuries,

Addictions-Gaming, Social media, Cigarettes (vaping), Opiates

2° Intellectual Property (Copyright-have we gone too far?-eg. Disney)

3° Dispute Resolution-Trends; business and more harmonious methods. Arbitration, Mediation-

The issue of “consent” and the deprivation of previously available remedies (Litigation).

4° Disasters and Product Liability –BP Oil Spill, Ford Explorer turnovers, Volkswagen “dieselgate Buffalo Creek Flood)

5° Torts and Trials in Real Life – Volkswagen

6° Misrepresentation-Suing law schools?, Dancing in the Dark and “sales puffing”

7° Business persons and lawyers gone crazy with greed, Ethics (Circle of Greed), Thermonos “bad blood”, Volkswagen

8° Tensions between Liberty (Constitutional protections on Privacy) and Big Data

9° Contract Law-Goodbye freedom to contract? –The threat of Boilerplate; The origins of Fashion management- **Wood v. Lucy, Lady Duff Gordon**., What is Chicken? –the **Frigaliment** case, Marketing and misrepresentation-Dancing in the dark-How far is too far?

10° Criminal Law and Business-The growing trend, International Corruption

We will focus on cases and developments involving well-known American business icons, McDonalds, Wal-Mart, Ford Motor and non-US companies faced with substantial American legal risk-foreign banks, Volkswagen.... to provide a coherent framework illustrating the key role of law in business strategy.

All students will fully participate in major team presentations to the class at the end of the semester. In addition, students, will be called on to present short synopsis, analysis and research into the story behind the cases throughout the semester.

In this manner the student, in both group and individual settings, will obtain a fuller appreciation than under of how the US legal system works in practice. Instead of limiting ourselves to the classic “tip of the iceberg” study of cases decided by the courts extra readings beyond the standard text , team work (including insights obtained from reading books on real cases and viewing famous movies on the law), class presentations and debate will enable us to better see the law in practice in particularly interesting fields.

Course Learning Outcomes

Understand the rudiments of business law necessary for a career in business.

Be able to make sense out of the confusing world of legal terminology in order to better understand legal documents and lawyers.

Be familiar with essential characteristics of American Law and the legal issues facing American businesses.

Understand the essentials of tort law and the debate on its reform.
Gain an understanding of how contract creation and negotiation is framed by law and how the law enforces contracts
Understand the role of agents and the various forms of business organizations – especially corporations – and key issues of corporate governance
Understand how the law adapts to social, economic and technological changes
Obtain an understanding of what responsibility business persons have to other business persons and to society in general. “White Collar” crimes will be covered, and ethical issues in business will be raised and discussed throughout the course
Obtain an appreciation for the growing importance of intellectual property law (patent, trademark, trade secrets and copyright) and the balance between conflicting objectives: protection of individual and corporate investment vs. public dissemination and innovation.

General Education

Course Outline

OUTLINE AND REQUIRED READINGS: (page numbers refer to text Langvardt, Barnes et.al BUSINESS LAW 17th edition .

The CASES noted must be read in a manner sufficient for the student to 'present' the case in class. Cases in the text not noted in the assignments below (as modified) need not be read)

The text should be obtained before the 2nd class at the latest and brought to each class.

THE SCHEDULE, AND CORRESPONDING READINGS AND OTHER PRESENTATIONS ARE SUBJECT TO MODIFICATION.

Specifically, 2 class periods will be chosen, consistent with students schedules to recover two normally scheduled classes following the midterm in mid-October due to the need for professor Einbinder to travel to the University of Missouri to present a comparative business law paper on Mass Torts at the annual meeting of the American Society of Comparative Law. We will use the opportunity afforded by these two class periods to discuss recent developments in law and business as found by students in their readings in the media related to the topics covered in the text and class discussions.

1. Monday, September 2nd, 2019

Introduction – Review of the course and examination of the syllabus. What is Law?
Jurisprudential theories : Natural law (Thomas Aquinas and Thomas Jefferson)
Positivism (Jeremy Bentham, Austin); Legal Realism, Sociological School;

The Common Law, Precedent, Great Judges (Marshall, Brandeis, Cardozo...) - Sources of Law;
Law and Ethics The Limits of the Law

2. Thursday, September 5th, 2019

Introduction-Jurisprudential theories (cont'd) "A page of history is worth a book of logic" Justice Oliver Wendall Holmes -**The Common law (English origin), Great Judges and Precedent (rule of stare decisis)**Sources of Law; law and Ethics; Law and Society.

