

SYLLABUS

TOPICS IN THE LEGAL ENVIRONMENT OF BUSINESS Spring 2010

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Text: ***Business Law: Text and Cases*** (11th ed. Clarkson, *et al.*)
(BL)

The book provides the background context for the class. The assigned readings set out the basic knowledge for the topics covered, illustrated by example cases and issues for analysis. Each chapter concludes with “questions and case problems” – about actual cases or hypothetical scenarios related to the topic of the chapter. These are like short exam questions and may be useful to self-test your knowledge of the material.

Course: This course covers the most fundamental legal topics of importance to businesspersons. The law is of relevance to business for two distinct reasons: (1) The law provides the foundation for most business dealings, *e.g.*, the ability to enforce contracts and protect intellectual property are central to business structure and operations, and (2) The law serves as a societal constraint on business activity, *e.g.*, the law prohibits certain types of business behavior such as discrimination and the sale of unsafe products. The course is an integrative application of your entire MBA. It is complementary with Strategic Management in that it focuses on problem identification and analysis, in the context of legal governance of business activity.

Your educational experience, which I trust you will find scintillating, will primarily involve the following: (1) Assigned readings in the book and in this package. These provide the basic background knowledge that you are expected to read and understand and remember; (2) Class lectures that will take smaller but important aspects of the topic and analyze it in greater depth; and (3) Class cases in which study groups will square off against one another with presentations on both sides of a case.

Class Cases: Five times in the semester, we will have group presentations on hypothetical cases, contained in this package. The case will involve a one page factual scenario, followed by a couple of cases that are relevant. The participants for each case should review the facts and the case carefully and prepare a 20-25 minute presentation setting forth the best case for their side. The first named party will make the first presentation. In preparing your presentation, you should anticipate and address the arguments available to the other side as well. You should base your case on the materials in the book, in the lectures if relevant, and in the cases attached to your factual scenario. Those who are not participants in the case clash should read the factual scenario before class and at least skim over the attached cases. When the clash is complete, you will be expected to question (or perhaps taunt) those who presented.

Grading: Your grade will be based upon a midterm and a comprehensive final exam given the last day of class. The midterm will not count for a fixed percentage of your grade but will be a fallback for those who do badly on the final. It will cover contracts and involve multiple choice questions. The final exam will largely determine your grade, save for consideration of the midterm and class participation. It will involve short answer and essays, in which you will be expected to resolve a given legal controversy. The exam will cover not only the materials addressed in class periods but also all the readings assigned for the class.

The only other factor in your grade will be class participation, some of which is expected. I have found that a number of Executive MBA students are quite willing to ask questions. This is fine, but I don't want participation limited to a small subset of the class. I want you all to be thinking of questions and prepared to answer questions. We may discuss contemporaneous legal controversies, and you

should feel free to bring up your own cases of interest. You will also have case presentations to make with your group, and these will be considered in your grade. The significance of this factor is indeterminate – typically it affects the grades of a few students, who are on the margin of a grade break. There is no opportunity for extra credit, regardless of how wealthy or generous you may be.

Schedule of Classes & Assignments

Class 1, January 9, 8:00-12:00 a.m.

Assignment: Chapters 1 & 2 of BL and package readings

General Background – This class provides background on the class itself and the operation of the legal system. We will focus on the significance of the law to business and discuss the importance of law in business and the functioning of court procedures. A couple of exemplary cases will be discussed from the readings. Try to understand the opinions and be prepared to discuss them.

Class 2, January 22, 1:30-5:30 p.m.

Assignment: Chapters 10, 11 & 14 of BL and package readings

Contracts-Formation – This class will cover the requisites of contracts at common law. This discussion includes the requirements of contracts, rules for performance of contracts, excuses for nonperformance, and remedies available to a party in the event that the contract is breached. The lecture will discuss some pitfalls to contracting and the significance of the contractual integration clause. The class concludes with a **Contract Negotiation Exercise**, in which everyone will participate.

Class 3, February 6, 1:00-5:00 p.m.

Assignment: Chapters 17 & 18 of BL and package readings

Contracts-Implementation and Remedies – This class begins with a contract case, **Keystone Land & Development Co. v. Xerox**. This class concludes contracts discussion by addressing how a binding contract must be carried out. It focuses on the nature of performance required, situations under which contract performance may be excused, and the ability to recover remedies for breach of contract.

Class 4, February 20, 8:00-12:00 a.m.

Assignment: package readings

Contracts-Language – This class begins with a contract case, **Jablonski v. Trost**. In addition to understanding the legal requirements of a binding contract, it is important to understand the legal significance of its terms, which have a vocabulary of their own. The lecture will also discuss the significance of representations and warranty clauses in contracts and analyze specific contract language options for contracts in an intellectual property context. The class will conclude with another **Contract Negotiation Exercise**, in which all will participate.

Class 5, March 5, 8:00-12:00 a.m.

Assignment: package readings

Contracts-Interpretation – This class begins with a contract case, **Atlantic Woodland Corporation v. Byzantio, LLC**. Then we will continue an analysis of contract language and the ways in which courts interpret it. The class will conclude with your fascinating midterm examination.

Class 6, March 6, 8:00-12:00 a.m.

Assignment: Chapters 6, 7 & 23 of BL and package readings

Torts and Product Liability – This class addresses the topics of torts and products liability. Torts are the primary source of liability problems for business. After covering essential background, the lecture will discuss several tort issues of particular concern to different businesses and the role of torts in the legal system.

Class 7, March 19, 8:00-12:00 a.m.

Assignment: Chapters 33 & 34 of BL and package readings

Employment Law – This class begins with a tort liability case, **Donna Ana v. Figaro Co.** Next, we discuss employment law, which has become one of the largest sources of business litigation. Much of the employment law litigation confronting companies involves discrimination claims but there are also numerous other causes of action for employee rights. The lecture focuses on Title VII liability for sexual harassment and the broader context of wrongful termination claims.

Class 8, March 20, 1:00-5:00 p.m.

Assignment: Chapter 31 & 32 of BL and package readings

Agency and Corporations – This class begins with an employment law case, **Gernback v. HumRes Co.** We then will move on to address the relative responsibility of the employees within the corporation. This focuses on the intrinsic responsibilities of employees, independent of contractual requirements.

Class 9, April 3, 10:00-12:00 a.m.

Assignment: Chapter 8 of BL and package readings

Intellectual Property – This class addresses the key components of statutory intellectual property protection. This involves a brief background overview of intellectual property protections and somewhat greater focus on the law of patents and copyrights.

Class 10, April 3, 1:00-5:00 p.m.

Assignment: package readings

Trade Secrets and Trademark – This class begins with more detail on the protection of intellectual property and begins with protection of trade secrets and the use of covenants not to compete as a protective device.

The lecture focuses on the use of contracts to help enforce trade secret protections, through covenants not to compete. The class then covers a distinct category of intellectual property protection, that of trademark law. Its purposes are very different from other categories of intellectual property, but it may be financially more important. We will address the requirements for enforcing a trademark, including necessary protective steps.

Class 11, April 16, 9:00-12:00 a.m.

Final Examination