Overview

As you plan your own career or take on responsibilities for managing the work and careers of others, you will almost certainly confront key decisions for which an understanding of the legal framework of employment is essential. This course is designed to provide the skills you will need to navigate those critical junctures successfully, maximizing opportunities and avoiding major risks.

Some examples of the topics which we will explore in real, practical terms: the true meaning of offer letters, whether noncompetes are enforceable, what intellectual property rights employees retain, gender and privacy issues in the workplace, what employees can and can’t do when leaving a job to start another company, and when terminations are unlawful.

Throughout the course, there will be special attention to certain perspectives and contexts:

- The entrepreneur, founder or early employee of a start-up;
- The employee whose key value lies in cutting-edge technical or analytic skills, and whose career is likely to include non-linear transitions, such as leaving an established company to join a competing venture or start one up;
- The manager or employee dealing with some of today’s most sensitive and contentious workplace issues, including gender diversity, confidentiality and privacy, and the use in the workplace of AI and other digital technologies;
- An international student interested in understanding the legal rules governing US employment.

Note: It is expected that an audiovisual recording will be made of all of the sessions in this course. These recordings will be made available to class participants unable to attend a regularly-scheduled class. The recordings may also be used to develop digital learning materials to be used in this course in future years. The recordings will focus on the teachers, and not on other participants in the class. However, student questions will normally be audio-captured, and there may be some incidental capture of student images. If this is a concern for you, please inform the TA, and seating arrangements will be made to minimize the likelihood of any capture of your image.
The instructors were for many years practicing attorneys. The focus throughout will be on realistic concerns, and practical skills and tools. We will read and review actual court cases and legislation, sample documents and agreements, and simulated employment scenarios. You do not need any prior knowledge of the law to take this course.

Students from all departments at MIT are welcome. Students from outside Sloan who do not participate in the Sloan bidding process can show up for the first class and, space permitting, will be admitted.

Class-by-class topic outline

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<th>Class/Date</th>
<th>Topic</th>
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| 1 Mon 1/31 | What does your Offer Letter Really Mean?  
What do offer letters say? What important information don't they contain? How binding are they really? Can they be negotiated? What is "employment at will" and what does it mean for you? We will review a real offer letter to understand its meaning and implications.  
Readings: Form Offer Letter  
Meehan v. Medical Information Technology: |
| 2 Wed 2/2  | The Basics of US Discrimination Law  
In the United States, discrimination law at the federal, state and local level has a huge impact on how businesses are managed and how employees experience their employment. These laws also inform many of the other topics we will cover in the remainder of the semester. In this class we will conduct a broad overview of US discrimination law with an emphasis on understanding its practical impact in the workplace. We will also contrast US law with the law of other countries.  
Readings: Bostock v. Clayton County |
| 3 Mon 2/7  | Discrimination Law Continued  
In this class we will finish our review of US discrimination law. We will then discuss other important questions. For example, what can and can’t employers ask or do in job interviews? How can you handle difficult or inappropriate interview questions? Are personality, drug or performance tests legal?  
Readings: EEOC Guide to Pre-Employment Inquiries  
Garcia Ayala v. Lederle Parenterals, Inc. |
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| 4 | Wed 2/9 | Sexual Harassment and Other Gender-Related Issues                   | What is/isn't sexual harassment? What are the employee’s and employer's obligations? What are their liabilities? How do harassment cases play out in the real world? What are the laws regarding equal pay for women and are they working? Is sexual orientation discrimination illegal? What about discrimination against transgender employees? We will explore difficult but common scenarios at work.  
Readings: College-Town v. Interco |
| 5 | Mon 2/14 | Litigation and Arbitration                                         | This class will provide a broad overview of the American judicial system as well as the system of private dispute resolution. The emphasis will be on understanding how the American litigation system actually operates, and the costs and burdens they place on employers and employees. We will discuss strategies for avoiding litigation and for minimizing its impact if it becomes unavoidable.  
Readings: Akula, “The US Legal System in a Peanut” |
| 6 | Wed 2/16 | Common Mistakes Employers Make When Paying Employees                | What are the basic ways in which employers pay employees? Can people work for free? For equity only? Who is/isn't entitled to overtime? Who can/can't be an independent contractor? What new legal issues are being raised by the gig economy? We will explore real cases and discuss how to avoid the common and costly mistakes made by employees and employers.  
Readings: Stanton v. Lighthouse Financial |
| 7 | Tue 2/22 | The Personal Accountability of Managers (I)                        | When there is legally problematic conduct in the business world, the law must address if and when liability should attach only to the business entity, or only to individual managers, or to both. The focus of this pair of classes is the circumstances in which managers face personal exposure, and how managers can best reduce that risk. In the first class we will focus on liability for regulatory non-compliance.  
“Daiwa Bank” (by John Akula)  
“WorldCom” (by John Akula) |
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<th>Date</th>
<th>Topic</th>
<th>Summary</th>
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<td>8</td>
<td>Wed 2/23</td>
<td>The Personal Accountability of Managers (II)</td>
<td>In the second class we will wrap up our discussion of regulatory non-compliance, and shift focus to managerial exposure for conduct that is commercially problematic, such as contractual non-performance, non-payment of debts, IP infringement, and lapses in the protection of protected public interests such as safety or privacy. We will take a careful look at the startup/young venture context, in which management exposure is more difficult to limit, especially when company financial distress enters the mix.</td>
<td>No additional reading</td>
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<td>9</td>
<td>Mon 2/28</td>
<td>&quot;Should I sign that NDA?&quot;</td>
<td>We will continue our discussion of employment at will and hiring documents. We will also discuss NDAs and what they mean. How much should you care about what is in them? Are the noncompetition provisions enforceable? Can they be negotiated? How do you know whether you should sign? What is the &quot;duty of loyalty&quot; and how does it impact you? We will review and analyze a typical NDA.</td>
<td>Form NDA</td>
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<td>Lycos, Inc. v. Jackson</td>
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<td>10</td>
<td>Wed 3/2</td>
<td>So You're Planning to Compete</td>
<td>What can you do to plan to compete while you are still working for your current employer? What can/can't you take with you when you leave? What can/can't you say to co-workers and customers before you leave? After you leave? What knowledge can you use when you leave? Does any of this change if you have signed a noncompetition agreement? How and when do you communicate your future plans to others, including your current employer? We will explore these topics using real world cases.</td>
<td>Augat v. Aegis</td>
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<td>Form NDA</td>
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<td>11</td>
<td>Mon 3/7</td>
<td>Employee Privacy at work</td>
<td>Is there such a thing as privacy at work? What is protected and what isn't?</td>
<td>Scott v. Beth Israel Hospital</td>
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<td>Three D, LLC v. NLRB</td>
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"You're fired!"

