

COURSE SYLLABUS

COMPARATIVE BUSINESS AND EUROPEAN LAW

code 30058

Spring 2016

COURSE DESCRIPTION AND OBJECTIVES

The relevance of international commercial transaction in the world economy is undisputed: the world merchandise exports in 2013 amounted to more than 18 trillion USD, increased by two per cent compared to 2012 (US GDP in 2013 amounted to 16.4 trillion USD). China is the major exporters of merchandise (22.3% of its GDP) and almost half of the export (44%) originates from developing countries. While trade in services (e.g. telecommunication, financial, professional, etc.) represents only the 20% of the trade in goods, exports of services increased at a higher pace than goods (6% in 2013). These data do not include foreign trade investment that, for example, amounted to more than 294 billion USD in US in 2013.

The economy largely depends on international transactions. An understanding of the rules governing international commercial transactions is therefore a fundamental tool for virtually any businessperson, policy maker, lawyer or judge. Few professionals do not encounter international business transactions in their career, and a career in this area can be rewarding and exciting.

This course offers an in-depth introduction to the regulation of international commercial transactions. The course has both practical and theoretical goals. From a practical point of view, to understand how to negotiate, draft, manage and litigate international contracts and transactions is obviously essential to practice law and conduct business not only internationally, but also domestically. From a more theoretical point of view, the course has an interdisciplinary approach that considers, in particular, economic and political causes and consequences of trade regulations; and includes a comparative law component that helps students to both understand better their own legal systems, and think “out of the box.” Course participants will embark in a legal (and not only) journey around the world.

More specifically, the course covers the following topics. First, after a brief introduction on negotiating and drafting commercial contracts, it focuses on the international sale of goods and services, examining in particular the Convention on the International Sales of Goods, documentary sales, agency and distributorship agreements, regulations of imports and exports. We will then discuss licensing agreements for the use of intellectual property (trademarks and patents), and direct investments, through the establishment of foreign subsidiaries and joint-ventures abroad and their internal affairs. We will then focus on the main international (i.e. WTO) or regional (i.e. the EU) agreements aiming at reducing obstacles to trade, such as tariffs and non-tariff barriers,

like sanitary measures or technical regulations; including those agreements, such as the TTIP (Transatlantic Trade and Investment Partnership between the EU and the US) still under negotiations. The influence of monetary and financial issues on the transnational business activities will be discussed next. Specific problems such as conflicts between investors and states, expropriations, corruption and violations of human rights by corporations doing business abroad will be also considered. A final part of the course will concentrate on business litigation, discussing fundamental contractual provisions, common in most international transactions and particularly relevant in case of litigation, such as choice of forum, choice of law, enforcement of foreign judgments, and international arbitration.

As mentioned, while the course focuses on technical legal issues, emphasis will be put also on economic and political considerations affecting the regulation of international business, therefore the course might appeal not only to law students, but also to students of economics, business administration, international affairs, and political science.

ATTENDANCE

In presenting the course materials a combination of lectures and class discussions will be used, and you should be prepared to discuss each day's reading assignment when called upon to do so. Occasionally instructors might assign short exercises to complete in class, such as drafting a contractual clause. Prompt and regular attendance and active participation in the discussion are required. The final examination will focus exclusively on the topics covered in our class discussions. Accordingly, failure to attend class is likely to have a material adverse effect on your performance on the final examination, and your class notes will be essential to prepare for the exam. The instructors will keep track of attendance and reserve the right to round up the grade for students who regularly attend classes and participate in the discussion.

FINAL EXAM AND GRADING

The final examination for this course will consist of five open questions, with sub-questions, for a total of 30. Truly exceptional exams will receive a honor (“30 cum laude”). Toward the end of the course we will show and discuss sample questions and offer additional indications on the exam (expected length of answers, etc.).

Students enrolled in the course in the previous academic years, that still have to take the exam, are responsible to prepare for it according to the current syllabus.

