

Rules of the Eighth Intercollegiate Negotiation Competition
(November 11 version)

1. Rules

- (1) The Eighth Intercollegiate Negotiation Competition shall be conducted in accordance with the following rules (the “Rules”).
- (2) The Rules may be amended from time to time by the Steering Committee. Notice of any such changes shall be delivered promptly by the Steering Committee.
- (3) Questions relating to the Rules must be addressed to the Steering Committee by the relevant deadline in Article 2(2) of the Rules. With respect to questions that the Steering Committee decides to answer, the Steering Committee shall respond by sending (1) the question and (2) the response to all participants to the relevant schools. However, the Steering Committee has the right to decline to answer any questions at its sole discretion.

2. Time and Place

- (1) The time and place of this competition is as follows.
 - ① Time: December 5 and 6, 2007
 - ② Place: Sophia University 7-1 Kioi-cho, Chiyoda-ku, Tokyo
- (2) The schedule leading up to the competition is as follows.
 - ① Distribution of the Problem & Rules
October 5 (Mon)
 - ② Registration Deadline
October 15 (Thu), 17:00
 - ③ Distribution of Confidential Information and the Match Table
October 19 (Mon)(Tentative)
 - ④ Registration of Roles
October 30 (Fri), 17:00
 - ⑤ Deadline for questions about the Problem and the Rules
November 6 (Fri), 17:00
 - ⑥ Deadline for the Round A Preliminary Memorandum
November 23 (Mon), Noon
 - ⑦ Deadline for the Round B Preliminary Memorandum
December 2 (Wed), Noon

3. **Steering Committee**

- (1) In addition to setting the Rules, the Steering Committee shall manage and control all matters in relation to the competition.
- (2) All communication, questions, submission of preliminary memorandums and registrations to the Steering Committee shall be made via email, addressed to the following addresses:
negocenter@osipp.osaka-u.ac.jp and tetsu-mo@sophia.ac.jp
Please be sure to send all emails to both addresses.
- (3) Communication from the Steering Committee to each school shall be made by email addressed to the registered email address of the representatives or the supervising professor of each school.

4. **Registration**

- (1) Each participating school shall register the list of participants and other relevant information in the format provided by the relevant deadline.
- (2) On registration, each university shall pay a registration fee of 5,000 yen per participant to the bank account designated by the Steering Committee. This registration fee is not refundable, even if the number of participants decreases.
- (3) The competition has two sections, one is the section conducted in Japanese (the Japanese section) and the other is the section conducted in English (the English section). Each participant needs to be registered in either the Japanese section or the English section.
- (4) Each school may register up to 2 teams for the Japanese section and 2 teams for the English section. Each team shall consist of 4-5 participants. The Steering Committee may grant special exemptions from this restriction.
- (5) Each school shall designate one to two representatives and at least one instructor to receive communication from the Steering Committee. Communication and announcements from the Steering Committee shall be made by email to the email address of such registered representatives or registered instructor, depending on the content of such communication and announcements. Questions to the Steering Committee shall be made by the registered representatives or by the registered instructor.
- (6) If any participant has experience in the handling of litigation, arbitration or business negotiation as practicing lawyers or businesspeople, upon registration, each university shall submit a paper declaring his/her name, experience and years practiced (for example, "as a lawyer/judge/in-house

counsel, I was involved with litigation management/arbitration practice/business negotiation, for X number of years”). The paper will be used for reference for matching the teams fairly and will be given to the judges as reference for evaluation. If there is an inaccuracy in this declaration, depending of the nature of such inaccuracy, the points of each round for that team in which the relevant participant joins may be reduced as a penalty. The maximum reduction shall be one point for one participant.

