

Haverford College - Department of Economics
ECON480 - INDEPENDENT STUDY: ADVANCED TOPICS IN LAW & ECONOMICS
Spring Term 2020

SYLLABUS

Course Description

This seminar is structured as a reading group that works through the seminal papers in the field of theoretical Law and Economics. (The reading list was generously provided to me by Andrew Daugherty and Jennifer Reinganum, who use it when teaching their graduate level Law and Economics course at Vanderbilt University.)

Students will give a 90 minute presentation each week of their assigned paper. Presentations should be structured to lead seminar participants through the main results of the paper, providing intuition at each step, and working through proofs where appropriate. All students shall read all of the papers, even if they are not presenting. When reading the papers, students should focus not just on the results, but the authors' modelling choices — both in the sense of what was included and what was left out, and why. Model building is an artform — unless the right pieces are put together in the right way, the model invariably becomes intractable. An important learning goal of this course is for students to develop intuitions for what sorts of modelling choices work cohesively.

Weekly Schedule

1. Property

- **Wed 1/22:** Innes, Robert, "Coming to the Nuisance: Revisiting Spur in a Model of Location Choice," *The Journal of Law, Economics, and Organization*, 25 (October, 2009), pp. 286-310.
- **Mon 1/27:** Anton, James J. and Yao, Dennis A., "Expropriation and Inventions: Appropriable Rents in the Absence of Property Rights," *The American Economic Review*, 84 (March, 1994), pp. 190-209.
- **Wed 1/29:** Anton, James J. and Yao, Dennis A., "Finding 'Lost' Profits: An Equilibrium Analysis of Patent Infringement Damages," *The Journal of Law, Economics, and Organization*, 23 (April, 2007), pp. 186-207.
- **Mon 2/3:** Hermalin, Benjamin E., "An Economic Analysis of Takings," *The Journal of Law, Economics, and Organization*, 11 (April, 1995), pp. 64-86.

2. Torts & Crime

- **Wed 2/5:** Daugherty, Andrew F. and Reinganum, Jennifer F., "Cumulative Harm and Resilient Liability Rules for Product Markets," *Journal of Law, Economics, and Organization*, 30 (2014), pp. 371-4

- **Mon 2/10:** Hay, Bruce and Spier, Kathryn E., “Manufacturer Liability for Harms Caused by Consumers to Others,” *The American Economic Review*, 95 (December, 2005), pp. 1700-1711.
- **Wed 2/12:** Spier, Kathryn E., “Product Safety, Buybacks, and the Post-Sale Duty to Warn,” *The Journal of Law, Economics, and Organization*, 27 (October, 2011), pp. 515-539
- **Mon 2/17:** Ganuza, Juan José, Gomez, Fernando, and Marta Robles, “Product Liability versus Reputation,” *Journal of Law, Economics, and Organization*, 32 (2016), pp. 213-241.
- **Wed 2/19:** Ferrer, Rosa, “Breaking the Law When Others Do: A Model of Law Enforcement with Neighborhood Externalities,” *European Economic Review*, 54 (2010), pp 163-180.
- **Mon 2/24:** Lando, Henrik and Steven Shavell, “The Advantage of Focusing Law Enforcement Effort,” *International Review of Law and Economics*, 24 (2004), pp. 209-218.
- **Wed 2/26:** Aubert, Cecile, Rey, Patrick, and Kovacic, William E., “The Impact of Leniency and Whistle-Blowing programs on Cartels,” *International Journal of Industrial Organization*, 24 (2006), pp. 1241-1266.
- **Mon 3/2:** Daughety, Andrew F. and Reinganum, Jennifer F., “Informal Sanctions on Prosecutors and Defendants and the Disposition of Criminal Cases,” *Journal of Law, Economics, and Organization*, 732 (2016), pp. 359-394.

3. Contracts

- **Wed 3/4:** Rogerson, William P., “Efficient Reliance and Damage Measures for Breach of Contract,” *The RAND Journal of Economics*, 15 (Spring, 1984), pp. 39-53.
- **Mon 3/16:** Spier, Kathryn E. and Whinston, Michael D., “On the Efficiency of Privately Stipulated Damages for Breach of Contract: Entry Barriers, Reliance, and Renegotiation,” *The RAND Journal of Economics*, 26 (Summer, 1995), pp. 180-202.
- **Wed 3/18:** Dana, James D., Jr. and Spier, Kathryn E., “Expertise and Contingent Fees: The Role of Asymmetric Information in Attorney Compensation,” *The Journal of Law, Economics, and Organization*, 9 (October, 1993), pp. 349-367.

4. Procedure

- **Mon 3/23:** Daughety, Andrew F. and Reinganum, Jennifer F., “Search, Bargaining, and Signaling in the Market for Legal Services,” *The RAND Journal of Economics*, 44 (2013), pp. 82-103.
- **Wed 3/25:** Bebchuk, Lucian Ayre, “Litigation and Settlement under Imperfect Information,” *The RAND Journal of Economics*, 15 (Autumn, 1984), pp. 404-415.
- **Mon 3/30:** Spier, Kathryn E., “Settlement Bargaining and the Design of Damage Awards,” *Journal of Law, Economics, and Organization*, 10 (April, 1994), pp. 84-95.

- **Wed 4/1:** Reinganum, Jennifer F., and Wilde, Louis L., “Settlement, Litigation, and the Allocation of Litigation Costs,” *The RAND Journal of Economics*, 17 (Winter, 1986), pp. 557-566.
- **Mon 4/6:** Daughety, Andrew F. and Reinganum, Jennifer F., “The Effect of Third-Party Funding of Plaintiffs on Settlement,” *American Economic Review*, 104 (2014), pp. 2552-2566.
- **Wed 4/8:** Spier, Kathryn E., “ The Use of ‘Most-Favored-Nation’ Clauses in Settlement of Litigation,” *The RAND Journal of Economics*, 34 (Spring, 2003), pp. 78-95.
- **Mon 4/13:** Hua, Xingyu, and Spier, Kathryn E., “Settling Lawsuits with Pirates”, Working Paper, (2019).

5. Courts

- **Wed 4/15:** Daughety, Andrew F. and Reinganum, Jennifer F., “Appealing Judgments,” *The RAND Journal of Economics*, 31 (Autumn, 2000), pp. 502-525.
- **Mon 4/20:** Daughety, Andrew F. and Reinganum, Jennifer F., “Evidence Suppression by Prosecutors: Violations of the Brady Rule,” *The Journal of Law, Economics, & Organization*, 34 (2018), pp. 475-510.
- **Wed 4/22:** Baker, Scott and Mezzetti, Claudio, “A Theory of Rational Jurisprudence,” *Journal of Political Economy*, 120 (June, 2012), pp. 513-551.
- **Mon 4/27:** Parameswaran, Giri, “Endogenous Cases and the Evolution of the Common Law,” *The RAND Journal of Economics*, 49 (2018), pp. 791-818.
- **Wed 4/29:** Parameswaran, Giri, Cameron, Charles M. and Kornhauser, Lewis A, “Bargaining and Strategic Voting on Appellate Courts”, Working Paper, (2019).