

American Law and Economics Association

Fourteenth Annual Meeting

May 7-8, 2004

Northwestern University School of Law

**357 East Chicago Avenue
Chicago, Illinois**

Friday, May 7

(All sessions to be held at the Northwestern University School of Law)

(Author's name in bold indicates person presenting paper)

8:00 - 8:45: Registration
 Continental Breakfast

8:45 - 9:00: Welcome: Dean David E. Van Zandt

9:00 - 10:30: Session I:

Panel IA: Corporations and Securities I (Rubloff 150)

Panel Chair: Lynn Stout

Eric Helland, A Secondary Market Test of the Merits of Class Action Securities Litigation: Evidence from Reputation of Corporate

D. Bruce Johnsen and **Supriya Sarnikar**, Cyber Security in the National Market System

Gillian Hadfield and Eric Talley, Public versus Private Provision of Corporate Law

Panel IB: Criminal Law I (McCormick 195)

Panel Chair: Andrew F. Daughety

Jonathan Klick and Alex Tabarrok, Using Terror Alerts to Estimate the Effect of Police on Crime

Joanna M. Shepherd and Hashem Dezhbakhsh, The Deterrent Effect of Capital Punishment: Evidence from a “Judicial Experiment”

Russell Smyth and Paresh Narayar, Dead Man Walking: An Empirical Reassessment of the Deterrent Effect of Capital Punishment Using the Bounds Testing Approach to Cointegration

Panel IC: Procedure I (Rubloff 339)

Panel Chair: Theodore Eisenberg

Samuel Issacharoff and John Fabian Witt, The Inevitability of Aggregate Settlement An Institutional Account of American Tort Law

Richard McAdams and Janice Nadler, The Focal Point Theory of Expressive Law: An Experimental Test of Legal Compliance in a Hawk/Dove Game

Andrew J. Wistrich, Chris Guthrie, and Jeffrey Rachlinski, Can Judges Ignore Inadmissible Information? The Fiction of Forced Forgetting

Friday, May 7 (cont.)

Panel ID: Torts and Compensation Systems I (Rubloff 140)

Panel Chair: Mark Geistfeld

Giuseppe Dari-Mattiacci, Negative Liability

Eric Rasmusen, Tortious Interference in Contract

Jennifer F. Reinganum and Andrew F. Daughety, Secrecy and Safety

10:30 - 10:45: *Coffee Break*

10:45 - 12:15: *Session II:*

Panel IIA: Administrative and Environmental Law (McCormick 195)

Panel Chair: Frank H. Easterbrook

Jonathan Nash, Framing Effects and Regulatory Choice: The Case of Environmental Regulation

Barak Richman and Christopher Boerner, A Transaction Cost Economizing Approach to Regulation Understanding the Government Responses to the NIMBY Problem

Jason Scott Johnston, Signaling Social Responsibility: An Economic Analysis of the Role of Disclosure and Liability Rules in Influencing Market Incentives for Corporate Environmental Performance

Panel IIB: Bankruptcy and Creditors' Rights I (Rubloff 150)

Panel Chair: Marcus Cole

Kenneth Ayotte and Hayong Yun, Matching Bankruptcy Laws to Legal Environments

Donald S. Bernstein and Douglas G. Baird, Relative Priority in an Absolute Priority World

Randall S. Kroszner, Is It Better to Forgive than to Receive? An Empirical Analysis of the Impact of Debt Repudiation

Friday, May 7 (cont.)

Panel IIC: Law and Development (Rubloff 339)

Panel Chair: Henry B. Hansmann

Katharina Pistor and Chenggang Xu, Deterrence and Regulatory Failure in Emerging Financial Markets: Evidence from China and Russia

Daniel Berkowitz and Karen Clay, Initial Conditions, Institutional Dynamics and Economic Performance

Daniel Klerman and **Paul Mahoney**, The Value of Judicial Independence: Evidence from 18th-Century England

Panel IID: Intellectual Property (Rubloff 140)

Panel Chair: Douglas Lichtman

Timothy Wu, Copyright's Communications Policy

Michael Abramowicz, Redundancy in Copyright Law

Stéphane Mechoulan and Tomas Phillipson, Intellectual Property and External Consumption Effects Generalizations from Pharmaceutical Markets

12:15 - 1:30: Lunch

1:30 - 3:00: Session III:

Panel IIIA: Corporations and Securities Law II (Rubloff 150)

Panel Chair: Robert Sitkoff

Lucian Bebchuk and Alma Cohen, The Costs of Entrenched Boards

Bernard Black, Brian Cheffins, and Michael Klausner, Outside Director Liability

Claire Hill, Regulating the Rating Agencies

Friday, May 7 (cont.)