5. Problem

- (1) The following information will be given to each school:
 - ① General information common to all participants (to be distributed via the Competition website); and
 - ② Confidential information specific to parties on each side of the competition (to be sent to instructors).
- (2) Questions about the problem shall be addressed to the Steering Committee by the relevant deadline. The Steering Committee shall reply to such questions by giving its answer to all the schools (in the case of questions relating to the general information) or to the relevant schools (in the case of questions relating to the confidential information). The Steering Committee has the right to decline to answer any questions at its sole discretion.
- (3) Confidential information may not be revealed to other schools.
- (4) The Steering Committee may make amendments to the Problem from time to time. In such case, the notice of such amendments shall be sent to each school promptly.
- (5) The Japanese text of the Problem is controlling for the Japanese section, and the English text of the Problem is controlling for the English section. All involved in the competition should take note that there is no guarantee that the Japanese and the English content correspond with one another.

6. Basic Structure

- (1) In this competition, there is a Japanese section and an English section.
- (2) Each school will be designated in the role of either “Red” or “Blue”.
- (3) The matching of teams for the competition shall be decided by the Steering Committee.
- (4) Negotiations with other schools prior to the competition are prohibited.
- (5) The competition shall take place in two rounds, as follows.
 - ① Round A
 - a. An arbitration based upon the UNCITRAL rules shall be conducted.

b. The applicable law shall be the UNIDROIT Principles of International Commercial Contracts (2004). For the Japanese section, the tentative translation on the website of UNIDROIT shall be used as the official version

(<http://www.unidroit.org/english/principles/contracts/principles2004/translations/blackletter2004-japanese.pdf>) .

② Round B

a. A bilateral negotiation shall be conducted.

b. After the negotiation, self-evaluation in front of the judges shall be made.

(6) In Round A, all participants shall take on the role of lawyers for Red or Blue. In Round B, each participant in each team must be in one of the roles given below. Participants are required to conduct negotiations from the perspective of their respective roles. The details of each role are left to the discretion of each participating school, but in the course of the competition, judges may question participants concerning the details of their role. Judge will evaluate adequateness of role sharing.

<Red>

- ① Nomura (1 person)
- ② Smith (1 person)
- ③ Brown (1 person)
- ④ GM of Legal Department (1 person)
- ⑤ GM of Business Department (1 person)

<Blue>

- ① Orange (1 person)
- ② Chen (1 person)
- ③ Kuroda (1 person)
- ④ Section Chief of Legal Department (1 person)
- ⑤ Chief of Group 3 (1 person)

* GM=General Manager

* If a team has 4 members, someone shall take on two roles concurrently.

* If a team has 6 members, a suitable sixth role may be added.

(7) Each school shall register the role of each participant by the deadline specified in 2(2) by adding the designation of the roles in the form for the formal registration.

(8) In both Round A and Round B, it is not permitted to use a language other than the language of the section (this includes directions given by judges to

participants, conversations with judges, and conversations within each team). However, this shall not apply to conversations within a team outside of the room in which the round is held, conversations with Steering Committee members, or conversations during break time.

- (9) The rough schedule for Round A is set out in the Problem and for Round B is as follows. Please note that the schedule is susceptible to changes at the judge's discretion.

<Round B>

9:30 – 12:15 Round B

Setup: 15 min.

Meeting with Judges: 15 min.(5 minutes for each team)

Negotiation: 135 min.

12:15 – 12:30 Preparation for Self-Evaluations

12:30 – 12:50 Self-Evaluation ①

12:50 – 13:10 Self-Evaluation ②

13:10–13:30 Overall Evaluation and Comments

7. Round A

- (1) An arbitration shall be conducted in Round A (note that this differs from mediation and other processes). The arbitration panel shall consist of three arbitrators (judges, for the purpose of the competition). Of these, one shall be the chief arbitrator. The decision of the arbitration panel shall be made by majority decision (however, for purposes of judging the competition, each judge shall evaluate team performance independently), and in the event that the arbitrators are evenly divided, the decision of the chief arbitrator shall be treated as the final decision of the arbitration panel.
- (2) The arbitration shall be conducted on the basis of the Problem, the memorandum, the arguments made by the parties in Round A, and the materials filed by the parties for Round A under the Rules.
- (3) The issues to be addressed in the arbitration shall be limited to those stated in the Problem (the parties shall be deemed to have referred these issues to arbitration).
- (4) Each team shall submit a memorandum setting forth its claims and supporting reasons (the “preparatory memorandum” referred to in the Problem) by the deadline specified in Rule 2(2) by sending it as an email attachment to the Steering Committee. The format of the memorandum shall be as follows:
- ①The memorandum shall be made with MS-Word, with A4 size page setting. In the case of Japanese, submissions should be a maximum of

10,000 characters in length; in the case of English, submissions should be a maximum of 3500 words in length (including footnotes).

