

**FBE 429 International Business Law**

**Spring 2017**

**Instructor**

Instructor: C. Kerry Fields

Office: Hoffman Hall 236

Office phone: 213.740.9307

E-mail: [fields@usc.edu](mailto:fields@usc.edu)

Twitter: [www.twitter.com/USCProf](http://www.twitter.com/USCProf)/

# Lecture Class

Section: 15335R

Time: Tues, Thurs. 2:00 – 3:50 p.m.

Location:HOH 1

Units: 4

# Office Hours

Tues. & Thurs.: 8:00 – 9:00 a.m.

1:00 – 1:50 p.m.

Wed.: 5:15 ­­– 5:45 p.m.

By appointment

Cell phone: 714.334.6850

# Course Description

This course examines the laws relating to international trade and business transactions. Students consider how markets, cultures and legal systems influence international business contracts. The course reviews the sources of international business law, the relationships between such law and the American legal system, the choice of law applications within international business disputes, doing business with foreign governments, the law governing international sales, shipment of goods and international commercial dispute resolution, national import and export regulations, financial transactions, the law of intellectual rights, employment by multinationals and competition laws affecting international trade.

# Learning Objectives

This course is designed to provide a broad framework and understanding of relevant issues students will face as potential business owners, employees, parents, and citizens of society. This course will help you develop the following:

* Global Objective
  + Equip students to recognize and analyze legal issues and manage legal risks in a broad area of study relating to international business transactions.
  + Examinations will primarily test student’s ability to apply legal concepts discussed in class to a factual scenario. In many situations, students will have to distinguish between relevant and irrelevant facts to analyze the legal problem.

Upon successful completion of this course, students will be able to:

* Detailed Objectives
  + Distinguish the different classifications and sources of law and the basic principles and key amendments set forth in the American and foreign law systems as it applies to businesses and individuals.
  + Recognize different types of legal liability including those created by contract under common law, the Convention for the International Sale of Goods (CISG), statute and international conventions.
  + Describe the rules and regulations concerning valid contracts covered by the CISG including the essential elements for creation and enforcement, rights and duties of third parties, methods of discharge and remedies for breach of contract.
  + Identify different kinds of financing instruments used to facilitate international trade.
  + Students will improve their deductive reasoning skills and knowledge of both basic and advanced topics within the subject matter presented. They will critically question the issues presented, identify the competing legal standards and relevant points of view in those business problems that lack clear standards for solution.
  + Recognize the essential elements of employment and marketing law within the international context.
  + Critically analyze legal issues and risks and effectively communicate their analysis in a variety of contexts.

The purpose of this course is to familiarize students with the body of law that governs international business transactions and the legal relationships between entities operating across national borders. This course is structured on the premise that legal knowledge is a personal and strategic asset. Coupled with critical thinking, students will acquire a sound grasp of the relevant concepts, legal vocabulary, and rules of law that apply to international trade and business transactions.

The ultimate objective is to assist students in the development of skills to identify issues, determine the scope and scale of problem areas and develop recommended courses of action. Students will learn essential risk management approaches to handling international business transactions while improving deductive reasoning skills.

While the scope of this course is broad and complex, the course objectives are realized through our study of international legal structures, analysis of model problems and current legal trends and issues. Throughout the course, the challenge of operating ethically in disparate forums is repeatedly addressed. The course provides the long-term benefit of identifying potential legal and ethical issues. Students will enhance their critical thinkers while developing greater appreciation for differing ethical values within our global economy.

This course satisfies one of the requirements for the Minor in Business Law offered by the Marshall School of Business.

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| **Course Learning Objectives (MARSHALL GUIDELINES)** | | |
| **Learning Goals**: In this class, emphasis will be placed on the USC Marshall School of Business learning goals as follows: | | |
| **Goal** | **Description** | **Course Emphasis** |
| **1** | Our graduates will understand types of markets and key business areas and their interaction to effectively manage different types of enterprises. | High |
| **2** | Our graduates will develop a global business perspective. They will understand how local, regional, and international markets, and economic, social and cultural issues impact business decisionsso as to anticipate new opportunities in any marketplace. | High |
| **3** | Our graduates will demonstrate critical thinking skills so as to become future-oriented decision makers, problem solvers and innovators. | High |
| **4** | Our graduates will develop people and leadership skills to promote their effectiveness as business managers and leaders. | Low |
| **5** | Our graduates will demonstrate ethical reasoning skills, understand social, civic, and professional responsibilities and aspire to add value to society. | High |
| **6** | Our graduates will be effective communicatorsto facilitate information flow in organizational, social, and intercultural contexts. | Moderate |

At the conclusion of the course, students have attained a foundational understanding of domestic and international law governing international business transactions. They acquire the legal terminology of the law of international business and learned to integrate issue spotting with application of substantive law. The students will be challenged to be critical thinkers as they learn and apply the material. The facts often dictate the decision a trier of fact will make. Efficiently marshaling the ethical, legal and public policy rationales to decide a course of action is one of the learning outcomes sought in this course.

