

THE DISPUTE  
RESOLUTION  
REVIEW

FOURTEENTH EDITION

Editor  
Damian Taylor

THE LAWREVIEWS

THE  
DISPUTE  
RESOLUTION  
REVIEW

FOURTEENTH EDITION

Reproduced with permission from Law Business Research Ltd  
This article was first published in February 2022  
For further information please contact [Nick.Barette@thelawreviews.co.uk](mailto:Nick.Barette@thelawreviews.co.uk)

**Editor**  
Damian Taylor

THE LAWREVIEWS

PUBLISHER

Clare Bolton

HEAD OF BUSINESS DEVELOPMENT

Nick Barette

TEAM LEADER

Jack Bagnall

BUSINESS DEVELOPMENT MANAGERS

Rebecca Mogridge, Katie Hodgetts, Joey Kwok

RESEARCH LEAD

Kieran Hansen

EDITORIAL COORDINATOR

Isabelle Gray

PRODUCTION AND OPERATIONS DIRECTOR

Adam Myers

PRODUCTION EDITOR

Anne Borthwick

SUBEDITOR

Jane Vardy

CHIEF EXECUTIVE OFFICER

Nick Brailey

Published in the United Kingdom

by Law Business Research Ltd, London

Meridian House, 34–35 Farringdon Street, London, EC4A 4HL, UK

© 2021 Law Business Research Ltd

[www.TheLawReviews.co.uk](http://www.TheLawReviews.co.uk)

No photocopying: copyright licences do not apply.

The information provided in this publication is general and may not apply in a specific situation, nor does it necessarily represent the views of authors' firms or their clients. Legal advice should always be sought before taking any legal action based on the information provided. The publishers accept no responsibility for any acts or omissions contained herein. Although the information provided was accurate as at January 2022, be advised that this is a developing area.

Enquiries concerning reproduction should be sent to Law Business Research, at the address above.

Enquiries concerning editorial content should be directed  
to the Publisher – [clare.bolton@lbresearch.com](mailto:clare.bolton@lbresearch.com)

ISBN 978-1-83862-277-0

Printed in Great Britain by

Encompass Print Solutions, Derbyshire

Tel: 0844 2480 112

# ACKNOWLEDGEMENTS

The publisher acknowledges and thanks the following for their assistance throughout the preparation of this book:

ADVOKATFIRMAET SELMER AS

ADVOKATFIRMAN VINGE KB

ARIFF ROZHAN & CO

ARIFIN, PURBA & FIRMANSYAH

ARTHUR COX

ASMA HAMID ASSOCIATES

AZB & PARTNERS

BAKER MCKENZIE

BDGS ASSOCIÉS

BONELLIEREDE

COSTA TAVARES PAES ADVOGADOS

CRAVATH, SWAINE & MOORE LLP

DE BRAUW BLACKSTONE WESTBROEK

ERDEM & ERDEM

EVERSHEDS SUTHERLAND

FOLEY & LARDNER

GORRISSEN FEDERSPIEL

HENGELER MUELLER

JUNHE LLP

MARXER & PARTNER ATTORNEYS-AT-LAW

MORI HAMADA & MATSUMOTO

SAYENKO KHARENKO

SLAUGHTER AND MAY

URÍA MENÉNDEZ

VAVROVSKY HEINE MARTH RECHTSANWÄLTE

VISCHER LTD

WU & PARTNERS, ATTORNEYS-  
AT-LAW

YOUNG CONAWAY STARGATT & TAYLOR, LLP

# CONTENTS

PREFACE.....	vii
<i>Damian Taylor</i>	
Chapter 1	AUSTRIA..... 1
<i>Dieter Heine and Michael Schloßgangl</i>	
Chapter 2	BRAZIL..... 14
<i>Antonio Tavares Paes, Jr and Vamilson José Costa</i>	
Chapter 3	CHINA..... 31
<i>Xiaobong Hu and Xinghui Jin</i>	
Chapter 4	DENMARK..... 37
<i>Jacob Skude Rasmussen and Andrew Poole</i>	
Chapter 5	ENGLAND AND WALES..... 50
<i>Damian Taylor and Zachary Thompson</i>	
Chapter 6	FRANCE..... 85
<i>Kyum Lee, Florian Dessault, Aida Taban and Pierre Tricard</i>	
Chapter 7	GERMANY..... 99
<i>Henning Bälz and Antonia Hösch</i>	
Chapter 8	HONG KONG ..... 116
<i>Mark Hughes and Catherine Wang</i>	
Chapter 9	INDIA..... 135
<i>Zia Mody, Aditya Vikram Bhat and Priyanka Shetty</i>	
Chapter 10	INDONESIA..... 156
<i>Ahmad Irfan Arifin</i>	