②A cover page should be attached to the memorandum, which sets forth the name of the university, team number, whether the team represents Red or Blue, and the names of team members. Please send the memorandum and cover page as one file.

③Additional materials such as cases, articles and tables may be submitted with the memorandum as an attachment in PDF format via e-mail. The number of pages and words of such attachment are not counted for the purpose of the limitation of the length of the memorandum, but such additional materials shall not exceed 5 pages.

(5) In case the memorandum does not abide by this rule, each judge may deduct points for that team in Round A as a penalty. The Steering Committee shall decide the necessity and extent of such penalty, under the following guidelines:

① Exceeding length limit

- within 500 characters or 250 words: minus 0.5 point
 - within 1000 characters or 500 words: minus 1 point
 - more than 1000 characters or 500 words: 1.5 point
- * The characters in Japanese shall be calculated using “Number of Characters (without space)” of MS Word, and the number of words in English shall be calculated using “Word Count” of MS Word.

②Delay in submission

- within 30 minutes: 0.5 point
 - within one hour: 1 point
 - over one hour: 1.5 point
- *The time of submission will be based on the time of arrival to the server of the place of submission.

(6) It is not necessary for the contents of the memorandums of the teams of the same university to be the same (but it is permissible for the contents of teams from the same university to be the same).

(7) In the memorandum, all the issues indicated in the Problem must be addressed, giving consideration to the basic assertions of the counterparty referred to in the problem. In the memorandum, teams may address arguments not referred to in the Problem by guessing possible additional arguments that the counterparty may make. The memorandum should be drafted with an easy to understand, logical structure, by using concise sentences, sub-section headings, etc.

(8) The memorandum will be disclosed to your counterparty before the

Competition. Arguments not set forth in the memorandum are permitted to be made orally in Round A, but failure to cover an important point in the memorandum, or making an oral argument that conflicts with a position set forth in the memorandum, may be negatively evaluated.

- (9) There is no examination of witnesses in the arbitration.
- (1 0) The arbitration panel will not make an arbitral award.
- (1 1) Procedure of the arbitration shall be controlled by the UNICTRAL Arbitration Rules and the place of arbitration is Japan. In the event of a conflict between the aforementioned UNCITRAL provisions, the Problem and these Rules, the Problem takes priority, and these Rules take second priority. The arbitration panel shall determine matters covered neither by the aforementioned UNCITRAL provisions nor by the Rules.
- (1 2) The arbitration panel's method of procedure may vary from group to group. For example in past competitions, in some groups the panel will focus on the party's exchange with the panel, in other groups the panel will focus on exchange and discussion between the parties, and in some groups the panel will allot a specific amount of time in which each party is to express their appeals with no opportunity for questions and answers. Whatever the method may be, the arbitration panel has an obligation to treat both parties fairly, and may not give one party an unfair advantage due to procedure. Parties who have doubts in the fairness of the arbitration panel's method of procedure may raise an objection during the arbitration, and parties who are unsatisfied with the response from the panel make appeal to the Steering Committee. However, objections must be made before the end of the round.
- (1 3) Participants should take note that, as a general matter, each side has an obligation to persuade the arbitration panel as to its claims, by backing up its arguments with facts or reasoning, found in the Problem or other materials.
- (1 4) Each team may request 5 minutes of caucus time per hour. However, the arbitration panel may postpone a request for a caucus for up to 20 minutes, as it deems appropriate for the orderly progress of the arbitration.
- (1 5) Each team shall submit, by December 2 noon, a document setting forth its opinions and counterargument to the memorandum submitted by the counter party by an email attachment to the Steering Committee. Article 7(4) is applied to the format of this document, but the maximum characters are 2,000 in Japanese and the maximum words are 700 in English. 7(4)③ is not applied. Article 7(5) is applied to the deduction of the points, but the length limit should be computed by multiplying the numbers in 7(5)① by 0.2.

