

LAW & ECONOMICS

Professor J. Shahar Dillbary Course Information and Syllabus, Fall 2011

Class Sessions: Monday & Thursday 9:45 – 10:35am in room TBA
Office Hours: Tuesday & Thursday 3:00 – 4:00 p.m. or by appointment; Office 332
Email: sdillbary@law.ua.edu
Assistant: Ms. Wendy Graham, office #343; Email: wgraham@law.ua.edu

A. COURSE INFORMATION

I. Course Materials

J. Shahar Dillbary, Law and Economics: Cases & Materials (“L&EM”). I will circulate packets during the semester. Suggested but *NOT* required materials are R. Posner, Economic Analysis of The Law (7th Ed., 2006) (“Posner 2006”), R. Posner, Economic Analysis of The Law (8th Ed., 2010) (“Posner 2010”), Cooter & Ulen, Law and Economics (4th Ed., 2003) (“Cooter&Ulen 2003”), Cooter & Ulen, Law and Economics (5th Ed., 2007) (“Cooter&Ulen 2007”), Robert G. Bone, The Economic of Civil Procedure (2003) (“Bone”) and Eric Posner, Chicago Lectures in Law and Economics (2000).

For those who are interested in the subject you may want to check: Charles Wheelan’s (who is a public policy professor at the University of Chicago) best seller, *Naked Economics* (2002). The book offers a nice and simple introduction to economic concepts. Two other top selling books that follow the same lines but with different emphasis are Steven Levitt & Stephen J. Dubner, *Freakonomics* (2005) and more recently: Tim Harford, *The logic of Life* (2008). These last two books received great commercial success and attracted much criticism for what some consider outrageous and unconventional positions.

During the term, I will use TWEN [The Westlaw Educational Network] to post slides, handouts and supplemental materials. *Make a habit of logging onto the TWEN site before each class session.* To access the site, go to lawschool.westlaw.com. See Mr. David Lowe, the Computer Services Librarian for help as needed.

II. Course Objectives

This course introduces the concepts of law and economics. It explores the extent to which the principles of economics can be used to explain and analyze legal rules and offers, when appropriate, alternatives. The topics covered in this course include the Coase Theorem, civil procedure, property law, tort law, incompatible uses and the choice between property and liability rules. While discussing torts, special attention will be given to alternative liability rules (e.g., strict liability, no liability and negligence) and the efficiency of certain defenses

(comparative versus contributory negligence). Concepts from game theory will be introduced throughout the course. Time permitting, we will also discuss the economics of fairness, trade and cross border transactions, mergers and acquisitions, the economics of intellectual property, strategic behavior and antitrust issues (such as predatory pricing, price discrimination, tying and bundling). *No background is required.* No prior acquaintance with economics or calculus is assumed; the relevant economic and legal concepts will be developed in class through an examination of particular legal regimes.

III. Class Requirements

- A. General: The course is aimed at the general audience of students. *No background in economics or math is needed to take it.* Class attendance and punctuality are required. Keep up with the readings and come to class each day prepared to participate. Class participation is encouraged. If you are not prepared for a class, you should notify me at least 15 minutes *before* the start of that class, by email or by stopping by my office. Participation and class preparation may be a factor in your grade, potentially raising or lowering your grade (e.g., from a B to a B+ or from a B to a B-). Any raised grades will be based on extraordinary contributions to classroom discussions, accounting for both quantity and quality. Except as previously noted, your grade for the course will be based on the final examination.
- B. Assignments: You will often receive a class assignment. The assignments are for you. The purpose of the assignments is to provide you with more examples and an additional opportunity to practice the materials covered in class. The assignments will be reviewed but will not be graded. However, failure to submit assignments on time or to make a good faith effort may impact your grade. The assignments are also an integral part of your reading materials and will be often discussed in class. *Failure to submit your assignment on time is tantamount to an absence from class.*
- C. No Paper Assignment: There is *NO* paper assignment.

IV. Special Accommodations

The Law School provides appropriate accommodations to students with physical, learning and other disabilities. Students with disabilities are encouraged to contact Jenelle Marsh, Senior Assistant Dean for Students/Academic Services, at (205) 348-5750 or jmarsh@law.ua.edu, so that your needs can be evaluated in a timely manner.

V. Attendance

You are expected to attend every class. If you miss more than 3 classes during the course of the semester, please speak to me about it. I take attendance by passing out an attendance sheet at the beginning of each class. If you arrive late do not sign the attendance sheet. Similarly, if

you unexpectedly leave before the end of the class make sure to delete your name from the attendance sheet in the first possible opportunity. If you are late more than 5 minutes or plan to leave early you cannot enter the class. Hats are not allowed in class. Please observe the law school's rules regarding eating and drinking in the classroom.

IV. Outlines & Exam

The final exam will require knowledge and understanding of the doctrinal and theoretical issues that will be covered in class and assigned in your readings. It will most likely consist of one or more essay questions. Exams will be taken on a computer using the law school's software ("ExamSoft"). If you have any questions regarding the software please contact Mr. Davis at the IT Department in a timely manner.

The exam is limited open-book. During the exam, you may consult your packets (the L&EM); hard copies of materials I provided in class or posted on TWEN; and any class notes, case briefs, or outline that you prepared yourself. In preparing your outline you may also consult with books and commercial study aids (although I strongly discourage you from using commercial study aids) and you may incorporate these outside sources into your outline by typing relevant information (no photocopying). All other sources are strictly prohibited. You may also work with your classmates in groups to discuss your outlines in order to enhance your understanding of the materials. However, you may NOT use, copy or incorporate any part of another person's outline into your outline. The use of unauthorized material during the examination is an honor code violation and may result in serious sanctions. If you have *any* question you should always feel free to ask them in class or speak with me.

IV. Use of Computers, Electronic Devices & Internet Postings of Outlines

In accordance with the University of Alabama School of Law Policy, you may use a laptop for note-taking only. The use of a computer or any other devices to record a class or any part thereof is strictly prohibited. You may not directly or indirectly post on the Internet, copy or circulate (a) materials distributed in class or any compilation thereof; and (b) any summaries of class sessions, notes and/or outlines. Cell phones and other noise-making apparatuses should be turned off. *Violation of this section may result in severe sanctions.*