## Contents

---

Chapter 11	IRELAND .....	169
	<i>Andy Lenny and Peter Woods</i>	
Chapter 12	ITALY .....	188
	<i>Monica Iacoviello, Vittorio Allavena, Paolo Di Giovanni, Tommaso Faelli and Massimo Baroni</i>	
Chapter 13	JAPAN .....	201
	<i>Yoshinori Tatsuno and Ryo Kawabata</i>	
Chapter 14	LIECHTENSTEIN.....	210
	<i>Stefan Wenaweser, Christian Ritzberger, Laura Negele-Vogt and Edgar Seipelt</i>	
Chapter 15	MALAYSIA .....	224
	<i>Christopher Arun, Nur Izzati Rosli, Sylvie Tan Sze Ni and Long Jie Ren</i>	
Chapter 16	MEXICO .....	235
	<i>Miguel Angel Hernández-Romo Valencia</i>	
Chapter 17	NETHERLANDS.....	250
	<i>Eelco Meerdink</i>	
Chapter 18	NORWAY.....	268
	<i>Carl E Roberts and Fredrik Lilleaas Ellingsen</i>	
Chapter 19	PAKISTAN.....	281
	<i>Asma Hamid, Zainab Kamran, Sana Azhar and Mahnoor Ahmed</i>	
Chapter 20	PORTUGAL.....	291
	<i>Francisco Proença de Carvalho and Inês Drago</i>	
Chapter 21	SPAIN.....	306
	<i>Ángel Pérez Pardo de Vera and Francisco Javier Rodríguez Ramos</i>	
Chapter 22	SWEDEN.....	330
	<i>Cecilia Möller Norsted and Mattias Lindner</i>	
Chapter 23	SWITZERLAND .....	341
	<i>Karin Graf and Mladen Stojiljković</i>	
Chapter 24	TAIWAN .....	356
	<i>Simon Hsiao</i>	

## Contents

---

Chapter 25	THAILAND .....	371
	<i>Piya Krootdaecha and Nattanan Tangsakul</i>	
Chapter 26	TURKEY .....	383
	<i>Alper Uzun, Mehveş Erdem and Duygu Öner Ayçiçek</i>	
Chapter 27	UKRAINE.....	401
	<i>Olexander Droug, Oleksiy Koltok, Andriy Stetsenko and Olena Solonska</i>	
Chapter 28	UNITED STATES .....	413
	<i>Timothy G Cameron</i>	
Chapter 29	UNITED STATES: DELAWARE.....	430
	<i>Elena C Norman, Lakshmi A Muthu and Michael A Laukaitis II</i>	
Appendix 1	ABOUT THE AUTHORS.....	449
Appendix 2	CONTRIBUTORS' CONTACT DETAILS.....	471

# PREFACE

*The Dispute Resolution Review* provides an indispensable overview of the civil court systems of 29 jurisdictions. The following chapters aim to equip the curious practitioner with an up-to-date and concise introduction to the framework for dispute resolution in each jurisdiction. Each chapter outlines the most significant legal and procedural developments of the past 12 months and the authors' views as to the big themes predicted for the year ahead. The publication will be useful to anyone facing disputes that cross international boundaries, which is ever more likely in a world that seems to be more interconnected with every passing year.

In compiling the 14th edition of *The Dispute Resolution Review*, I am reminded that despite the variety of legal systems captured in the publication, there is a clear common denominator. All systems are organised and operate to ensure parties have a means of resolving disputes that they cannot resolve themselves. I am reassured that, despite cultural, traditional and legal differences, the jurisdictions represented here are united by this common thread. It reflects an innate, international commitment to the rule of law and the rights of individuals. This edition will be a success if it assists parties to navigate different legal systems to achieve fair and efficient outcomes for whatever dispute they are facing.

Reflecting on the past year, I cannot help but add to the chorus of people who have noted how challenging, uncertain and tragic the events of the global pandemic have been, and continue to be (as I write this preface, the UK has returned recently to working from home in response to the Omicron wave). The law is a reflection of society, so naturally it has been shaped by these events. However, out of this tragedy has come some good. Our courts and tribunals have been quick to adopt new technology and processes to manage compounding caseloads and necessary new ways of working. As far as I can tell, this has been a global trend and – while there have undoubtedly been challenges – no court system has buckled and had to shut the door to justice. This is a tremendous achievement and a testament to the strength and resilience of courts around the world. It is encouraging to see that some of the emergency measures put in place to cope with the pandemic look set to become permanent features of dispute resolution in the year ahead. Here in my home jurisdiction, England and Wales, the use of remote hearings and electronic evidence, and the implementation of various pragmatic amendments to procedural rules, should make the justice system more accessible and efficient than it was pre-pandemic.

