

American Law and Economics Association

Twenty-Fourth Annual Meeting May 8-9, 2014

**University of Chicago
School of Law**

*All sessions to be held at the
Gleacher Center
450 North Cityfront Plaza Drive
Chicago, IL*

Preliminary Draft: April 22, 2014

Thursday, May 8

(All sessions to be held at the Gleacher Center)

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

8:00 – 9:00: **Registration and Continental Breakfast**

9:00 – 10:30: **Session I:**

Panel IA: Administrative Law

Panel Chair:

Amy Semet, “Political Decisionmaking at the National Labor Relations Board: An Empirical Examination of the Board’s Unfair Labor Practice Decisions through the Clinton and Bush Years”

Kathryn Judge, “The Federal Reserve: A Study in Soft Constraints on Regulatory Authority”

Bentley Coffey, **Patrick McLaughlin**, and Pietro Peretto, “A Structural Estimation of the Aggregate Cost of Regulations in an Endogenous Growth Context”

Panel IB: Antitrust (Theory)

Panel Chair:

Abraham L. Wickelgren, “When Should Tacit Collusion be Regulated? An Economic Model”

Ming Gao, “Platform Pricing in Mixed Two-Sided Markets”

Aaron Edlin and Rebecca Haw, “Cartels by Another Name: Should Licensed Occupations Face Antitrust Scrutiny”

Panel IC: Cognition and Decisionmaking

Panel Chair:

Sue H. Mialon, “Prejudice and Competitive Signaling”

Arden Rowell, “Numeracy and Legal Decision Making”

Barak Orbach, “Red Flags”

Thursday (cont.)

Panel ID: Consumer Debt

Panel Chair:

Kathryn Fritzdixon, “Bankruptcy and Auto Title Lending”

Benjamin J. Keys and Jialan Wang, “Perverse Nudges: Minimum Payments and Debt Paydown in Consumer Credit Cards”

Arpit Gupta, **Edward R. Morrison**, Catherine R. Fedorenko, and Scott Ramsey, “Endogenous Health Shocks: Evidence from Cancer and Consumer Bankruptcy”

Panel IE: Corporate Governance I

Panel Chair:

Steven M. Davidoff, Matthew D. Cain, and Stephen B. McKeon, “Do Takeover Laws Matter? Evidence from 45 Years of Hostile Takeovers”

K.J. Martijn Cremers, Lubomir P. Litov, and Simone M. Sepe, “Staggered Boards and Firm Value, Revisited”

Emiliano Marambio Catan, “The Irrelevance of Active Poison Pills”

Panel IF: Courts (Empirical)

Panel Chair:

Benjamin Alarie and Andrew Green, “Docket Control at the Supreme Court of Canada: What's Behind the Screen?”

Sofia Amaral-Garcia and **Nuno Garoupa**, “Judicial Politics at the Privy Council: Empirical Evidence”

Jonathan R. Nash, “Interparty Judicial Appointments: A Study of New York’s Bipartisan Senatorial Nomination System, 1977-1998”

Thursday (cont.)

Panel IG: Behavior and Regulation

Panel Chair:

Darcy Steeg Morris, Daniel Schwarcz, and **Joshua C. Teitelbaum**, “Do Credit-Based Insurance Scores Proxy for Income in Predicting Auto Claim Risk?”

Florian Baumann and **Tim Friehe**, “Competitive Pressure and Corporate Crime”

Benjamin Edelman and **Michael Luca**, “Digital Discrimination: The Case of Airbnb.com”

Panel IH: Taxation

Panel Chair:

Chris William Sanchirico, “Self-Constructed Assets and Efficient Tax Timing”

Jacob Goldin, “Optimal Tax Salience”

Alex Raskolnikov, “The Uneasy Case for Graduated Tax Penalties”

10:30 – 11:00: *Coffee Break*

11:00 – 12:30: *Session II:*

Panel IIA: Contracts I

Panel Chair:

Edward M. Iacobucci, “Market Conditions, Reputation and Contract Design”

Juliet P. Kostritsky, “What Lawyers Say Determines Choice of Law in Merger Agreements”

Zev J. Eigen, “An Experimental Test of the Effectiveness of Terms & Conditions”

Panel IIB: Corporate Governance and Shareholder Voting

Panel Chair:

Eric A. Posner and **E. Glen Weyl**, “Quadratic Voting as Efficient Corporate Governance”

Yair Listokin and **Eric Van Nostrand**, “The Numbers Don’t Add Up: Discrepancies in Corporate Election Results”

Fabrizio Ferri and David Oesch, “Management Influence on Investors: Evidence from Shareholder Votes on the Frequency of Say on Pay”

Thursday (cont.)

