Syllabus for Doing Business in China

Professors D. Daniel Sokol & Wentong Zheng

December 13, 2017 Version

Spring 2017 Class

3 Credits

Law 6930 Section 155E  
Tuesdays 10:00 AM - 12:00 PM   
Room 285D

**Contact Information**

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**Office Hours**: Monday 3-5 or by appointment.

**Course Website:** TWEN

**PREREQUISITE KNOWLEDGE AND SKILLS**: Basic understanding of corporate issues and ability to read through business related documents.

**PURPOSE OF COURSE**: The purpose of the course is to introduce students to the complexities of doing business in China from the standpoint of US companies looking to enter or expand their Chinese presence. This class will involve classroom study in the United States and a week of immersive study during spring break in China. The course explores a number of practical issues in both inbound and outbound business between the United States and China. It is taught through some lecture and some document intensive review with professors and practitioners. The course explores a wide variety of subjects, including: cross border licensing, M&A, contracting, negotiating, antitrust, and innovation policy.

**COURSE COMMUNICATIONS**: Students should email any questions that they have to my email address. Assignments are to be uploaded to TWEN.

**REQUIRED TEXTS**: Harvard Business School case studies are available for purchase. A course pack (at a 5-0% discount from list price) will be prepared for the course. We will provide a link to the course pack. All other readings will be available on TWEN or on the web.

**ADDITIONAL RESOURCES:** None

**COURSE DESCRIPTION:** This class is intended to provide students with core competencies with helping navigate the complexities of trans-border business with China. Class sessions will be in both Gainesville and China (during spring break). We will cover a series of issues such as: deal structuring of mergers and acquisitions, joint ventures and other strategic alliances, antitrust, capital markets legal requirements, anti-corruption, and regulation of online platforms in transactional and litigation settings.

**Course Goals and/or Objectives:** *By the end of this course, students will:*

* Identify major legal issues in doing business in China
* Understand how law and regulation shape business opportunities
* Analyze cases and case studies to develop core competencies in business counseling for law firm clients
* Learn how to draft a white paper for an in-house legal audience
* Undertake legal research based on publicly available materials for publicly traded companies
* Identify various legal risks for doing business in China
* Effectively problem solve the intersection of law, business and technology in China
* Develop core competencies in reading legal documents filed under US securities law
* Analyze business strategies for multinational companies

**How This Course Relates to the Student Learning Outcomes in the College of Law:**This course builds upon core competencies in the business law curriculum and extends core knowledge to a transborder perspective.

**Teaching Philosophy:** This class combines problem solving of application of legal rules and principles to business deals and regulation. Participation in class creates synergies between readings and lecture.

**Instructional Methods:** The class will be conducted via traditional class lecture in which we will review case studies. The portion of class that will occur in China will be based on a series of interactive presentations with in house lawyers, government officials and businesspeople. Students will be expected to ask questions during these presentations.

**Course Policies:** *Attendance is mandatory for each class. Make ups for excused absences are to be arranged as part of a work plan between the student and Professor Sokol.*

**Attendance Policy:** Attendance is mandatory for each class. Because of the compressed nature of the course, an unexcused absence from more than one class session may result in a no pass grade.

**Quiz/Exam Policy:** There will be no quizzes or exams in this course. Grading will be based on a series of written assignments (see Grading Policy).

**Make-up Policy:** In case of illness or other excused reason, assignments may be made up based on a work plan set up between the student and Professor Sokol***.***

**Assignment Policy:** All reading questions are due by 10:00 am each Tuesday. The final assignment is due the last day of the exam period.

**Course Technology:** We will use TWEN for the class, which can be accessed through Westlaw.

Workload/ABA Standard 310: Students should expect to spend, on average, approximately two hours preparing for every hour of class.

**UF Policies:**

University Policy on Accommodating Students with Disabilities: Students requesting accommodation for disabilities must first register with the Dean of Students Office (<http://www.dso.ufl.edu/drc/>). The Dean of Students Office will provide documentation to the student who must then provide this documentation to the instructor when requesting accommodation. You must submit this documentation prior to submitting assignments or taking the quizzes or exams. Accommodations are not retroactive, therefore, students should contact the office as soon as possible in the term for which they are seeking accommodations.

