

**IAE Aix-en-Provence — Master in General Management  
International Legal Management — Fall 2009**

**Examination — December 3<sup>rd</sup>, 2009  
13:15-16:15 (3 hours)**

This is an open-book exam, which means you are allowed to use all of the materials from our class. Using other materials is allowed as well, although not recommended.

Please answer each of the following four problems as concisely and thoroughly as possible, taking into account all the legal issues that may arise from each set of facts.

Good luck!

**Problem 1 (5 points):**

Cosmo Kramer, a U.S. inventor, has developed and patented a revolutionary new running shoe that increases one's speed significantly. His invention has achieved considerable success in his native American Midwest. Two European companies have approached him in order to take his invention to track-happy Europeans:

- (I) Costanza Korporation is a Swedish sportswear giant with a marketing and distribution system that includes every major city in Western Europe and massive capital resources.
- (II) Seinfeld Társaság is a recently privatized Hungarian shoe manufacturer with substantially lower labor costs and state-of-the-art factories in China and Bangladesh.

Which should Mr. Kramer choose as a business partner? Why, and under what terms?

**Problem 2 (5 points):**

Carrie Bradshaw recently bought a vineyard near Dijon, in Burgundy. The vineyard produces *vinifera* grapes that she hopes to sell to area winemakers. She does not plan to make wine on her own. She is unable to grow grapes herself because she lives in New York City. Carrie knows that growing grapes is risky.

Carrie has met Marcel Marceau, a young Frenchman who has the equipment, expertise and inclination to grow grapes. Carrie and Marcel consider an arrangement under which Marcel will manage Carrie's vineyard. At the outset, they must decide Marcel's compensation and duties. They consider two alternative structures:

- (I) Carrie will pay Marcel a monthly salary. Carrie will retain the net proceeds of the harvest.
- (II) Marcel will lease the land from Carrie for a yearly rent and will bear the vineyard costs, but will receive the entire proceeds of the harvest.

What would be the best way for Carrie and Marcel to legally structure each of the arrangements above? Is there another kind of arrangement that they should consider?

**Problem 3 (5 points):**

An Italian businessman, Mr. Joseph Tribbiani, met Mrs. Monica Geller, a German investment banker working for Chandler Brothers, a London-based institution, at the Four Seasons Hotel in New York City. Mrs. Geller made a presentation about a Polish corporation, Pastrami, and its plan to acquire 100 percent of BLT, an Irish corporation.

Tribbiani invested \$20 million, but shortly thereafter, Pastrami sold its 50 percent stake in BLT rather than increasing it. Mrs. Geller left to run BLT and Pastrami became insolvent. Where may Mr. Tribbiani bring suit? Against whom?

**Problem 4 (5 points):**

House Corporação, a Brazilian manufacturer, telephones Wilson LLC, an American distributor, and says, "We will sell you 1,500 handheld organizers at \$50 each, but you must respond in writing within ten days."

Wilson calls back the same day and says, "Sorry, the price is too high and we can't accept your offer." The next day, Wilson calls House and says, "Hey, we discussed the matter with our finance department, and it's a go. We accept the offer and I am having a written acceptance delivered to you within the hour." House says, "Sorry, but you already rejected the offer yesterday, so no deal." Wilson says, "You promised to hold the offer open for ten days, and our written acceptance will be received by you within this period."

Is there a contract?