Panel IIC: Economics of Regulation I

Panel Chair:

David Weisbach, “Distributionally-Weighted Cost Benefit Analysis: Welfare Economics Meets Organization Design”

Di Guo, Yan Guo, and **Kun Jiang**, “Government Subsidized R&D and Innovation Outputs”

Victor Fleischer, “The Inferiority of Pigouvian Taxes”

Panel IID: Government Structure and Behavior

Panel Chair:

Hans Degryse, **Thomas Lambert**, and Armin Schwienbacher, “The Political Economy of Financial Systems: Evidence from Suffrage Reforms in the Last Two Centuries”

Max Schanzenbach, “The State and Local Pay Penalty: the Effect of Institutions, Skill, and College Major”

Daniel L. Chen and **Jo Thori Lind**, “The Political Economy of Beliefs: Why Fiscal and Social Conservatives and Liberals Come Hand-in-Hand”

Panel IIE: International Law

Panel Chair:

Eugene Kontorovich, “The Penalties for Piracy: An Empirical Study of National Punishment for International Crime”

Katerina Linos and Tom Pegram, “Does the Form of International Agreements Shape State Behavior?”

Adam Chilton, “The Politics of the United States' Bilateral Investment Treaty Program”

Panel IIF: Patents I

Panel Chair:

Alan Marco, **Shawn Miller**, and Ted Sichelman, “Do Economic Downturns Dampen Patent Litigation?”

Eric Helland and Seth A. Seabury, “Are Settlements in Patent Litigation Collusive? Evidence from Paragraph IV Challenges”

Christopher A. Cotropia, Jay P. Kesan, and **David L. Schwartz**, “Unpacking Patent Assertion Entities (PAEs)”

Thursday (cont.)

Panel IIG: Priest-Klein Hypothesis

Panel Chair:

Yoon-Ho Alex Lee and Daniel Klerman, “The Priest-Klein Hypotheses: Proofs and Generality”

Daniel Klerman and Yoon-Ho Alex Lee, “Inferences from Litigated Cases”

Jonah B. Gelbach, “Is Everything You Know About Litigation Selection and the Plaintiff’s Win Rate Wrong?”

Panel IIIH: Torts I

Panel Chair:

Rosa Ferrer and Helena Perrone, “Consumers' Response to Product Safety Threats: Evidence from the Mad Cow Disease”

Tim Friehe and **Éric Langlais**, “On the Political Economy of Public Safety Investments”

Ezra Friedman and Abraham Wickelgren, “Who (if anyone) Should be Liable for Injuries from Generic Drugs”

12:30 - 1:45: Lunch

1:45 – 3:15: Session III:

Panel IIIA: Agency Costs and Firms

Panel Chair:

Suman Banerjee, **Mark Humphery-Jenner**, and Vikram Nanda, “Harnessing CEO Overconfidence”

Antonio Falato, Dalida Kadyrzhanova, and Ugur Lel, “Distracted Directors: Does Board Busyness Hurt Shareholder Value?”

Claudia M. Landeo and **Kathryn E. Spier**, “Incentives for Teams: Experimental Evidence”

Thursday (cont.)

Panel IIIB: Criminal Law I

Panel Chair:

Cristiano de Oliveira and **Giácomo Balbinotto Neto**, “A Real Options Approach to Criminal Careers”

Claire S.H. Lim, **Bernardo Silveira**, and James M. Snyder, Jr., “Preference Heterogeneity of the Judiciary and the Composition of Political Jurisdictions”

Crystal S. Yang, “Justice Vacated? The Impact of Judicial Vacancies on Prosecutorial Behavior”

Panel IIIC: Economics of Regulation II

Panel Chair:

Ian Ayres and Joshua Mitts, “Anti-Herding Regulation”

Bert I. Huang, “Concurrent Damages”

Michael Gilbert, “Insincere Rules”

Panel IIID: Health Care Regulation

Panel Chair:

Quoc-Anh Du, Trang Van Nguyen, and **Anh Tran**, “Do People Pay Higher Bribes for Urgent Services? Evidence from Informal Payments to Doctors in Vietnam”

Peter Molk, “Co-Opting Co-Ops: Health Insurance Cooperatives and the Affordable Care Act”

Christopher T. Robertson, “Scaling Cost-Sharing To Wages: How Employers can Reduce Health Spending and Provide Greater Economic Security”

Panel IIIE: Litigation I

Panel Chair:

David Hyman, Mohammad Rahmati, Bernard Black, and Charles Silver, “Do Plaintiffs’ Lawyers Add Value? Lessons from Illinois”

Neel U. Sukhatme, “Litigation Costs and Settlement Rates in Diversity Cases: A Theoretical and Empirical Study of Forum Shopping”

Daniel L. Chen, “Can Markets Stimulate Rights? On the Alienability of Legal Claims”

Thursday (cont.)