8. Round B

- (1) Participants shall share responsibilities and carry out their respective roles in order to ensure smooth operation of their team (points may be deducted by the judges, or a warning issued by the Steering Committee in the event that a participant is simply not engaged).
- (2) The schools party to the negotiation shall determine, through negotiation, which members of each team shall participate in the negotiations in which manner, and in which manner the negotiation shall precede.
- (3) Each team shall submit a memorandum stating what should be explained to the President of the company during the consultation period before the negotiation and what should be approved by the President of the company for the negotiation by the deadline specified in 2(2) of these Rules, by sending it to the Steering Committee as an e-mail attachment. The format of the memorandum shall be as follows:
 - ①In the memorandum, the negotiation strategies need to be mentioned:
 - ②The memorandum shall be made with MS-Word, with A4 size page setting. In the case of Japanese, submissions should be a maximum 1000 characters in length; in the case of English, submissions should be a maximum 400 words in length (including footnotes).
 - ③A cover page should be attached to the memorandum, which sets forth the name of the university, team number, whether the team represents Red or Blue, and the names of participants. Please send the memorandum and cover page as one file.
- (4) Memorandums that do not abide by the preceding Rule will be subject to deductions of points, in the same manner as set forth in Rule 7(5) above with respect to memorandums for Round A. In regards to exceeding length limit, the following is applied for Round B.

Exceeding length limit

 - within 250 characters or 50 words: minus 0.5 point
 - within 500 characters or 100 words: minus 1 point
 - more than 500 characters or 100 words: 1.5 point

* The characters in Japanese shall be calculated using “Number of Characters (without space)” of MS Word, and the number of words in English shall be calculated using “Word Count” of MS Word.
- (5) It is not necessary for the contents of the memorandums of the teams of the same university to be the same (but it is permissible for the contents of teams from the same university to be the same).

- (6) Negotiations shall be conducted in the designated place.
- (7) When an agreement about the content of appendix 14 is made, the Vice President of each team must sign it. 5 copies must be made: 2 copies for each team and 3 copies for the judges. If the negotiation does not end in agreement and a letter of intent is in progress, the latest version of appendix 14 also may be submitted in the same manner, but without signature of participants.
- (8) Participants must follow the instructions by the judges.
- (9) Round B shall be conducted in the following manner:
 - ① Each team shall explain its negotiation strategy to judges in 5 minutes. The winner of a round of rock-scissors-paper shall go first for the self-evaluation. This explanation is made to judges, not to presidents or seniors of the company. Judges may make questions for clarification purposes.
 - ② Bilateral negotiations.
 - ③ After the negotiation, each team shall have 15 minutes to deliver an oral self-evaluation before the judges. The winner of a round of rock-scissors-paper shall go first for the self-evaluation. That team will be given 15 minutes for preparation. The self-evaluation will be conducted in the following manner.
 - Report to Nego Industries (Red) or Mr. Green (Blue) on the result of the negotiation and answer questions from them (about 10 minutes). One of the judges will serve as a representative of Nego Industries or Mr. Green.
 - Self analysis: If the same negotiation were to be repeated the following day, which aspects of the team's approach would they choose to repeat, and which would they choose to change? (about 5 minutes).
- (10) Members of one team may not attend the other team's self-evaluation at the end of the round.

9. Submission of Materials

- (1) Each school may submit materials to support its claims. Such materials are not limited to paper documents; projected images and the like may be used. If a team wants to use a projector, etc., each team must prepare its own machine and equipment (extension cords, etc.) individually and give prior notice to the Steering Committee. There is no need to bring your own projector screen.
- (2) Notes by participants for personal reference during the proceedings, as well as memos, copies and other such materials for personal reference, are

excluded from the requirements of this paragraph.