The topics in this course touch domestic and global organizations in a number of ways. Corporations are challenged in a variety of markets and with conflicting business, moral and legal practices and procedures. They will have learned how to identify what they are, adapt to them and when to seek professional counsel on those which pose significant risk to their organizations.

# As students will quickly learn, merely following the law is often at odds acting ethically. This conflict arises because the law is a compromise of competing interests. It is the lowest, most base point of agreement that divergent policies can reach. As will be often repeated in this course, “the law is what you can do; ethics is what you should do.” Identifying those ethical conflicts and trying to meet the obligations to many stakeholders will be a frequent topic of class discussion.

Students should be open to communicating freely in class, being called upon to clarify another student’s comment, and to otherwise actively participate in our learning this semester. Oral communication skills and critical thinking skills are practices through class discussions and the class presentations.

# Required Materials

*International Business Law and Its Environment* (Ninth Edition)

Authors: Richard Schaffer, Filiberto Agusti & Lucien J. Dhooge

Publisher: Cengage Learning

ISBN-13: 978-1-285-42704-1

ISBN-10: 1-285-42704-1

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+ maintain a Twitter account.

**Office Hours**

# If students have any questions about the material covered in the class they should not hesitate to see me. However, if a student cannot make the regular office hours, send an email to schedule an appointment. Email is the preferred method to contact me to schedule an appointment as it is checked frequently.

# Prerequisites

Other than an interest in learning about the legal and regulatory environment in which business is conducted, there are no prerequisites for this course.

# Course Notes

Copies of lecture slides and other class information are available through your Blackboard account. Prior exams are posted without answers, as students should use them as a learning tool. Since legal analyses are fact-dependent, a minor change in the statement of the facts can result in a different answer in a law course examination. The material on your exam will vary from the one posted on Blackboard, due to changes in the textbook, topics of interest during the semester, differing course coverage and class interests between semesters.

The material presented and the classroom discussions are for the students’ edification. Statements of the instructor are not to be taken as legal advice to students in connection with any legal issue they or others may have. If students have a legal matter, they are advised to promptly consult an experienced attorney who can confidentially and fully review the facts and advise them of their legal rights and remedies. Quite often, the facts dictate the result and only in the context of an attorney-client relationship can they be reviewed and legal opinions rendered.

If you wish to have an insight into the lecture or topics to be discussed during class follow our discussion at USCProf@twitter.com. Topics for class discussion and participation exercises will involve those articles, policy and ethical prompts posted in advance of class. You are responsible for staying current in your reading of the *Wall Street Journal*.

**Grading Summary**

The course grading is based on the following criteria:

Presentation: 10%

Quizzes: 15%

Midterms: 50%

Final: 25%

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| **Assessment** | **Maximum points** |
| 1st Midterm Exam | 150 |
| 2nd Midterm Exam | 150 |
| Team Presentation/IRAC | 60 |
| Quizzes/in class participation (6 out 7). They **cannot** be made up. We will drop the lowest score. | 90 |
| Final Exam | 150 |
| Total Points | **600** |

## Exam Dates

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| --- | --- | --- |
|  | **Date** | **Time** |
| 1st Midterm Exam | February 21, 2017 | During class |
| 2nd Midterm Exam | March 28, 2017 | During class |
| Final Exam | May 4, 2017 | 2:00-4:00 p.m. |

**Course Grading Policy.** The instructor determines what qualifies as an accurate grade on an assignment, exam, or other deliverable, and the instructor’s evaluation of the performance of each individual student is the final basis for assigning grades for the course.[[1]](#endnote-1) Students’ grades for this course depend upon their performance and the grading standards and policies of the Marshall School of Business, and the academic policies and procedures of the University. There is no specific guideline with respect to the number or percentage of any specific grade given or the numbers of persons who pass or fail the course. Thus, discretion is given to each instructor regarding the assignment and distribution of grades. Historically, the class final mean g.p.a. has been 3.3.