When is it lawful/unlawful to terminate employees? What procedures do/must companies follow when terminating employees and why? What rights do terminated employees have? What documents do employers ask terminated employees to sign, and should you sign them? What is a reduction in force (RIF) and how does it differ from a regular termination? We will explore these and other issues using real cases and documentation.

Readings: Form Separation Agreement and General Release

Prerequisites and prior experience

There are no prerequisites required or recommended. You are not expected to have any prior understanding of law or of any particular business topics. Whatever background you need will be provided in class. Students from departments outside of Sloan are welcome.

The law has its own terminology, and this may be a concern for students for whom English is a second language. However, a special effort has been made in designing the readings and deliverables to minimize this problem – this course is intended to be “English-second-language-friendly.”

Expectations of students

There is no final exam or any other course obligation after the last meeting of the class.

Students must take this course for credit. The general rule is that Listener status is not allowed. All students will be graded P/D/F.

Any student requiring an academic accommodation can contact the instructors.

The “Sloan Values in Practice.” guidelines have been posted on Canvas, and any student who is not familiar with those guidelines should read through them and plan to conduct himself or herself accordingly. The guidelines can also be found at https://mysloan.mit.edu/offices/deans/values/Pages/CoreValues.aspx

Class attendance: Much of the most important material in this course is presented in class, so students should commit to attending ALL of the classes. If you miss a class and feel that you have a good reason (such as illness or a family obligation), please e-mail the TA before or shortly after the class, with a “cc” to the instructors, to explain your absence. (You do not need to include in the e-mail any personal details -- just a general statement of the reasons, e.g., illness.) [To the extent the classroom technology permits, we are hoping to be able to make available for a short time after each scheduled class a video of that class, for viewing by students who for good reason missed that class. In such cases, viewing the video and submitting to the TA your notes from that viewing will count as attending that class.]

Be advised that poor attendance will result in an unsatisfactory grade for the course.

Under no circumstances should a student sign in for anybody but himself or herself.

Please do not use laptops or cell phones during class.
Class participation: All students are encouraged to participate in class discussion. The instructors may use what is sometimes called “soft” cold calling. (By a “cold call,” we mean calling upon a student to respond to a question even if the student has not volunteered by raising his or her hand. By a “soft” cold call, we mean that if the student does not wish to respond he or she can simply “pass” without penalty. Soft cold calling is a technique for encouraging widespread class participation.) There may be feedback polls on some of the classes for which you will be required to submit a response.

Written exercises: There will be 2 short written exercises, to be done out of class. These exercises are open book, and designed to help students master some key legal concepts. I would expect that a student who has done the assigned reading relating to the exercise could complete the exercise in less than one-and-a-half hours.

Each student has the option of doing the exercises individually or as part of a team of up to 3 members.

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*This exercise should be submitted electronically by 7pm on the date due, in keeping with a procedure which will be explained by the TA.*

Grading

Grading will be Pass/D/Fail only. Students are expected to attend all classes, so you should not enrol if you think consistent attendance will not be possible for you. (See discussion of “Class attendance” under “Expectations of students” above.)
Readings

All material will be posted on Canvas (https://mit.instructure.com/courses/840) or distributed in class.

Contact Information

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