The year ahead, of course, brings new challenges, but also reasons for optimism. The fragility of our climate, and the pervasiveness of big data, will no doubt play more prominent roles in the legal sector's near future. Recent high-profile climate discussions such as COP26 have highlighted the growing urgency around curbing harm to the natural environment. The grassroots of this trend are evident as businesses and regulators set ambitious climate targets, and litigants face contractual, tortious and public law claims for climate-related matters. The

*Okpabi* litigation in the United Kingdom involving parent company tortious liability for an oil spill in Nigeria provides a prominent example of how the natural environment may play a greater role in our courtrooms in the year ahead.

I also suspect disputes relating to the use of data will be a theme in the legal sector in the near future. While the General Data Protection Regulation has set the basic framework for the protection of personal data, we are likely to see more claims relating to the use and abuse of personal data down the track. The United Kingdom Supreme Court in the *Lloyd v. Google* decision set out a path for group claimants to pursue collective actions in instances of unlawful processing of personal data (although the claimants in that matter, which involved the internet browsing history of 4 million Apple iPhone users, were ultimately unsuccessful). The global nature of big data suggests this trend will not be confined to the United Kingdom.

This 14th edition follows the pattern of previous editions, where leading practitioners in each jurisdiction set out an easily accessible guide to the key aspects of each jurisdiction's dispute resolution rules and practice, and developments over the past 12 months. *The Dispute Resolution Review* is also forward-looking, and the contributors offer their views on the likely future developments in each jurisdiction. Collectively, the chapters illustrate a continually evolving legal landscape responsive to both global and local developments.

As always, I would like to express my gratitude to all of the contributors from all of the jurisdictions represented in *The Dispute Resolution Review*. Their biographies can be found in Appendix 1 and highlight the wealth of experience and learning from which we are fortunate to benefit. I would also like to thank the whole team at Law Business Research who have excelled in managing a project of this size and scope, in getting it delivered on time and in adding a professional look and finish to the contributions.

**Damian Taylor**

Slaughter and May

Harpenden

January 2022

# JAPAN

*Yoshinori Tatsuno and Ryo Kawabata*<sup>1</sup>

## I INTRODUCTION TO THE DISPUTE RESOLUTION FRAMEWORK

Japan is considered as having adopted a civil law legal system based on codified laws. The sources of law consist of statutes enacted by the Diet, as well as regulations such as governmental or administrative ordinances based on those statutes. However, case law is also important in Japan as it presents the courts' interpretation of legislation and thus significantly affects the implementation of laws in Japan. From time to time, the court even creates what may be referred to as 'new law' where legislation is silent on an issue.

Despite recent developments regarding alternative dispute resolution (ADR) systems such as arbitration and mediation in Japan, at present, court litigation remains the most commonly utilised dispute resolution system in the country.

Japan has adopted a unified three-tiered court system, which consists of the Supreme Court as the highest court, and other lower courts such as the High Courts, the district courts, the family courts and the summary courts. The district courts are the courts of first instance over cases in which the value of the dispute is above ¥1.4 million, while the High Courts hear appeals of district court decisions. The unsuccessful party may further appeal to the Supreme Court, but the grounds for appeal to the Supreme Court are limited to the misinterpretation of Japan's Constitution and certain serious procedural errors. The Supreme Court may also accept a final appeal when a decision of the High Courts contradicts the Supreme Court's precedents or relates to any other important question of law. The High Courts will consider questions of both fact and law, but the Supreme Court deems questions of fact as having been settled by the lower courts and will only hear questions of law.

Cases in which the value of the dispute does not exceed ¥1.4 million are under the jurisdiction of the summary courts as the court of first instance, and the district courts will hear appeals from summary court decisions, while the High Courts will further hear final appeals as the highest level of appellate court for such matters.

A decision of the Supreme Court will bind the lower courts and the parties related to the specific case, but other than that, strictly speaking, courts are not bound by any decision rendered by other courts. That said, decisions of the Supreme Court, as a persuasive authority, have a strong influence over the lower courts and, as stated above, contradicting the Supreme Court's precedents is one of the grounds where the Supreme Court will accept the final appeal. There is less emphasis on the decisions of lower courts, but in practice lower courts tend to look to the decisions of other lower courts as a persuasive source of legal interpretation.

---

<sup>1</sup> Yoshinori Tatsuno is a partner and Ryo Kawabata is a senior associate at Mori Hamada & Matsumoto.