How law changes to meet changes in society, economics and technology. Example- To whom does one a duty? The Good Samaritan, Religious underpinnings; Altruism or the "bad" man perspective of legal constraint –economics and law

Differences with continental legal systems ("non-assistance à une personne en danger") See NYT article by Sokol 'distributed by Professor

READ –Chapter 1 of Langvardt text CASE: Coomer v. KC Royals Baseball Corp., pp.15-18,
Read with particular care "HOW TO -READ AND BRIEF CASES" in the APPENDIX pp.29-30 to Chapter 1

3. Monday , Sept. 9th_ The three distinctive features of US law-Constitution, Federalism and Precedents and their dynamic interplay Jurisdiction as an illustrative example

READ: Chapter 2-pp.33-47 CASES: Abdouch v. Lopez (38-40) Daimler, (41-42) Hertz (44-46)

JURISDICTION-the key concept of all law and its use to illustrate the peculiarities of American law

4. Thursday, Sept. 12th Dispute Resolution -Civil Procedure

READ: Chapter 2-pp-47-62

The litigation process, "discovery"; the benefits and issues with "alternative"dispute remedies (ADR)-Arbitration (compulsion/waiver issue), Class actions, the attorney-client privilege.

5. Monday, Sept. 16th- Business and the Constitution

READ: Review Ch.3 - pp. CASE-Matal v. Tan (90-93)

'Commercial Speech and the First Amendment, The Fourteenth Amendment-DUE PROCESS and Equal protection, Commerce, Tax and Takings Clause

6. Thursday, Sept. 19th _ Criminal law and Procedure with a focus on "white collar" crime

Criminal law and procedure-The 4th Amendment (search and seizure) 5th Amendment (self-incrimination) Amendments, "white collar" crime and legislation- Sarbanes-Oxley,

READ: Ch.3 CASE-US v. Jones pp. 163-166; RJR Nabisco, Inc. v. European Community pp. 187-191

7. Monday, Sept. 23rd _TORT LAW - Intentional Torts , Categories: Why terminology is important, eg. 'assault' or 'battery', slander or libel, Punitive Damages

READ: Chapter 6 CASES; Matthias v. Accor Economy, Durham v McDonald's, Farrell v. Macy's, Neumann v. Liles, Obsididian v. Cox Jewel v. Jordan (yes, that Jordan- famous Number 23)

8. Thursday, September 26th TORT LAW Negligence -The importance of DUTY, Standard of care

READ; Chapter 7 CASES: Kesner v. Superior Court, pp.247-251; Philibert v. Kluser, pp.262-265; Black v. William Insulation co.pp 267-268; Stahlecker v. Ford (Ford Explorer) 269-272

9. Monday, Sept. 30 TORT LAW -Strict Liability, Products Liability (warranties) Tort reform debate

READ: **Ch.20** CASES Bissinger v. New Country Buffet, pp. 585-587; Brandham v. Ford, Green v. Ford, Wilke v. Woodhouse Ford

10. Thursday, October 3rd INTELLECTUAL PROPERTY- Introduction- Patents

"Invention" , Innovation, Balancing development incentives and competition,

READ: Ch. 8 pp. 287-298, CASE: Alice Corporation Ltd. v. CLS Bank pp. 290-292; Impression Products v. Lexmark International pp 293-295

11. Monday, October 7th -INTELLECTUAL PROPERTY-Copyrights

"A rose by any other name would still smell as sweet" but would if Shakespeare had been a lawyer? Sports, Entertainment (Music) industries, Entrepreneurs and Intellectual Property

READ: Ch. 8 pp. 298-312 CASES: Star Athletica v. Varsity Brands pp 299-301, Kirsaeng v. John Wiley, 303-306; Bouchat v. Baltimore Ravens,

12. Thursday, October 10th -28 INTELLECTUAL PROPERTY- Trademarks, Trade Secrets & Commercial Torts + Review for Mid-term

READ: Ch.8 pp; 312-335 CASES: Kibler v. Hall pp. 319-322; Coleman v. Retina pp. 326-27; Lewis-Gale Med Center pp 329-331; POM Wonderful LLC v. Coca-cola pp 332-335

13. Monday, October 14th,

MIDTERM EXAMINATION

(Professor's absence as indicated above-"make-up" class periods to be chosen in function of students schedules after drop/add)*

14. Thursday, October 24th INTRODUCTION TO CONTRACTS.

"Reasonable Expectations Induced by Promises"; UCC ARTICLE 2 or Common Law?.