MATERIALS AND HOW TO USE THEM TO BE PREPARED

The reference textbook for this course is R. H. Folsom et al., *International Business Transactions. In a Nutshell*, West, last ed. (2012). The detailed syllabus below indicates precisely the different parts you will be responsible for and the corresponding

class.

In addition, it is essential to read before class (and review for the final exam) the assigned cases and materials on which you will be randomly called on in class. You can find them analytically indicated in the following class schedule. These materials are posted on Bocconi's e-learning space. Please note that, also in order to have effective materials in English, several cases are from the U.S. Notwithstanding the particular jurisdiction(s) considered, however, we will focus on general principles that govern the transactions considered and several of the principles discussed are relevant in most countries.

We cannot stress enough that this class adopts the so-called **“Socratic method”**, and therefore you need to show up in class prepared and actively engage in the discussion. You are required to read all the assigned cases and materials (but some readings are indicated as optional), and to review them for the final exam. Be advised, however, that while the cases and materials indicated in the fourth column from the left in the syllabus below must be read before class, you have the option to read the Folsom reference book either before or after class. The reference textbook, in fact, is intended to provide further guidance on the topics covered and it might be helpful to review and systematize your notes. Normally, attending class regularly and reviewing the assigned cases and materials and the topics discussed, along with class notes and lecture slides, will allow you to prepare for the exam.

One important methodological note. We strongly suggest that you “outlining” the judicial decisions assigned. To do that you should prepare for each case (they are fairly short) a one page memo indicating: 1. Court: the court deciding the case and the date; 2. Parties: the names of the litigants (plaintiff = the party that sues; defendant = the party that is sued, sometimes they might be called “appellant” and “respondent” if the lawsuit is an appeal of a decision of a lower court); 3. Issue: this is a one or two lines indication of the central legal problem decided, e.g. “Is the contract invalid due to a violation of a public policy mandatory provision?”; 4. Facts: a brief description of the facts originating the controversy: pay attention to details, and distinguish the “facts” from the “legal rules” applied to those facts; 5. Arguments: the major reasons that the parties advocate to convince the judge that they are right; 6. Decision: the decision of the court, who wins, what is – according to the judge – the correct interpretation of the facts or law; 7. Rationale: the legal (and partially factual) reasons why the court decided as it did; 8. Dissent: one of the judges, when there is a panel of three or more judges, might dissent from the majority and offer a different opinion. It is not always present. To remember this technique, think of the initials of the different steps: “CPI-FADR-D”

We will try to follow the syllabus. However, given the interactive nature of the class, depending on our discussion, some of the assigned cases and materials might not be covered, or only briefly covered, in class, or their analysis might be postponed to a following class. As mentioned before, the final exam will focus almost exclusively on topics actually covered in our class discussions.

We will also make the slides used available at the end of the course. Please note that the slides are copyrighted and can only be used by regularly enrolled students for exam purposes only. They cannot in any way be distributed, shared, altered with other people, and cannot be retained after the completion of the exam. Non compliance with these rules is a violation of Bocconi's Honor Code that will be prosecuted, and can also

result in civil and criminal liability.

OFFICE HOURS & CONTACT INFORMATION

During periods in which classes are being held, (for the first part of the course – comparative business law) Professor De Nicola's office hours will normally be held on Friday from 4.00 to 5.00 p.m. in his office (room c1-06) on the first floor of the Grafton building, via Roentgen 1. In order to avoid waiting and to confirm his week-to-week schedule, we recommend that you contact him via email at least 48 hours in advance to set up a specific time. He is reachable via e-mail (alessandro.denicola@unibocconi.it, or back-up whilst travelling adenicola@orrick.com). If necessary, an appointment can be set up outside the above-mentioned office hours.

For the second part of the course, the Professor will be Kellen Trhila Schappo.

The course tutor is Simonetta Formentini, who is available for general questions regarding course content, exams, etc. at the following email: sformentini@orrick.com.

