Commission to maintain a responsible internal accounting control system.

U.N. Convention on Contracts for the International Sale of Goods (UNCISG) p. 641 A treaty that governs the international sales contracts among businesses located in member countries.

INCO terms p. 642 Standardized contractual terms and designation used in international sales contracts to avoid confusion due to language barriers and differing legal systems.

General Agreement on Tariffs and Trade (GATT) p. 643 A treaty organization administered by the World Trade Organization whose purpose is to facilitate international trade.

Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) p. 644 A multinational agreement covering minimum requirements and standards for all areas of intellectual property protections as well as providing an infrastructure for enforcement and dispute resolution.

Madrid Protocol p. 644 A multinational agreement that aims to help reduce the burden of multinational companies that desire multinational protection of their trademark by the use of a more uniform and single-sourced process.

Berne Convention p. 644 A multinational agreement covering copyright protection, requiring that foreigners from signatory countries be granted protection via reciprocity under the copyright laws of any other member country.

Paris Convention p. 645 A multinational agreement covering patents, requiring signatory countries to protect the same inventor rights under any member country's patent laws as those enjoyed by citizens of that member country.

THEORY TO PRACTICE

Cold Call Company (CCC) is a cellular phone manufacturer and distributor based in Miami, Florida. The firm has a significant market share in the southeastern United States and began to expand into South America as a natural supplement to its existing market. CCC entered into a written distribution agreement with Telefonica, a Brazilian-based provider of cell phone service and retailer of cell phone units with stores throughout Latin America. Telefonica agreed to buy 25,000 units over 12 months at US$5 per unit. The agreement also contained a provision whereby the parties agreed to ICC dispute resolution in the event of a dispute arising out of the distribution agreement. After several months, a dispute developed and Telefonica filed suit against CCC in a federal district court in Miami.

1. What source(s) of international law(s) would generally govern this international business relationship?
2. When CCC asks the court to dismiss the case due to the ICC clause, Telefonica claims that the clause is invalid because they will have to travel to Europe to resolve the dispute and that is too burdensome. How will the federal court rule, and what case have you studied in this chapter that supports your answer?

Assume further that the CCC–Telefonica agreement provides that all shipments are "FOB Port of Rio de Janeiro, Brazil." During one shipment, a batch of 1,000 units was accidentally destroyed when being loaded on the freighter in Miami.

3. Under CISG, who bears the risk of this loss? When did title pass?

Assume that an executive at Telefonica arranges a golf outing with a politician in Argentina on behalf of the distribution manager of CCC. The Telefonica executive explained that it was customary in Argentina for business owners to entertain local politicians and that it was a necessary part of securing appropriate licenses for the CCC–Telefonica distribution relationship in Argentina. One day after the golf outing, the Telefonica executive sends a bill to CCC for the golf expenses, including equipment, food, and drinks ordered by the group.

4. If CCC pays the bill, would they potentially violate any U.S. laws? If so, does the law apply to these circumstances? Will CCC be at a competitive disadvantage if they follow the law?

Suppose that CCC refuses to pay the bill and that the Argentinean government prohibits CCC from importing any products into their country. CCC loses a significant portion of their investment with Telefonica as a result of the ban.

5. Does CCC have recourse against the Argentinean government in U.S. courts? Why or why not? What legal doctrine controls this question? Could this be an exception?