University Policy on Academic Misconduct: Academic honesty and integrity are fundamental values of the University community. Students should be sure that they understand the UF Student Honor Code at <http://www.dso.ufl.edu/students.php>.

\*\*Netiquette: Communication Courtesy: All members of the class are expected to follow rules of common courtesy in all email messages, threaded discussions and chats. [Describe what is expected and what will occur as a result of improper behavior] <http://teach.ufl.edu/docs/NetiquetteGuideforOnlineCourses.pdf>

Getting Help:

For issues with technical difficulties for E-learning in Sakai, please contact the UF Help Desk at:

* [Learning-support@ufl.edu](mailto:Learning-support@ufl.edu)
* (352) 392-HELP - select option 2
* <https://lss.at.ufl.edu/help.shtml>

\*\* Any requests for make-ups due to technical issues MUST be accompanied by the ticket number received from LSS when the problem was reported to them. The ticket number will document the time and date of the problem. You MUST e-mail your instructor within 24 hours of the technical difficulty if you wish to request a make-up.

Other resources are available at <http://www.distance.ufl.edu/getting-help> for:

* Counseling and Wellness resources
* Disability resources
* Resources for handling student concerns and complaints
* Library Help Desk support

Should you have any complaints with your experience in this course please visit <http://www.distance.ufl.edu/student-complaints> to submit a complaint.

**Grading Policies:**

The class will be for credit/no credit. You will have a series of individual assessments and group assignment.

* Starting in the first week, you will be given prompts for discussion responses for each of the in-class readings. You are to provide a one page response to these prompts prior to class.
* You will be asked to offer a legal analysis of a publicly traded Fortune 500 company and offer a legal and regulatory analysis of issues that would impact further expansion into China (the business unit is telling you that they want 100% revenue increase within 5 years) based on the company’s SEC filings and other publicly available information. This will be due at the end of the semester, be 15 pages long and will incorporate themes and issues that you have learned in the class.
* Within a pre-assigned group setting, you will be responsible to summarize and analyze the readings and topics prior to our trip to China of one module of the meetings. You are essentially “on call” for that set of presentations.
* Participation will be 10 percent of the grade.

We note that this class is going to be rigorous and includes an intense week long immersion in a foreign jurisdiction with a 12 hour time difference. You serve as ambassadors of the Levin College of Law to significant companies and government officials. Student effort and quality of work product must be of the highest caliber as we will share your work product with law firm partners and senior in-house practitioners. Students whose work falls below the level of excellence required will not receive a passing grade.

**Disability Syllabus Statement:**

The University of Florida is committed to providing equal educational access to students with disabilities. As you are developing and/or updating your syllabi for the spring semester, please take a moment to review the university’s “[Policy on Course Syllabi](http://www.aa.ufl.edu/Data/Sites/18/media/policies/syllabus-policy-current.pdf)” which specifies the inclusion of the following recommended statement related to accommodations for students with disabilities:

“Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, [www.dso.ufl.edu/drc/](http://www.dso.ufl.edu/drc/)) by providing appropriate documentation. Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodations. Students with disabilities should follow this procedure as early as possible in the semester.”

A disability syllabus statement serves to open the lines of communication between an instructor and a student by making the student feel included when approaching an instructor regarding accommodation needs and/or disability-related concerns.

Additional resources for faculty can be found on the Disability Resource Center’s Instructor Resources webpage (<https://www.dso.ufl.edu/drc/faculty/resources-for-instructors>). Please contact the Disability Resource Center at 352-392-8565 or via e-mail at [accessuf@dso.ufl.edu](mailto:accessuf@dso.ufl.edu)if you have any questions.