HONOR CODE FOR THE BOCCONI COMMUNITY

Università Bocconi conceives of education as an ongoing process that stretches across a person's entire professional life. The University hopes that the entire Bocconi community will respect the values of fairness and correctness associated with it, values which inspire and guide the conduct of all community members as they pursue common objectives and a shared mission. The Università Bocconi Honor Code is published at <http://www.unibocconi.eu/honorcode>. We encourage all students to read it.

CLASS SCHEDULE AND ASSIGNMENTS

class	date	topic	cases and materials on e-learning	reference on Folsom - International Business Transactions	bus/int
1	10/02 16.15- 17.45	Introduction. Private and public transnational business law	<ul style="list-style-type: none"> ▪ No assignments 		Bus/Int
2	11/02 10.30- 13.00	Negotiating and Drafting International Contracts.	<ul style="list-style-type: none"> ▪ No assignments, hypos and exercises will be presented in class 	Chapter 1	Bus
3	12/02 13.30- 16.00	International Convention for the Sale of Goods (CISG).	<ul style="list-style-type: none"> ▪ American Mint v. GoSoftware 	Chapter 2 [From page 41 to 149]	Bus
4	15/02 8.45- 10.15	International Convention for the Sale of Goods (CISG).	<ul style="list-style-type: none"> ▪ MCC v. Ceramica Nuova 	Chapter 2 [From page 41 to 149]	Bus
5	17/02 16.15- 17.45	International Convention for the Sale of Goods (CISG). Unidroit Principles.	<ul style="list-style-type: none"> ▪ Medical Marketing v. Internazionale Medico Scientifica 	Chapter 2 [From page 41 to 149]	Bus
6	19/02 13.30- 16.00	Shipping Goods. Commercial Terms. Bill of Lading.	<ul style="list-style-type: none"> ▪ Dingxi v. Becwood 	Chapter 2 [From page 41 to 149]	Bus
7	24/02 16.15- 17.45	Financing Trade. Letters of Credit.	<ul style="list-style-type: none"> ▪ Courtaulds v. North Carolina Nat'l Bank 	Chapter 3 [Pages from 178 to 203 and from 219 to 228]	Bus
8	25/02 10.30- 13.30	Sales Agents and Distributorship Agreements.	<ul style="list-style-type: none"> ▪ Helen Kaminsky v. Marketing Australian 		Bus
9	26/02 13.30- 16.00	Licensing Distribution or Production Abroad. Franchising and Trademarks.	<ul style="list-style-type: none"> ▪ Italian Business Law - Chapters IV-V (excerpt) ▪ Scotch Whisky v. Barton Distilling 	Chapter 4 [Pages from 234 to 266 and from 272 to 276]	Bus
10	29/02 08.45- 10.15	Technology Transfers. Licensing Patents and Know-How.	<ul style="list-style-type: none"> ▪ Italian Business Law - Chapters IV-V (excerpt) ▪ Microsoft v. AT&T 	Chapter 4 [Pages from 234 to 266 and from 272 to 276]	Bus