Panel IIIF: Political Economy I

Panel Chair:

Daria Roithmayr, Alexander Isakov, and David Rand, “Should Law Keep Pace with Society? An Evolutionary Game Theory Approach”

Gillian K. Hadfield and Barry R. Weingast, “The Microfoundations of the Rule of Law”

Melissa F. Wasserman, “Deference Asymmetries: Distortions in the Evolution of Law”

Panel IIIG: Property Law I

Panel Chair:

Shitong Qiao, “Small Property, Adverse Possession and Legal Entitlements: An Optional Law Solution to a Chinese Conundrum”

Jordan M. Barry, John William Hatfield, and Scott Duke Kominers, “Coasean Keep-Away: Voluntary Transaction Costs”

Abraham Bell and Gideon Parchomovsky, “Registries”

Panel IIIH: Public Finance

Panel Chair:

Terrance O'Reilly, “A Public Pensions Bailout: Economics & Law”

Zachary Liscow, “Are Court Orders Responsible for the “Return to the Central City”?: The Consequence of School Finance Litigation”

Ferran Elias, “Do Non-Discriminatory Electoral Rules Increase Local Public Goods? Evidence from US Municipalities”

3:15 – 3:45: *Coffee Break*

Thursday (cont.)

3:45 – 5:15: *Session IV:*

Panel IVA: Comparative Corporate Governance

Panel Chair:

Joel Malen, **Paul M. Vaaler**, and Ivy Zhang, “Country- and Firm-Level Determinants of Legal Internationalization By Emerging-Market Firms”

Bernard Black, Antonio Gledson de Carvalho, Vikramaditya Khanna, Woochan Kim, and Burcin Yurtoglu, “Methods for Multicountry Studies of Corporate Governance: Evidence from the BRIKT Countries”

Matthew Dimick and Neel Rao, “Wage-Setting Institutions and Corporate Governance”

Panel IVB: Contracts II

Panel Chair:

Joshua Mitts, “How Effective is Mandatory Disclosure?”

Florian Ederer and **Alexander Stremitzer**, “Promises and Expectations”

Stephan Tontrup, “Pacta Sunt Servanda”

Panel IVC: Copyright

Panel Chair:

Guy A. Rub, “Rebalancing Copyright Exhaustion”

Shyamkrishna Balganes, **Irina D. Manta**, and Tess Wilkinson-Ryan, “Judging Similarity”

Dotan Oliar, **Nathaniel Pattison**, and K. Ross Powell, “Who’s Copyrighting What: An Empirical Analysis of the Copyright Office Catalog”

Panel IVD: Environmental Law

Panel Chair:

Michael A. Livermore and Richard L. Revesz, “Rethinking Health-Based Environmental Standards”

Shi-Ling Hsu, “Capital Rigidities, Latent Externalities”

Jacob P. Byl, “Perverse Incentives of the Endangered Species Act: Evidence from Timber Harvests near Woodpeckers”

Thursday (cont.)

Panel IVE: Judicial Decisionmaking

Panel Chair:

Adam Badawi and **Scott Baker**, “Appellate Law-Making in a Judicial Hierachy”

Joshua B. Fischman, “Scaling the Law/Politics Divide: Using Interest Group Positions to Assess Claims about Political Judging”

Anthony Niblett and Albert H. Yoon, “Judicial Disharmony: A Study of Dissent”

Panel IVF: Law Enforcement

Panel Chair:

Berno Buechel and **Gerd Muehlheusser**, “Black Sheep or Scapegoats? Implementable Monitoring Policies Under Unobservable Levels of Misbehavior”

Éric Langlais and **Marie Obidzinski**, “Elected Versus Appointed Law Enforcers”

Itai Ater, **Yehonatan Givati**, and Oren Rigbi, “Organizational Structure, Police Activity and Crime”

Panel IVG: Securities

Panel Chair:

James J. Park, “Bondholders and Securities Class Actions”

Adam B. Badawi and Daniel Chen, “The Shareholder Wealth Effects of Delaware Litigation”

Dhammika Dharmapala and Vikramaditya Khanna, “The Costs and Benefits of Mandatory Securities Regulation: Evidence from Market Reactions to the JOBS Act of 2012”

Panel IVH: Torts II

Panel Chair:

Robert Cooter and Ariel Porat, “Disgorgement for Accidents”

Yun-chien Chang, Theodore Eisenberg, Tsung Hsien Li, and Martin T. Wells, “Pain and Suffering Damages in Personal Injury Cases: An Empirical Study”

Ariel Porat and Eric Posner, “Offsetting Benefits”

Thursday (cont.)

