

Product Liability Act

(Act No. 85 of July 1, 1994)

(Purpose)

Article 1 The purpose of this Act is to protect victims by establishing liability against manufacturers, etc. regarding compensation for loss or damage if a defect in a product causes damage to life, body, or property of another person, and thereby to contribute to the stabilization and improvement of the lives of the citizenry and to the sound development of the national economy.

(Definitions)

Article 2 (1) The term "product" as used in this Act means movables which are manufactured or processed.

(2) The term "defect" as used in this Act means a lack of safety which a product should normally have, taking into account the characteristics of the product, the normally foreseeable usage manner, the time at which the manufacturers, etc. delivered the product, and other circumstances of the product.

(3) The term "manufacturer, etc." as used in this Act means a person falling under any of the following items:

(i) any person that manufactured, processed, or imported the product in the course of business (hereinafter simply referred to as "manufacturer");

(ii) any person that uses a name, trade name, trademark or other kinds of indications (hereinafter referred to as "indications including a name") on the product as the manufacturer of the product, or any person that uses indications including a name on the product which may mislead others into believing that the person is the manufacturer thereof;

(iii) in addition to the person set forth in the preceding item, any person that uses indications including a name on the product which can be recognized by others as that of the real manufacturer, taking the manner of the manufacturing, processing, importation or sale of the product, and other circumstances into consideration.

(Product Liability)

Article 3 The manufacturers, etc. are liable to compensate for loss or damage, if death or bodily injury to others or infringement of property of others are caused by a defect in the delivered product, which was manufactured, processed, imported, or on which indications including a name referred to in item (ii) or item (iii) of paragraph (3) of the preceding Article are used; provided, however, that this does not apply if the damage occurs to the product

alone.

(Ground for Exemption)

Article 4 In the case referred to in the preceding article, the manufacturers, etc. are not liable for compensation as provided in that Article if the manufacturers, etc. prove the facts on the particulars set forth in the following items:

- (i) the defect in the product could not have been detected given the state of scientific or technical knowledge at the time when the manufacturers, etc. delivered the product; or
- (ii) if the product is used as a component or raw material of other products, the defect occurred solely because of the compliance with the instructions on the design given by the manufacturer of other relevant products, and the manufacturers, etc. are not negligent with respect to the occurrence of the defect.

(Extinctive Prescription)

Article 5 (1) In the following cases, the right to claim compensation for loss or damage provided in Article 3 is extinguished by prescription:

- (i) the right to claim compensation is not exercised for three years from the date on which the victim or legal representative thereof came to know the damage and the person that was liable for compensation; or
 - (ii) 10 years have elapsed from the date on which the manufacturers, etc. delivered the product.
- (2) With respect to the application of the provisions of item (i) of the preceding paragraph to the extinctive prescription of the right to claim compensation for loss or damage, in the case of death or bodily injury to persons, the term "three years" in that item is deemed to be replaced with "five years".
- (3) With respect to the period referred to in item (ii) of the paragraph (i); in case of damage caused by a substance that becomes harmful to human health if it accumulates in the body; or in case of damage that causes symptoms to appear after a certain incubation period; the period is calculated from the date on which the damage occurred.

(Application of the Civil Code)

Article 6 Beyond what is provided for in this Act, the liability of the manufacturers, etc. for damage caused by a defect in a product is governed by the provisions of the Civil Code (Act No.89 of 1896).

Supplementary Provisions [Extract]

(Effective date)

(1) This Act comes into effect as of the day on which one year has elapsed from the date of promulgation, and applies to the products delivered by the manufacturers, etc. after this Act comes into effect.