**Course Outline and Readings:**

1. Overview of the Chinese Market and Its Political and Economic Systems
   1. CASE [China: The New Normal](https://cb.hbsp.harvard.edu/cbmp/product/716080-PDF-ENG) Richard H.K. Vietor; Haviland Sheldahl-Thomason 716080
2. Legal Overview of Entering the Chinese Market
   1. Materials from law firm
3. Structuring Foreign Investment
   1. CASE [eBay's Strategy in China: Alliance or Acquisition](https://cb.hbsp.harvard.edu/cbmp/product/HKU701-PDF-ENG) Lu Jiangyong; Zhigang Tao; Isabella ChanHKU701
4. Negotiating With Chinese Companies (Business Culture and Etiquette)
   1. [How to Steer Clear of Pitfalls in Cross-Cultural Negotiation](https://cb.hbsp.harvard.edu/cbmp/product/C0303B-PDF-ENG) Andrew Rosenbaum C0303B
   2. CASE [Negotiation in China: How Universal?](https://cb.hbsp.harvard.edu/cbmp/product/HKU956-PDF-ENG) Tao Zhigang; Shangjin Wei; Penelope ChanHKU956
5. Contracting With Chinese Companies
   1. [Negotiating with Chinese Business Partners: What Are You Going to Give Us?](https://cb.hbsp.harvard.edu/cbmp/product/W16666-PDF-ENG) Stephen Grainger W16666
6. Barriers to entry
   1. CASE To Enter or Not Enter: Competitive Environment of Supermarkets in Hong Kong Yok-Fei Fong and Mary Ho
7. Anti-bribery
   1. CASE [JPMorgan: Hiring Chinese Princelings Becomes a Royal Pain](https://cb.hbsp.harvard.edu/cbmp/product/HK1053-PDF-ENG) Zhigang Tao; Yihong Yao; W.H. LoHK1053
8. Antitrust
   1. CASE [Coca-Cola and Huiyuan (A): Antitrust Barriers to Buying Top Chinese Brands](https://hbr.org/product/coca-cola-and-huiyuan-a-antitrust-barriers-to-buying-top-chinese-brands/HKU946-PDF-ENG) Ping Lin, Wen Zhou, Penelope Chan
   2. Sokol, D. Daniel and Zheng, Wentong, FRAND (And Industrial Policy) in China. Cambridge Handbook of Technical Standardization Law, Vol. 1: Antitrust and Patents (Jorge L. Contreras, ed., 2017 (New York: Cambridge Univ. Press)) Forthcoming; available at SSRN: <https://ssrn.com/abstract=2776235>
9. Technology Transfer and IP Licensing
   1. CASE [GE China Technology Center: Evolving Role in Global Innovation](https://cb.hbsp.harvard.edu/cbmp/product/W15468-PDF-ENG)Haiyang Li; Rebecca Y. Chung W15468
10. Innovation policy
    1. CASE [China's Venture Capital and Tech Startup Landscape](https://cb.hbsp.harvard.edu/cbmp/product/NTU097-PDF-ENG) Wee Kiat Lim; Jeremy Che
11. Online platforms
    1. [Harvard Business Review: What Platforms Do Differently than Traditional Businesses](https://hbr.org/2016/05/what-platforms-do-differently-than-traditional-businesses), David S. Evans & Richard Schmalensee
    2. [Harvard Business Review: The Businesses That Platforms Are Actually Disrupting](https://hbr.org/2016/09/the-businesses-that-platforms-are-actually-disrupting), David S. Evans & Richard Schmalensee
    3. Sokol handout on online platforms and business and legal issues – Supreme People’s Court case summary on Tecent v. Qihoo 360
12. Technology markets in China
    1. CASE [Ctrip: Scientifically Managing Travel Services](https://hbr.org/product/ctrip-scientifically-managing-travel-services-chinese-version/315C07-PDF-CHI), David A. Garvin; Nancy Hua Dai

Additionally, we will have training on how to research publicly traded companies by Professor Marks.

**Itinerary for China** (6 hours of class time per day over 5 days)

Day 1

Shanghai

Presentations all day at CTRIP to meet with legal and business teams to meeting with Jane Sun

Day 2

Shanghai

Morning: Doing Business Perspective From a Chinese Law Firm (Da Cheng or King & Wood)

Afternoon: Shanghai Free Trade Zone

Day 3

Morning: Meeting with technology related venture capitalists

Afternoon: Understanding legal education from the Chinese perspective – meet faculty and students from a Shanghai based law school and meet with the university’s tech transfer office

Evening: Fly to Hong Kong

Day 4

Hong Kong

Morning: Visit Fintech technology incubator

Afternoon: Meet with in house counsel at Google and Uber

Day 5

Hong Kong

Morning: Visit to Davis Polk to discuss trans-border M&A and capital markets

Afternoon: Visit to Hong Kong Competition Commission

**After return to the United States**

Wrap up 2 hour class to discuss learning objectives.