5:30 – 6:30: Cocktails

6:30: ALEA Annual Dinner

Presiding: Douglas G. Baird, President, ALEA

Speaker: Robert Scott, Vice President, ALEA

Friday, May 9

8:00 – 8:30: *Continental Breakfast*

8:30 – 10:00: *Session V:*

Panel VA: Antitrust (Empirical)

Panel Chair:

Matthew Weinberg, Orley Ashenfelter, and Daniel Hosken, “Efficiencies Brewed: Pricing and Consolidation in U.S. Brewing”

Andrea Günster, **Gerard Hertig**, and Mathijs A. van Dijk, “Cartels and Ownership Concentration”

Leslie Marx and **Jun Zhou**, “The Dynamics of Merger among (Ex)Co-Conspirators”

Panel VB: Civil Procedure

Panel Chair:

Amy Farmer and **Paul Pecorino**, “Liability Standards with an Uncertain Outcome at Trial”

Jeffrey J. Rachlinski, Andrew J. Wistrich, Chris Guthrie, **Kristoffel Grechenig**, and Christian Thöni, “Does Custodial Parent or Judge Gender Influence Outcomes in Child Relocation Disputes?”

Daniel Chen and **Holger Spamann**, “This Morning's Breakfast, Last Night's Game: Detecting Extraneous Influences on Judging”

Panel VC: Consumer Protection

Panel Chair:

Paola Bertoli and **Veronica Grembi**, “Courts, Scheduled Damages, and Medical Malpractice Insurance”

Elissa Philip, “Learning about Drug Ineffectiveness: Physicians’ Prescription Decisions for Off-Label Drugs”

Oren Bar-Gill, “Price Caps in Multi-Price Markets”

Friday (cont.)

Panel VD: Contracts III

Panel Chair:

Ariel Porat and **Lior Jacob Strahilevitz**, “Personalizing Default Rules and Disclosures with Big Data”

Henrik Lando, “Pacta Sunt Servanda versus Rebus Sic Stantibus: On Impracticability and the Trade-Off between Efficient Risk Allocation and Litigation Cost”

Yotam Kaplan, “Rethinking the Paradox of Compensations”

Panel VE: Corporate Governance II

Panel Chair:

Sarfraz Khan and John K. Wald, “Director Liability Protection, Earnings Management, and Audit Pricing”

Tat-kei Lai and **Travis Ng**, “Does Dividend Tax Impede Competition for Corporate Charters?”

Kate Litvak, “The Effect of Jurisdictional Competition for Corporate Charters on Financial and Accounting Measures of Firm Performance”

Panel VF: Courts (Theory)

Panel Chair:

Ahmed Jaber, “Hindsight Biased Courts and the Efficiency of the Legal System”

Juan José Ganuza, **Fernando Gomez**, and Jose Penalva, “Minimizing Errors, Maximizing Incentives: Optimal Court Decisions and the Quality of Evidence”

Giri Parameswaran, “Learning, Opinion Writing and the Efficiency of the Common Law”

Panel VG: Economics of Institutions

Panel Chair:

Yair Listokin, “Bounded and Unbounded Institutions”

Laurence Tai, “Regulatory Capture and Quality”

M. Todd Henderson and **James C. Spindler**, “Why Bank Regulation Failed . . . and Will Probably Continue to Fail”

Friday (cont.)

10:00 – 10:30: *Coffee Break*

10:30 – 12:00: *Session VI:*

Panel VIA: Corporate Law

Panel Chair:

Charles R. Korsmo and **Minor Myers**, “Appraisal Arbitrage and the Future of Public Company M&A”

Claudia M. Landeo and Kathryn E. Spier, “Shotguns and Deadlocks”

Scott Hirst, “Frozen Charters”

Panel VIB: Creditor’s Rights

Panel Chair:

Kenneth Ayotte, “Leases and Executory Contracts in Chapter 11”

Anthony J. Casey, “The New Corporate Web”

William Mann, “Creditor Rights and Innovation: Evidence from Patent Collateral”

Panel VIC: Economics of Discrimination

Panel Chair:

Ronen Avraham, Kyle D. Logue, and **Daniel Schwarcz**, “Explaining Variation in Insurance Anti-Discrimination Laws”

Jennifer Bennett Shinall, “What Happens When the Definition of Disability Changes? The Case of Obesity”

Sonja Starr, “Do Ban-the-Box Laws Reduce Employment Barriers for Black Men?”