- (3) The UNIDROIT Principles of International Commercial Contracts (2004) are also excluded from the requirements of this paragraph.
- (4) Materials may be used only after a complete copy has been passed to each member of the opposite team, and to the judges (prepare 10 copies, to assure enough for each member of the opposite team, plus the judges). Materials may be passed to the other side and to the judges in the course of the proceedings in both rounds; they need not be supplied in advance. However, the opposing team may request sufficient time to review the materials after receiving them.
- (5) When using cases and arbitral awards written in foreign languages (other than Japanese language in the Japanese section and other than English language in the English section), the whole translation of the text or the “case memo”, written in the language of the section and attached with the original document, should be submitted. If the original document is a summary, the participants can choose the whole translation of the summary or the “case memo”. Still, if the description is abstract and unclear as a result of using a summary, the document value will be decreased. “Case memo” should specify:
 - A. Name of the court, date of the judgment, citation;
 - B. Summary of the facts (parties, facts, petitions);
 - C. Summary of issues and judgments (all the claims and issues should be mentioned in a concise manner.)
 - D. Relationship of the case to the assertions in the Competition;
 - E. Translation of the relevant parts of the case, which will be introduced to support the argument.
- (6) Judges and arbitrators may in their sole discretion refuse to permit the use of any set of materials or item therein.
- (7) Materials passed to the opposing team but not referred to in the proceedings shall not be considered in evaluation.
- (8) Other than the case in (5) above, in both the Japanese section and the English section, any materials not in the native language of the section must be accompanied by a translation (this shall not apply to portions of such materials to which reference is not to be made in the course of the proceedings). Errors in translation will result in a loss of points for the round concerned.

10. Judging

- (1) Team performance shall be judged in Round A by a panel of 3 judges.

- (2) Team performance shall be judged in Round B by a panel of 3 judges.
- (3) Evaluation standards will be disclosed on the Website of the competition. Judging shall be on the basis of absolute (not relative) performance.
- (4) In principle, different judges will judge Round A and Round B. If the same judge serves in Round A and Round B, the judge shall not take into consideration the performance in Round A in the context of judging Round B.
- (5) The Steering Committee shall appoint the judges.
- (6) In both Round A and Round B, the arbitrators and judges may ask any questions of the participants that they feel necessary to the task of judging the competition.
- (7) The evaluations of individual judges will not be disclosed.
- (8) For schools represented by multiple teams, the average of the scores achieved by all of its teams shall be the score of the school.
- (9) Persons who have instructed teams in preparation for this year's competition may not judge a match involving the team, which they have instructed (instructors who have not been involved in the supervision of a team shall not be barred from judging a round on the grounds that it involves a team from their own school).
- (10) Judges shall be permitted to make a record of the proceedings.
- (11) Judges shall submit the evaluation form to the Steering Committee within 30 minutes of the completion of the round to be judged.
- (12) The points achieved by a school shall be the total number of points given by each judge, acting independently, in Round A and Round B. However, this shall not prevent judges from exchanging views in connection with the judging process.
- (13) The Steering Committee shall hold an advance briefing with the judges, in order to seek to achieve uniformity in the evaluation process.
- (14) Throughout the course of the competition, judges will deduct points from participants who seriously deviate from the manner expected of business people.

1 1 . Support from Supervisors, etc.

- (1) Advice from the instructors of each school in preparation for the competition is encouraged.
- (2) During each round, instructors of each school may not provide directions or advice to team members.

1 2 . Dress, Name Card, Name Tag, Name Plate

- (1) Participants shall dress appropriately for business negotiations at each round.
- (2) Throughout the course of the competition, participants are expected to maintain an appropriate manner expected of business people.
- (3) Participants shall make name cards and hand them to the counterparts in each Round. University, company, title, and name should be set forth in the name cards.
- (4) Participants shall make and bring nametags and name plates in the following format.
 - ① Name Tag

Size: Normal name card size. Please prepare a plastic case for the nametag, as well.

Content: Please show the name of the university and the name of the participant in Japanese for the Japanese section participants and in English for the English section participants.

Colors: light blue (sky blue) for Blue, pink for Red.
 - ② Name Plate

The nameplate will be put on the table during Rounds.