11	02/03 14.30- 16.00	Direct Foreign Investment. Branch vs. Subsidiary.		Chapter 5 [Pages from 280 to 311 and from 320 to 322]	Bus
12	02/03 16.15- 17.45	Direct Foreign Investment. Branch vs. Subsidiary.		Chapter 5 [Pages from 280 to 311 and from 320 to 322]	Bus
13	09/03 16.15- 17.45	Cont'd. Shareholders' Agreements	<ul style="list-style-type: none"> ▪ Comparative Corporate Law Ch. 8 (excerpt) 		Bus
14	10/03 08.45- 10.15	Cont'd. Agency Problems: Directors and Shareholders	<ul style="list-style-type: none"> ▪ Comparative Corporate Law Ch. 5-7 (excerpt) 		Bus
15	10/03 10.30- 13.00	Cont.'d. Agency Problems: Directors and Shareholders	<ul style="list-style-type: none"> ▪ Comparative Corporate Law Ch. 5-7 (excerpt) 		Bus
16	11/03 13.30- 16.00	Cont.'d. Agency Problems: Directors and Shareholders	<ul style="list-style-type: none"> ▪ Comparative Corporate Law Ch. 5-7 (excerpt) 		Bus
17	14/03 08.45- 10.15	Mergers	<ul style="list-style-type: none"> ▪ Comparative Corporate Law Ch. 9 (excerpt) 		Bus
18	17/03 10.30- 13.00	Cont'd. Mergers	<ul style="list-style-type: none"> ▪ Comparative Corporate Law Ch. 9 (excerpt) 		Bus
19	18/03 13.30- 16.00	Review session of the first part.	<ul style="list-style-type: none"> ▪ Mock-exam 		Bus
20	13/04 16.15- 17.45	International Business Litigation in Court (Before, At and After the Trial)	<ul style="list-style-type: none"> ▪ Ashai v. Superior Court ▪ In re Union Carbide Disaster 	Chapter 8	Int
21	14/04 10.30- 13.00	International Commercial Arbitration.	<ul style="list-style-type: none"> ▪ Parson Overseas v. RAKTA 	Chapter 8	Int
22	15/04 13.30- 16.00	MFN, NT & binding. Tariffs and Non-Tariff Barriers (NTBs).	<ul style="list-style-type: none"> ▪ Brancusi v. U.S. ▪ Anheuser-Bush Brewing v. U.S. ▪ Earth Island v. Mosbacher 		Int
23	20/04 16.15-	WTO. Trade in services.	<ul style="list-style-type: none"> ▪ WTO, Antigua&Barbuda vs 	Chapter 5 [Pages from 312 to 320]	Int

	17.45		US (Gambling case)		
24	21/04 10.30- 13.00	The mega-Free Trade Agreements. The US-EU TTIP	<ul style="list-style-type: none"> ▪ Mega-regional Trade Agreements Game-Changers or Costly Distractions for the World Trading System? pp. 13-21 		Int
25	22/04 13.30- 16.00	Why is TTIP so controversial?	<ul style="list-style-type: none"> ▪ The top 10 myths about TTIP (EU Commission) 		Int
26	27/04 16.15- 17.45	Mega-free trade agreements and rules of origin: the case of textile sector	<ul style="list-style-type: none"> ▪ U.S. Textile Manufacturing and the Trans-Pacific Partnership Negotiations 		Int
27	28/04 10.30- 13.00	International protection of investment: the Investor-State Dispute Settlement (ISDS)	<ul style="list-style-type: none"> ▪ EU Commission, Factsheet on Investor-State Dispute Settlement 	Chapter 5 [Pages from 332 to 337]	Int
28	29/04 13.00- 16.00	The Free circulation of goods in the EU and its impact on business	<ul style="list-style-type: none"> ▪ Cassis de Dijon (Case 120/78) ▪ German Beer Case (Case 178/84) 		Int
29	04/05 16.15- 17.45	The Free circulation of persons and services in the EU	<ul style="list-style-type: none"> ▪ The Gebhard Case (C-55/94) ▪ .The Van Binsbergen Case (C-33/74) 		Int
30	05/05 10.30- 13.00	The IMF, International Monetary Systems and Currency Controls.	<ul style="list-style-type: none"> ▪ Ghana IMF article ▪ Allied Bank v. Banco Cartago 		Int
31	06/05 13.30- 16.00	Corruption and extraterritorial criminal laws. Violations of Human Rights. Sovereign Immunity and Act of State in relation to Takings. Review section.	<ul style="list-style-type: none"> ▪ Filartiga v. Pena-Irala ▪ Argentina v. Weltover ▪ Dunhill v. Republic of Cuba ▪ Banco Nacional de Cuba v. Chase Manhattan Bank 	International Business Transactions - Chapter 6	Int