As to their ongoing status in the class, students will receive a grade but the more important performance predictor is their class rank. Rank is more important than the interim letter grade because at the end of the semester, all pending letter grades are “curved” to ensure compliance with these policies. (e.g. if there are too many scores at a particular letter and grade point, then the cut-off for a letter grade is raised and the scores below that cutoff require that a reduced letter

grade(s) be assigned to ensure compliance with the Marshall grading policies. That is why rank is a better predictor of a student’s performance). Once these curves are in place, they will not be reset to accommodate individual requests. No relief will be granted on that basis. Grades are not open to negotiation. Petitions for exceptions or understanding of particular needs to attain a higher grade for some reason will not be honored. What is done for one student must be done for all, and the result is that if one student’s grade is adjusted, so will all other students’ grades.

**Preparation for class.** Students are expected to read each week’s reading and case assignments *prior to class*, and *be prepared* to discuss them. In order to make the class periods as engaging as possible, there will be a concentration on the application of the material. Students should always proceed to the next reading assignment whether the previous reading has been fully discussed in class. Projects, exercises and guest speakers can interrupt the delivery of instructional material. Despite these interruptions students are responsible for learning all material assigned even if not directly covered in lecture.

**Exams.** Generally,the material is unique to each exam; however, students may be asked to compare and contrast a substantive law rule with one learned earlier in the course. While every examination will ask students to recognize definitions, the focus of the examinations will be on the application of the legal principle involved. Students are strongly encouraged to form and use a study group in their learning of the material, well in advance of the exam dates. Cooperative learning is important as it will assist students in identifying their areas of weakness in advance.

**Quizzes.** We have seven quizzes during the course. We count six of them and drop your lowest grade. Each quiz is worth 15 points. If you are late (work, traffic, etc.) or miss a quiz, then we shall count the scores for those that you do take. No makeup quiz credit is available.

**Class Presentations**. During the first week of the course, students will select a team which will present a topic during the course. Information is to be focused upon the case, law, regulation or case study at issue. You will present the material in PowerPoint form to the class. Be well prepared and give a strong presentation to earn maximum points. Be prepared to discuss any ethical issues related to your presentation. Your presentation should be analytical and explain your understanding of the assignment. Your presentation cannot be solely derivative or a summary. Think critically and present your understanding to the class. Email your completed presentations to me by 9:00 p.m. of the prior day. Do not download your presentations as I will have links and other presentations materials loaded on the classroom computer. Use a USB flash drive.

Ground rules:

* *Each team will be allowed a maximum of 20 minutes to present.*
* *E-mail your slides to me by 9 p.m. of the day prior to your presentation.*
* *Bring your presentation materials to class on a USB. No e-mail downloads.*
* *Hand me a copy of the presentation when you begin your presentation.*
* *Do not read material.*
* *Do not restate something from the text or your sources. This effort must reflect your independent research.*

Presentations are graded as follows:

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| **Start with 60 Points** | **Deducts** |
| 0-60 for lack of depth in substantive material covered. Must use original legal research beyond the textbook (law firm websites may not be used) |  |
| 0-50 for quality of presentation (e.g. *reading* the material, obviously unprepared, disjointed, incomplete table of authorities). Make it interesting. |  |
| 0-40 for lack of full participation by each team member/ lack of contribution, exceeding time limit, failure to e-mail presentation by 9:00 p.m. of the prior evening |  |
| **Total** |  |

**Makeup exams and grading issues.** Make-up midterms will be given only in *exceptional circumstances* and will require *prior* arrangements. Student-athletes and others with verifiable schedule conflicts with the exam schedule must arrange for an alternate test and testing date *one week* prior to an exam date. No protests of unclear erasures of Scantron answers or failing to complete the key on a Scantron will be honored.

You will leave the exam room with your copy of the exam. The exam answer key will be posted following the exam. If you disagree with a posted answer, you must do the following within 24 hours of the posting of the answer key for each exam:

* **email** me with the following information:
  + the **name of the course**,
  + the **version** number of the test,
  + **the question** involved, and,
  + your **complete** analysis and argument of why your choice is the best of those presented within 1 calendar day of the examination. Your arguments are to be based upon what has been taught in the course. Arguments based upon analyses extracted from web-based sources are not read.

After the protest period has ended, *no* further discussion of the answers will be entertained. The curve will be set for the class one day following the examination.

The course grade book is updated and posted weekly. Students are responsible for verifying that their grades are properly recorded. *The last day to make any correction to the grade book is the last day of class. No grade book corrections will be made thereafter, including after the final exam is taken*.