Size: Bold B5-sizepaper in three, long sideways.

Content: Please show the name of the university and the name of the participant in Japanese for the Japanese section participants and in English for the English section participants.

Colors: light blue (sky blue) for Blue, pink for Red.

1 3. Awards

- (1) The school that achieves the highest number of total points shall receive the SUMITOMO competition award, and schools ranking 2nd through 5th shall also receive awards.
- (2) In the event the points achieved by two schools are identical, the tie shall be resolved by referring to the number of evaluation categories in which each team scored the maximum number of possible points. In the event this also results in a tie, the tie shall be resolved by a rock-scissors-paper contest between representatives from each school.

1 4. Recommendation for participation in the International Negotiation Competition

- (1) The Steering Committee will select and recommend two persons from the

participants of the competition as Japan representatives for the International Negotiation Competition. (The competition will be held in June or July annually, in English, with 2 persons in the team). The committee may not recommend any team if it considers it difficult to get a competent team. The standard for selection is as follows:

- ① The committee will ask the university that achieved the best score in the English division in Round B if the university will send a team. If that university will not send a team, the university that achieved the second best score in the English division in Round B may send a team (if necessary, the same process will continue in order of the rankings).
 - ② The team shall satisfy the following conditions:
 - Team instructor can participate and supervise the team; and
 - The team members have fluent English ability, are competent as representatives of Japan from the viewpoint of the instructor, and meet one of the following conditions:
 - Japanese national,
 - Graduate or present student of a Japanese university 4 years course,or
 - Japanese resident for more than two years continuously at the time of this intercollegiate negotiation competition.
- (2) One must pay their own participation. However, aid in the amount of 100,000 yen will be given to one student from the Steering Committee.

1 5 . Prohibitions

The following matters are prohibited:

- ① Advanced communication or negotiation on the problem with another school (including but not limited to face-to-face meetings, telephone calls, and e-mail messages).
- ② Matters prohibited by these rules.
- ③ Failure to comply with Steering Committee directions.
- ④ Failure to comply with directions given by the judges.
- ⑤ Breach of copyright and other laws.
- ⑥ Obstruction of the competition.

1 6 . Rule Violations

The Steering Committee may reduce the points or not bestow an award on a school that it has determined to have violated the Rules (this shall include schools that have been subjected to a warning).

1 7. Complaints

- (1) Complaints that another school has violated the Rules must be lodged with the Steering Committee within 10 minutes of the close of each round by the school representatives of the schools involved. The Steering Committee shall issue its decision after hearing the response of the representative of the school concerning which the complaint has been lodged.
- (2) Notwithstanding the preceding sub-paragraph, when immediate response is thought necessary, the representatives of each school may, even in the middle of a round, ask the judges to confirm the Rules, and request that the behavior of the other school be corrected.
If the judge determines that such a request is for good reason, the judge may issue such direction as he or she deems appropriate, or consult with the Steering Committee concerning any action to be taken.
- (3) The decision of the Steering Committee in subparagraph 1 above, and that of the judges in subparagraph 2 above, are final, and may not be appealed.

1 8. Brochure, Video Recording

- (1) Participants consent to the listing of their names, academic department and year in the brochure made by the Steering Committee, video made by the Sumitomo Group Public Affairs Committee, and other necessary materials or publication by the Steering Committee.
- (2) Participants consent to the video recording of the proceedings, and to the use of such recording in future education, training, and advertising.
- (3) If a team wants to arrange for the video recording of sessions, such team must prepare the necessary video equipment (such as extension cords, etc.) and media. In addition, prior notice is to be given to the Steering Committee.
- (4) This competition is open to visitors. Friends and family of the participants are free to watch the competition provided they follow the necessary procedures at the reception on the day of the competition.

1 9. Costs

- (1) In principle, costs arising from participation in this competition shall be borne by the individual participants.
- (2) This competition is receiving support from the Sumitomo Group Public Affairs Committee, White & Case, Chartered Institute of Arbitrators, Japan

Chapter, Japan Association of Arbitrators and Sophia University. Authority to use funds received from the supporters shall lie with the Steering Committee.