

Research Seminar: International Business Negotiations
Professor Jay Finkelstein
Spring 2012 Semester

This course is structured around a simulated negotiation exercise in which the students in this class will represent a US pharmaceutical company (KJH Pharmaceutical Corporation) and the students in a similar class at the University of Dundee in Scotland represent an African agricultural production company (Malundian Cassava Corporation). The two companies are interested in working together to exploit a new technology developed by KJH Pharmaceutical that uses the cassava produced by Malundian Cassava Corporation. The form of their collaboration could be a joint venture, a licensing agreement or a long term supply contract. The negotiations will take place through written exchanges and through real-time negotiation via both videoconference and teleconference.

The purpose of the course is to provide students with an opportunity to gain insight into the dynamics of negotiating and structuring international business transactions, to learn about the role that lawyers and law play in these negotiations, and to give students experience in drafting communications and actual negotiations. Students will also learn about the legal and business issues that may arise in joint ventures and licensing agreements.

The thrust of this course is class participation and active involvement in the negotiations process. Students are expected to spend time outside of class, often working in teams of two or more, to prepare for class discussions involving the written exchanges as well as preparing for the live negotiations. Class discussions will focus on the strategy for, and progress of, the negotiations, as well as the substantive legal, business and policy matters that impact on the negotiations.

NOTE: This class has five Saturday morning sessions as well as the Monday afternoon sessions. The Saturday sessions are devoted to the live negotiations with Dundee and will generally be held at the DC offices of DLA Piper (near Gallery Place Metro) so that we can utilize state-of-the-art video conferencing facilities. Due to the Saturday sessions, the Monday sessions will end earlier in the semester. Also, it is expected that students taking this course will already have some knowledge, either from their practical experience or from taking relevant courses, of the substantive legal issues that may arise in this exercise.

COURSE MATERIALS:

Due to the nature of this seminar, there is not a substantial amount of reading materials, other than the materials for the first class, which should be read prior to the first class. These reading materials, as well as additional background readings to help you during the course of this exercise, are available from Room 473-A. There are no textbooks.



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COURSE REQUIREMENTS:

In order to successfully complete this seminar, students must meet the following requirements:

- 1) Active participation in (i) class discussions regarding the preparation of the written exchanges in the negotiation, (ii) the live negotiations, and (iii) class analysis of the process and progress of the negotiations. Participation in the exercise will constitute 40% of the final grade.
- 2) Throughout the class and the negotiations, each student must keep a diary of the student's impressions of the process, strategy and progress of the negotiations. There should be one diary entry to each class session devoted to the negotiation (beginning with Class 3) and one for each live negotiation session. Each entry should be approximately one page. The diary should contain the student's critical assessment of (i) the class' communications to Dundee, (ii) the process of drafting each communication, (iii) the responses received from Dundee, and (iv) the live negotiations with Dundee. The diary will be handed in on the last class date and will constitute 30% of the final grade.
- 3) Serve as a Lead Advisor (generally in a team of two or more) in one or more classes during the simulation exercise. The functions of the Lead Advisor include: Preparing an initial draft communication for the class to consider as it develops KJH's next communication in the negotiations with MCC, chairing class discussions and preparing the final communication to MCC, and submitting the communication to MCC in a timely manner. (MCC meets on Wednesdays (and is six hours ahead of us) so that the KJH communication must be submitted by 10:00 am on Tuesday mornings.)
- 4) Write a 10-12 page retrospective paper after the conclusion of the exercise. More detailed instructions will be provided in class. This paper will constitute 30% of the final grade.

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WEATHER ADVISORY: Due to the coordination with the class in Dundee, Scotland, **THIS CLASS DOES NOT CANCEL EVEN IF WCL IS CLOSED – IN THE EVENT OF A WEATHER CLOSING, THIS CLASS WILL BE HELD VIA CONFERENCE CALL DIAL-IN.** IF THAT IS NECESSARY, CONFERENCE CALL INFORMATION WILL BE PROVIDED VIA EMAIL.



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CLASS SCHEDULE
(All Saturday Dates Subject to Confirmation)

Class 1	Monday, January 9	Introduction to Class and General Discussion of "Negotiation Cycle" Readings: 1. D. Bradlow, J. Finkelstein, "International Business Negotiations" <u>A Practical Skills Approach through an Extended Simulation Module Utilizing Collaborative Teaching Methodology</u> , Chapters 1, 2, 4. <u>THIS ONE IS REALLY IMPORTANT!</u> 2. D. Bradlow, "The Role of the Lawyer in the International Debt Operations of Developing Countries" from <u>Selected Essays on Development Finance and Role of the Lawyer in International Debt Operations</u> . UNITAR Document No. 6 (1999) 3. L. Buchheit, "The Lawyer in Negotiation", from L. Buchheit, <u>How to Negotiate Eurocurrency Loan Agreements</u> (1995)
*****	Monday, January 16	Martin Luther King Day – NO CLASS
Class 2	Monday, January 23	Introduction to Simulation Exercise and Preparing for First Communication Readings: 1. Simulation Exercise and Negotiating Instructions (distributed at first class) THIS IS REALLY IMPORTANT, AS IT IS THE FOCUS OF THIS COURSE 2. Freund, Ten Negotiating Tips For M&A Deals 3. Goodman, Peter. "Demand for a Chinese Fruit Skyrockets." <u>Washington Post</u> . 18 Nov. 2005: D1
Class 3 TEAM 1	Monday, January 30	First Written Communication to MCC and preparation for initial Video-Conference
Class 4 TEAM 2	Saturday , February 4 - DLA Piper Office – DC 500 8th St. NW	FIRST VIDEO-CONFERENCE NEGOTIATING SESSION (8:30 am - 11:30 am)
Class 5 TEAM 3	Monday, February 6	Second Written Communication to MCC
Class 6 TEAM 4	Saturday , Feb. 11 DLA Piper Office - DC	Video Conference Negotiating Session (8:30 a.m. – 11:30 a.m.)
Class 7 TEAM 2	Monday, February 13	Third Written Communication to MCC
Class 8 TEAM 1	Saturday , February 18 DLA Piper Office - DC	Tele-Conference Negotiating Session (8:30 a.m. – 11:30 a.m.)
Class 9 TEAM 4	Monday, February 20	Fourth Written Communication to MCC
Class 10 TEAM 3	Saturday , February 25 DLA Piper Office - DC	Video Conference Negotiating Session (8:30 a.m. – 11:30 a.m.)
Class 11 TEAM 1	Monday, Feb. 27	Fifth Written Communication to MCC
TEAM 4	Saturday March 3 DLA Piper Office - DC	<u>ADDITIONAL VIDEO CONFERENCE</u>
Class 12 TEAM 2	Monday, March 5	Sixth Written Communication to MCC
*****	March 10-18	Spring Break – NO CLASS
Class 13 TEAM 3	Monday, March 19	Seventh Written Communication to MCC
Class 14	Saturday , March 24	Final Video-Conference Negotiating Session



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<u>TEAM 1</u>	DLA Piper Office - DC	(8:30 a.m. to 12:30 p.m)
Class 15	Monday, March 26*	Evaluation of Simulation Exercise
Class 16	Monday, April 2*	Evaluation of Simulation Exercise (continued); Special Presentation of Structure of Transaction Documents; Diaries to be submitted at end of this class (hard copy or email)
	Monday, April 9*	Final Class Paper Due (to be submitted to Professor via email)



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