READ Ch. 9 : CASES: Symons v. Heaton, Thomas v. Archer

15. October 28th, CONTRACTS-THE OFFER. NEGOTIATIONS . When is an 'offer', a legally binding offer?

READ Ch. 10 CASES- Kolodziejv. Mason; Cordas v. Uber

November 1st holiday break

16. Thursday, November 7th CONTRACTS-ACCEPTANCE - "Mirror' Image, "Battle of the Forms"

Do Sellers and Buyers know what they are selling and buying? . Defining terms. The 'Chicken' case

READ Ch. 11 CASES Dura v. Sunbelt, Cabot Oil and Gas, Frigalment v. BNS International 'Chicken' case (professor 'handout' and UTUBE-country and western songs/"The Bunker" parody)

17. Nov. 11th CONTRACTS-Consideration

READ: Ch. 12 CASES: Steinberg v. US; Welsh v. Lithia Vaudm, Wood v. Lucy, Lady Duff-Gordan (prof. Handout)- Importance of the Wood case-protection of agents in sports, entertainment, fashion.. +Utube song ('rag')

18. Nov. 14th - CONTRACTS. REALITY OF CONSENT - Valid, Voidable and Void contracts,

Misrepresentation and Fraud, Duress, Mistake, Undue Influence "I made him an offer he couldn't refuse" (the Godfather and contracts)

READ: Ch. 13 CASES: Hicks v. Sparks, 434-435; Olmstead v. St. Paul, Sherwood v. Walker 'Cow' case (Professor handout-UTUBE) another country and western song

19. Nov. 18th **CONTRACTS-CAPACITY**

READ: Ch. 14 CASES JR ex rel Thode, Zelnick v. Adams

20. Nov. 21st **ILLEGALITY**. Is a 'hit' contract enforceable? Public Policy, Non-competes, Unconscionability

READ:Ch. 15 CASES: Coma Corporation v. Kansas; Clark's Sales and Service, Walters v YMCA, Singh v. Uber

21. Nov. 25th - **WRITING-Are 'oral' contracts binding? (YES)** When is a writing required. The Statute of Frauds.

READ: Ch. 16 CASES: Dynergy, Green Garden, Yung-kai Lu v. Univ. of Utah

22.Nov. 28th **AGENCY - Categories & terminology**; Of Principals and agents, Masters and Servants,

Employers, Independent Contractors Fiduciary Duty

READ: Ch. 35 CASES: MDM v. CX Reinsurance, Gniadek v. Camp Sunshine

AGENCY and Third Parties - Types of authority, key concept of "Control", Vicarious Liability

READ: Ch. 36 CASES-Green v. Cosby;

23. December 2nd, **BUSINESS ORGANIZATION-Types, Considerations in the Choice**

READ: Ch. 37 (esp. Fig. 1-pg. 1036) , Ch. 40 CASE Hecht v. Andover Associates, Ch. 41 CASE-Supply Chain LLC

24. December 5th - **CORPORATIONS** - History, Piercing the Corporate Veil, Business Judgment Rule, Corporate Governance, Ethical considerations,

READ: Ch.43 CASE Brehm v. Eisner ("Disney" case)

*** Class 25 and 26 -"make-ups" to be scheduled after drop/add**

27. FINAL EXAMINATION

Textbooks

This course doesn't have any textbook.

Attendance Policy

ATTENDANCE:

Class participation is an important aspect of the course evaluation. **Regular attendance at lectures is critical.** Excessive absences will be taken into account when determining the course grade.

Law study is difficult and at times quite confusing. Nothing can add more to the confusion than to miss class. Moreover, class participation constitutes an integral part of the course evaluation.

Assignments for each class are specified BELOW. In recent years, the professor has noted a tendency of a few students, particularly those who have a habit of missing classes to send Emails to the professor to find out "What is the assignment"?