Panel VID: Litigation II

Panel Chair:

Louis Kaplow, “Optimal Design of Private Litigation”

Paul Pecorino and **Mark Van Boening**, “Costly Voluntary Disclosure in a Signaling Game”

Bruce H. Kobayashi, “An Economic Analysis of Relitigation Rules in Intellectual Property Litigation”

Friday (cont.)

Panel VIE: Patents II

Panel Chair:

Tun-Jen Chiang, “Forcing Patent Claims”

Alan Miller and Michal S. Gal, “A Legal and Economic Analysis of Licensees’ Legal Ability to Challenge a Patent”

Anup Malani and **Jonathan S. Masur**, “Two-Part Pricing and the Cost of Patents”

Panel VIF: Property Law II

Panel Chair:

Lee Anne Fennell, “Forcings”

Gary D. Libecap and **Dean Lueck**, “Land Demarcation and the Great Network of Ancient Rome”

James R. Hines, Jr., “Rational Choice and the Rule against Perpetuities”

Panel VIG: Torts III

Panel Chair:

Emanuela Carbonara, Alice Guerra, and **Francesco Parisi**, “Sharing Residual Liability: ‘Cheapest Cost Avoider’ Revisited”

Shmuel Leshem and **Avraham Tabbach**, “Solving the Volunteer’s Dilemma: The Efficiency of Rewards versus Punishments”

Ronen Avraham, “The Optimal Scope of the Duty to Warn”

12:00 – 12:30: Lunch

12:30 - 1:30: Plenary Session: Presentation of the Annual Ronald H. Coase Medal to Steven Shavell

*Presentation by the Honorable Richard A. Posner
Speaker and Medalist: Steven Shavell*

Friday (cont.)

1:30 – 3:00 *Session VII:*

Panel VIIA: Contracts IV

Panel Chair:

Oren Bar-Gill and **Omri Ben-Shahar**, “Exit from Contract”

Albert Choi and George Triantis, “Multi-Stage Contracting in Complex Transactions”

Tess Wilkinson-Ryan, “Demand for Breach”

Panel VIIB: Corporate Litigation

Panel Chair:

Anh Tran and **Alex Yuskavage**, “The Impact of Legal Enforcement: An Analysis of Corporate Tax Aggressiveness after an Audit”

Nicholas Bormann, “Sarbanes-Oxley: Disciplining Executives or Enriching Attorneys? Evidence from Directors and Officers Liability Insurance”

Quinn Curtis and Minor Myers, “Do the Merits Matter? Evidence from Options Backdating Derivative Litigation”

Panel VIIC: Criminal Law II

Panel Chair:

Dmitriy Skougarevskiy and Vadim Volkov, “Criminal justice in Russia: Towards a Unified Sentencing Model”

Ryan Sakoda, “Efficient Sentencing? The Effect of Post-Release Supervision on Low-Level Offenders”

John J. Donohue, “Logit vs. OLS: A Matter of Life and Death”

Friday (cont.)

Panel VIID: Financial Institutions

Panel Chair:

Matthew D. Cain, Steven M. Davidoff, and Stephen B. McKeon, “Placement Agents and Private Equity: Information Production or Influence Peddling?”

Stephen G. Dimmock and **William C. Gerken**, “Assessing Risk using Self-Regulatory Organization Disclosures: FINRA’s Disclosures that Fail to Disclose”

Santosh Anagol, Shawn Cole, and **Shayak Sarkar**, “Understanding the Advice of Commissions-Motivated Agents: Evidence from the Indian Life Insurance Market”

Panel VIIE: Patents III

Panel Chair:

Neel U. Sukhatme and **Judd N.L. Cramer**, “Optimal Patent Term and Cross-Industry Measures of Patent Term Sensitivity”

Michael D. Frakes and Melissa F. Wasserman, “Does the U.S. Patent & Trademark Office Grant Too Many Patents? Evidence from a Quasi-Experiment”

David S. Abrams, Ufuk Akcigit, and Jillian Popadak, “Patent Value and Citations: Creative Destruction or Strategic Disruption?”

Panel VIIF: Political Economy II

Panel Chair:

Robert K. Fleck and F. **Andrew Hanssen**, “Courts, Legislatures, and Property Rule Changes: Lessons from Eminent Domain During the 19th Century Railroad Boom”

Jeff Milyo, “Do State Campaign Finance Reforms Increase Trust and Confidence in State Government?”

Tilman Klumpp, **Hugo M. Mialon**, and Michael A. Williams, “The Business of American Democracy: Citizens United, Independent Spending, and Elections”