Panel IIIB: International Law (Rubloff 339)

Panel Chair: Alan Sykes

Vincy Fon and Francesco Parisi, Stability and Change in International Customary Law

Andrew Guzman, The Design of International Agreements

Michael J. Trebilcock and Shiva K. Giri, The National Treatment Principle in International Trade Law

Panel IIIC: Social Norms (McCormick 195)

Panel Chair: Lior Jacob Strahilevitz

Mark West, Dying to Get out of Debt: Consumer Insolvency Law and Suicide in Japan

Jeffrey Rachlinski and Chris Guthrie, Heuristics and Biases Among Expert Negotiators

Ehud Guttel and Alon Harel, Probability Matching and the Law: A New Behavioral Challenge to Law and Economics

Panel IIID: Torts and Compensation Systems II (Rubloff 140)

Panel Chair: Jennifer Arlen

Hans-Bernd Schäfer, Efficient Third Party Liability of Auditors in Tort Law and in Contract Law

Abraham L. Wickelgren, Mandatory Product Liability Why Tort Is More Efficient than Contract

Kathryn Zeiler, Medical Malpractice and Contract Disclosure: An Equilibrium Model of the Effects of Legal Rules on Behavior in Health Care Markets

3:00 - 3:15: *Coffee Break*

Friday, May 7 (cont.)

3:15 - 4:45: *Session IV:*

Panel IVA: Antitrust and Regulated Industries I (Rubloff 140)

Panel Chair: Daniel L. Rubinfeld

Randal Picker, Entry, Access and Facilities-Based Competition

Ariel Katz, The Potential Demise of another Natural Monopoly: New Technologies and the Future of Collective Administration of Copyrights

Ari Gerstle and Michael Waldman, Mergers in Durable-Goods Industries: A Re-Examination of Market Power and Welfare Effects

Panel IVB: Contracts and Commercial Law I (Rubloff 150)

Panel Chair: Jason Johnston

Robert E. Scott and **George G. Triantis**, Embedded Options and the Case against Compensation in Contract Law

Ronen Avraham and Zhiyong Liu, Contract Remedies with Two-Sided Uncertainty-A Simple Solution

Henrik Lando and Caspar Rose, The Myth of Specific Performance in Civil Law Countries

Panel IVC: Labor and Employment Law (Rubloff 339)

Panel Chair: Michael Wachter

Christine Jolls, Identifying the Effects of the Americans with Disabilities Act Using State-Law Variation: Preliminary Evidence on Educational Participation Effects

Jonathan Nash and **Samuel Estreicher**, The Law and Economics of Tipping: The Laborer's Perspective

J.H.(Rip) Verkerke, Legal Ignorance and Information-Forcing Rules

Friday, May 7 (cont.)

Panel IVD: Positive Political Theory I (McCormick 195)

Panel Chair: Michael Abramowicz

Randall S. Kroszner and **Thomas Stratmann**, Campaign Contributions, Repeat Giving, and the Rewards to Legislator Reputation

John de Figueiredo, The Structure of Legislatures and the Timing of Interest Group Lobbying

George L. Priest, Buying Democracy: Rethinking Campaign Finance

5:30-6:45: *Cocktails in the Courtyard*
(In case of rain, cocktails will be held in the Levy Mayer foyer)

7:00: *Dinner in the Atrium*

Speaker: Henry B. Hansmann of New York University

Saturday, May 8

8:00-9:00: *Continental Breakfast*

9:00-10:30: *Session V:*

Panel VA: Corporations and Securities III (*Rubloff 150*)

Panel Chair: Paul G. Mahoney

Laura Nyantung Beny, Do Shareholders Value Insider Trading Laws?
International Evidence

Art A. Durnev and Amrita S. Nain, The Unanticipated Effects of Insider Trading
Regulation

Paul Oyer, Michael Greenstone, and Annette Vissing-Jorgensen, Mandated
Disclosure, Stock Returns, and The 1964 Securities Acts Amendments

Panel VB: Contracts and Commercial Law II (*Rubloff 140*)

Panel Chair: Jody Kraus

Oren Bar-Gill, Seduction by Plastic

Stephen J. Choi and Mitu Gulati, Innovation in Boilerplate Contracts

Omri Ben-Shahar, Agreeing to Disagree: Filling Gaps in Deliberately
Incomplete Contracts

Panel VC: Property (*McCormick 195*)

Panel Chair: Richard Epstein

Lior Jacob Strahilevitz, The Right to Destroy

Henry Smith, Property and Property Rules

Gideon Parchomovsky and Abraham Bell, What Property Is

Saturday, May 8 (cont.)