Faced with these increasing (and **annoying**) requests the professor has responded with the information and gentle suggestion that it would be preferable for the enquiring students to ask one of his fellow students rather than the professor in the future.

The surprise having worn off as of this semester such requests will simply not be responded to as it the professor's firm belief and experience as a senior executive that the failure of students all of whom are prospective candidates for gainful employment to interact with fellow students or take the time to read instructions (assignments listed on syllabus) ought not to be encouraged.

Asking one's boss to repeat their clear instructions, especially by impersonal email is not conducive to promotion and although I am not in a position of a "boss" university class behaviour should be in part a learning experience for life work. Moreover, interacting with fellow students (and colleagues later in work situations) is almost always a lot more fun and rewarding as it builds co-operative team skills.

The above should not be interpreted as discouraging in any way requests for help or guidance from the professor in studying the materials or understanding law and business in general which students are encouraged to seek during office hours, class breaks or appointment;

Students studying at The American University of Paris are expected to attend ALL scheduled classes, and in case of absence, should contact their professors to explain the situation. It is the student's responsibility to be aware of any specific attendance policy that a faculty member might have set in the course syllabus. The French Department, for example, has its own attendance policy, and students are responsible for compliance. Academic Affairs will excuse an absence for students' participation in study trips related to their courses.

Attendance at all exams is mandatory.

IN ALL CASES OF MISSED COURSE MEETINGS, THE RESPONSIBILITY FOR COMMUNICATION WITH THE PROFESSOR, AND FOR ARRANGING TO MAKE UP MISSED WORK, RESTS SOLELY WITH THE STUDENT.

Whether an absence is excused or not is ALWAYS up to the discretion of the professor or the department. Unexcused absences can result in a low or failing participation grade. In the case of excessive absences, it is up to the professor or the department to decide if the student will receive an "F" for the course. An instructor may recommend that a student withdraw, if absences have made it impossible to continue in the course at a satisfactory level.

Students must be mindful of this policy when making their travel arrangements, and especially during the Drop/Add and Exam Periods.

Grading Policy

GRADING:

Evaluation of the student will be determined on the following:

Individual class participation (summary of cases, discussion points or short resumes of recent developments in law)	20%	Over entire semester
TEAM PRESENTATIONS	25 %	To be scheduled
<u>MID-TERM EXAM</u>	25 %	October 14th
<u>FINAL EXAM</u> (non-cumulative-Materials from Midterm to last day only)	30%	

TOTAL	100%	

Make-up for the Exams will only be given unless the student is officially excused for a most serious reason which does not include travel plans or the hardship of the exam schedule. See penalty below midterm

AUP ATTENDANCE POLICY:

Students studying at The American University of Paris are expected to attend ALL scheduled classes.

A maximum of four (4) *excused* absences per semester may be requested for all 4-credit courses.

Attendance at all exams is mandatory.

Student Affairs will *recommend* that a professor excuse an absence for the following reason only:

Involuntary absences due to illness or personal emergencies, upon presentation of documentary proof of

Religious and National Holidays:

Due to the large number of nationalities and faiths represented at the University, religious and national holidays (on the academic schedule) will not be excused by Student Affairs.

Academic Affairs will excuse an absence for students' participation in study trips related to their courses

Lateness to course meetings:

If a student arrives at course meetings more than 10 minutes late without documentation for one of the above reasons, it will be considered an *unexcused* absence.

All documentation must be submitted to the Office of Student Affairs within ONE WEEK following the first

IN ALL CASES OF MISSED COURSE MEETINGS, THE RESPONSIBILITY FOR FOR ARRANGING TO MAKE UP THE WORK RESTS SOLELY WITH THE STUDENT.

Whether an absence (excused or unexcused) is accepted or not is ALWAYS up to the discretion of the professor or the department. Unexcused absences can result in a low or failing participation grade. In the case of excessive unexcused absences, it is up to the professor or the department to decide if the student will receive an "F". An instructor may recommend the withdrawal of a student whose absences from any course, ***excused or not***, make it impossible to continue in the course at a satisfactory level. The professor may consult with Student Affairs for more information.

MIDTERMS: to stem the trend of students missing MIDTERM exams, in particular and to ensure fairness (3%) will be deducted in all cases (whatever the nature of the excused absence)

Students must be mindful of this policy when making their travel arrangements, and **especially during the Midterm Periods**.

Other