**Absences**. A student does not need to email me in advance that he or she will miss class on a particular day.

**Add/Drop Process**

In compliance with USC and Marshall’s policies classes are open enrollment (R-clearance) through the first week of class. All classes are closed (switched to D-clearance) at the end of the first week. This policy minimizes the complexity of the registration process for students by standardizing across classes.  You will be dropped from the class if you don’t attend the first two sessions. If you decide to drop, or if you choose not to attend the first two sessions and are dropped, you risk being not being able to add to another section this semester, since they might reach capacity. You can only add a class after the first week of classes if you receive approval from the instructor.

**Academic Integrity and Conduct**

USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one’s own academic work from misuse by others as well as to avoid using another’s work as one’s own (plagiarism). Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences.  All students are expected to understand and abide by the principles discussed in the *SCampus*, the Student Guidebook ([www.usc.edu/scampus](http://www.usc.edu/scampus) or <http://scampus.usc.edu>). A discussion of plagiarism appears in the University Student Conduct Code (section 11.00 and Appendix A).

Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty. The Review process can be found at: <http://www.usc.edu/student-affairs/SJACS/> . Failure to adhere to the academic conduct standards set forth by these guidelines and our programs will not be tolerated by the USC Marshall community and can lead to dismissal.

Any use of external assistance during an examination shall be considered academically dishonest. The following are considered unacceptable examination behaviors: communication with fellow students during an examination, copying materials from another student’s exam, allowing another student to copy from an exam, the use of electronic devices to communicate to others during the exam, possession or use of unauthorized notes, electronic or other dictionaries during exams. Students cannot achieve grades that they have not legitimately earned. Part of Marshall’s mission is to remind students of the value systems that will regulate their business lives, and breaching ethical standards cannot be condoned.

Discrimination, sexual assault, and harassment are not tolerated by the university.  You are encouraged to report any incidents to the *Office of Equity and Diversity* [http://equity.usc.edu](http://equity.usc.edu/)  or to the *Department of Public Safety* via either of these forms: <http://dps.usc.edu/contact/report/> or <http://web-app.usc.edu/web/dps/silentWitness/>. This is important for the safety of the whole USC community.  Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person.  *The Center for Women and Men* <http://engemannshc.usc.edu/cwm/> provides 24/7 confidential support, and the sexual assault resource center webpage [http://sarc.usc.edu](http://sarc.usc.edu/) describes reporting options and other resources.

## Support Systems

Students whose primary language is not English should check with the *American Language Institute* <http://dornsife.usc.edu/ali>, which sponsors courses and workshops specifically for international graduate students.

If an officially  declared emergency makes travel to campus infeasible, *USC Emergency Information* [http://emergency.usc.edu](http://emergency.usc.edu/)will provide safety and other updates, including ways in which instruction will be continued by means of Blackboard, teleconferencing, and other technology.

Students with Disabilities

The Office of Disability Services and Programs https://dsp.usc.edu/ provides certification for students with disabilities and helps arrange the relevant accommodations.

Students requesting test-related accommodations will need to share and discuss their DSP recommended accommodation letter/s with their faculty and/or appropriate departmental contact person at least three weeks before the date the accommodations will be needed. Additional time may be needed for final exams. Reasonable exceptions will be considered during the first three weeks of the semester as well as for temporary injuries and for students recently diagnosed. Please note that a reasonable period of time is still required for DSP to review documentation and to make a determination whether a requested accommodation will be appropriate.

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early in the semester as possible. DSP is located in Grace Ford Salvatori Hall (GFS), 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is 213.740.0776. For more information visit <https://dsp.usc.edu/>; email: [ability@usc.edu](mailto:ability@usc.edu).

If you are taking an examination at the DSP office and believe that a question is unclear, incomplete, ambiguous or otherwise defective, you are advised to attach additional pages to the examination placed at DSP. If you are making such a contention, then, you are required to state clearly the problem you encountered with the question; clearly state why you answered the question in the manner you did. Only with such information in hand at the time I grade your examination will I be able to gauge the appropriateness of giving you credit for your answer to the subject question. If for some reason, you must take the examination after the class has taken the examination, you will take a comparable examination to that given the students in class. You will not receive the same examination as your classmates as all students leave an exam with a copy of the exam questions.

**Other Course Policies**

**Electronic usage policy**. All electronic devices (including but not limited to iPads, computers, cell phones, netbooks, laptops and other texting devices) must be completely turned off during examinations. Upon request, you must comply and put your device on your desk in off mode, face down or in your backpack.