Panel VD: Welfare and Family Law (Rubloff 339)

Panel Chair: Margaret Brinig

Lee Anne Fennell, Poverty in Valuation

Ariel Porat and **Omri Yadlin**, Achieving Consensus for Wealth Redistribution Through Deferred-Implementation Agreements

Antony Dnes and Robert Rowthorn, The Life-profile Theory of Marriage, Cohabitation, and Same-sex Marriage

10:30-10:45: *Coffee Break*

10:45-12:15: *Session VI:*

Panel VIA: Antitrust and Regulated Industries II (Rubloff 140)

Panel Chair: Paul Rubin

D. Bruce Johnsen and Moin Yahya, The Evolution of Sherman Act Case Law: A Roadmap for Competitive Federalism

Suzanne Scotchmer, Profit Neutrality in Licensing: The Boundary Between Competitions Policy and Patent Law

Barak Orbach, Antitrust and Pricing in the Motion Picture Industry

Panel VIB: Bankruptcy and Creditors' Rights II (Rubloff 150)

Panel Chair: Edward Morrison

Jonathan Fisher, Larry Filer and Angela C. Lyons, Is the Bankruptcy Flag Binding? Access to Credit for Post-Bankruptcy Households

Alan Schwartz, A Normative Theory of Business Bankruptcy

Anup Malani, The Impact of Joint & Several Liability on the Bankruptcy Rate of Defendants: Evidence from Asbestos Litigation

Saturday, May 8 (cont.)

Panel VIC: Procedure II (McCormick 195)

Panel Chair: Russell Smyth

A. Mitchell Polinsky and Daniel L. Rubinfeld, Remedies for Price Overcharges:
The Deadweight Loss of Coupons and Discounts

Steven Shavell, On the Discretion of Adjudicators

Chris Sanchirico, Evidence, Procedure, and the Upside of Cognitive Error

Panel VID: Taxation and Public Finance (Rubloff 339)

Panel Chair: David Weisbach

Dharmika Dharmapala and Mihir A. Desai, Corporate Tax Avoidance and High
Powered Incentives

Luigi Zingales, Mihir A. Desai, and Alexander Dyck, Corporate Governance and
Taxation

Michal Barzuza, Delaware's Compensation

12:15-1:30: Lunch

1:30 - 3:00: Session VII:

Panel VIIA: Corporations and Securities Law IV (Rubloff 150)

Panel Chair: Albert Choi

Theodore Eisenberg and Jonathan R. Macey, Was Arthur Andersen Different?
An Empirical Examination of Major Accounting Firms' Audits of Large Clients

Richard R.W. Brooks and Kathryn Spier, Trigger Happy or Gun Shy?

Guhan Subramanian, Post-*Siliconix* Freeze-Outs: Theory, Evidence & Policy

Saturday, May 8 (cont.)

Panel VIIB: Criminal Law II (Rubloff 339)

Panel Chair: Jennifer F. Reinganum

Winand Emons, Escalating Penalties for Repeat Offenders

Phil Curry and Steeve Mongrain, What You Don't See Can't Hurt You: An Economic Analysis of Morality Laws

Richard Boylan, Fiscal Federalism and the War on Drugs

Panel VIIC: Positive Political Theory II (McCormick 195)

Panel Chair: James Lindgren

Max Schanzenbach, Racial and Gender Disparities in Prison Sentence: The Effect of District-Level Judicial Demographics

F. Andrew Hanssen, Learning about Judicial Independence Institutional Change in the State Courts

Stephen Choi and **Mitu Gulati**, Who Would Win a Tournament of Judges?

Panel VIID: Torts and Compensation Systems III (Rubloff 140)

Panel Chair: Eric Rasmusen

Jennifer Arlen and Bentley MacLeod, Beyond Master-Servant: A Critique of Vicarious Liability

Mark Geistfeld, Economic Analysis in a Unified Conception of Tort Law

Kathryn Spier and Xinyu Hua, On the Value of Information in Sequential Litigation

3:15 - 4:45: *Session VIII:*

Panel VIIIA: Antitrust and Regulated Industries III (Rubloff 140)

Panel Chair: Daniel L. Rubinfeld

Nuno Garoupa, Regulation of Professions in US and Europe: A Comparative Analysis

Joshua Wright and Benjamin Klein, Why Manufacturers Purchase Shelf Space from Retailers: The Antitrust Law & Economics of Category Management

Antonio Nicita, Regulation & Competition in Media Markets: The Evolution of Pay-TV in UK, Australia and Italy

Saturday, May 8 (cont.)

Panel VIII B: Contracts and Commercial Law III (Rubloff 150)

Panel Chair: Anup Malani

Kate Litvak, Venture Capital Partnership Agreements: Understanding Compensation Arrangements

Ronald Mann, The Myth of the Software Patent Thicket: An Empirical Investigation of the Relationship Between Intellectual Property and Innovation in Software Firms

Jochen Bigus, Staging of Venture Financing, Investor Opportunism, and Patent Law

Panel VIII C: Positive Political Theory III (McCormick 195)

Panel Chair: Andrew Hanssen

Edward J. McCaffery, Linda Cohen, and Fred McChesney, Shakedown at Gucci Gulch: A Tale of Death, Money & Taxes

Tom Ginsburg and Robert Cooter, Leximetrics: Why the Same Laws are Longer in Some Countries than Others

Anita Charuworn and **Linda Cohen**, Patented Drugs, Generic Alternatives and Intellectual Property Regimes in Developing Countries

5:00: *Wine and Cheese Reception*

*The American Law and Economics Association thanks the following people
for their contributions to the Annual Meeting:*

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