**No recording and copyright notice**. *No student may record any lecture, class discussion or meeting with me without my prior express written permission*. The word “record” or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding. I reserve all rights, including copyright, to my lectures, course syllabi and related materials, including summaries, Power Points, prior exams, answer keys, and all supplementary course materials available to the students enrolled in my class whether posted on Blackboard or otherwise. They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites. *Exceptions are made for students who have made prior arrangements with DSP and me*. Use of any recorded or distributed material is reserved exclusively for the USC students registered in this class.

**Incomplete grades**. For information on addressing an IN grade in this course, see [www.usc.edu/dept/ARR/grades/index.html](http://www.usc.edu/dept/ARR/grades/index.html).

**Amendments to the course syllabus**. For those who hold the mistaken belief that a syllabus is a legal contract then, consider this syllabus as a contract subject to a condition subsequent. The condition subsequent is that in my discretion I may adjust course requirements as necessary to meet the learning and instructional objectives of this particular class, the Marshall School of Business and the University of Southern California.

##### **Course Schedule**

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| **Date** | **Material Covered** | **Miscellany** |
| January 10 | **Introduction** | Course introduction Syllabus and ground rules Teams formed |
| January 12 | **Introduction to International Business Law**  Chapter 1 |  |
| January 17 | **Introduction to International Business Law**  **Ethics** | Video |
| January 19 | **International Law and the World’s Legal System** Chapter 2 | Video |
| January 24 | **Resolving International Commercial Disputes** Chapter 3 | Team 1: Company Report |
| January 26 | **Resolving International Commercial Disputes** Chapter 3 Continued | Team 2:Company Report |
| January 31 | **The Formation and Performance of Contracts for the Sale of Goods** Chapter 4 | Team 3: Country report: Brazil |
| February 2 | **The Formation and Performance of Contracts for the Sale of Goods** Chapter 4 continued | Team 4: Country report: Spain |
| February 7 | **The Documentary Sale and Terms of Trade** Chapter 5 | Team 5: Foreign Corrupt Practices Act and UK Anti-bribery laws |
| February 9 | **The Documentary Sale and Terms of Trade** Chapter 5 continued | Team 6: Country report: Russia |
| February 14 | **Legal Issues in International Transportation** Chapter 6 | Team 7: Company Report |
| February 16 | **Legal Issues in International Transportation** Chapter 6 continued | Team 8: Company Report |
| February 21 | **Midterm #1** | No Team Presentation |
| February 23 | **Bank Collections, Trade Finance and Letters of Credit** Chapter 7 | Team 9: Country report: Mexico |
| February 28 | **Bank Collections, Trade Finance and Letters of Credit** Chapter 7 continued | Team 10: Country report: Australia |
| March 2 | **National Lawmaking Powers and the Regulation of U.S. Trade** Chapter 8 | No Team Presentation |
| March 7 | **The World Trade Organization** Chapter 9 | Team 11: Country report: France |
| March 9 | **Regulating Import Competition and Unfair Trade**  Chapter 11 | Team 12: Country report: Canada |
| March 14 | **Spring Break** | j0440446[1] |
| March 16 | **Spring Break** |  |
| March 21 | **Imports, Customs and Tariff Law**  Chapter 12  (partial) | Team 13 :  Country Report: India |
| March 23 | **North American Free Trade Law** Chapter 14 | Team 14:  Country Report: Great Britain |
| March 28 | **Midterm #2** | No Team Presentation |
| March 30 | **The European Union**  Chapter 15 | Team 15:  Country Report: Italy |
| April 4 | **Marketing: Representatives, Advertising, and Anti-Corruption** Chapter 16 and supplemental materials (Chow) | Team 16:  Company Report |
| April 6 | **Marketing: Representatives, Advertising, and Anti-Corruption** Chapter 16 Continued | Team 17:  Country report: Germany |
| April 11 | **Protection and Licensing of Intellectual Property** Chapter 17 | Video |
| April 13 | **Protection and Licensing of Intellectual Property** Chapter 17 continued | Team 18: Country report: Japan |
| April 18 | **The Legal Environment of Foreign Direct Investment** Chapter 18 | Video |
|  |
| April 20 | **Labor and Employment Discrimination Law** Chapter 19 | Team 19: Company Report |
| April 25 | **Regulating the Competitive Environment**  Chapter 21 | Team 20:  Company Report |
| April 27 | **Regulating the Competitive Environment**  Chapter 21 |  |
| May 4 | **Final Examination** | **2:00-4:00 p.m.**  Location: Our Classroom |

**END**

1. Content provided by Marshall to instructors. [↑](#endnote-ref-1)