As specialist courts, the family courts have jurisdiction over cases involving non-monetary family matters as the court of first instance. In addition, the Intellectual Property High Court was established in 2005 to specialise in IP cases and has exclusive jurisdiction as the court of second instance (that is, as the appellate court for IP cases). Note that the Tokyo District Court and the Osaka District Court have special divisions for IP cases that have exclusive jurisdiction over certain IP cases as the court of first instance, although they are merely divisions of these district courts and are not independent courts. Other than IP cases, some large district courts have similar special divisions for specific areas of disputes, such as commercial, administrative, labour, medical and bankruptcy disputes. These special divisions are not independent courts, but under the case assignment process within these district courts, those cases involving specific disputes previously mentioned will be assigned to the corresponding special divisions and the specialised judges will hear the cases.

The Act on Promotion of Use of Alternative Dispute Resolution (ADR Act)<sup>2</sup> came into force in 2007 to promote ADR procedures such as arbitration, mediation and conciliation. In recent years, an increasing number of disputes in Japan are being referred to such ADR procedures. One of the most commonly utilised ADR procedures in Japan is civil conciliation under the Civil Conciliation Act,<sup>3</sup> where a chief conciliator (a judge) and two or more civil conciliation commissioners designated by the court to a case will carry out the conciliation proceedings.

Japan is a signatory to the New York Convention and has recently actively promoted arbitration as a strong and efficient forum to resolve disputes. The Japan Commercial Arbitration Association (JCAA) is the leading arbitration institution in Japan. The JCAA is striving to promote ADR procedures in Japan. In 2019, the JCAA substantially amended the Arbitration Rules to meet global standards on international arbitration practice.

## **II THE YEAR IN REVIEW**

The government is discussing possible amendments to the Arbitration Act of Japan (JAA).<sup>4</sup> On 5 March 2021, it published its interim draft of the proposed JAA amendments.

The JAA is in principle based on the United Nations Commission on International Trade Law (UNCITRAL) Model Law; however, amendments to the UNCITRAL Model Law that were adopted in 2006 are not reflected in the current JAA. The proposed JAA amendments are intended to reflect the latest UNCITRAL Model Law as well as to deal with recent significant developments in international dispute resolution, including the United Nations Convention on International Settlement Agreements Resulting from Mediation (Singapore Convention), which came into force in 2019.

Among other things, the interim draft contains two distinct features. One is the enforceability of interim orders rendered by arbitral tribunals. Under the current JAA, interim orders issued by arbitral tribunals are not considered to be enforceable under Article 45.2(vii) of the JAA, which requires enforceable arbitral awards to be final and binding. To ensure and enhance the effectiveness of arbitration proceedings, it has been proposed that interim orders of arbitral tribunals be enforceable. The other important feature is the enforceability of the parties' settlement agreement reached through mediation. In light of the fact that

---

2 Act No. 151 of 2004.

3 Act No. 222 of 1951.

4 Act No. 138 of 2003.

more and more Japanese companies tend to consider mediation as an effective option for cross-border dispute resolution, and considering the possibility that Japan will be a signatory to the Singapore Convention in the future, it has been proposed that a settlement agreement between the parties through mediation procedures be enforceable under certain conditions.

### **III COURT PROCEDURE**

#### **i Overview of court procedure**

Japanese court procedures put significant emphasis on the examination of written statements and documentary evidence submitted by the litigating parties. In many cases, witness examination is held before judges, which is also an important piece of oral evidence. However, generally speaking, Japanese judges tend to think more highly of documentary evidence; thus, documentary examination is considered to be central to Japanese court procedures. A more detailed timeline of the procedures is described in subsection ii.

Japan does not have a jury system, and in civil cases, only professional judges will hear the case. In criminal cases, Japan has a lay judge system only for certain serious crimes, and lay judges will be involved both in fact finding and sentencing. However, lay judges will hear and decide a case together with professional judges, and will never bring in a verdict by themselves alone.

Japanese civil court procedure does not have a discovery process as a default. Although a party who wants the other party to produce documents may file a petition for the production of documents, generally speaking, Japanese courts tend to grant such a petition only in quite a limited manner compared with foreign jurisdictions. Therefore, litigating parties are usually supposed to establish their claims and arguments based on the evidence in their possession, and it is usually quite risky to commence litigation in anticipation of seeking and obtaining evidence from the opponent.

The parties may submit witness statements not only from factual witnesses but also from expert witnesses (i.e., expert opinions). However, in Japan, even if written expert opinions are examined, the witness examinations from expert witnesses are rarely held, which is one of the distinct features of Japanese court procedures.

In Japan, many cases end in settlement or with the withdrawal of the action, as is often seen in other foreign jurisdictions. According to the latest annual report on judicial statistics for 2020 published by the General Secretariat of the Supreme Court,<sup>5</sup> 43.2 per cent of cases ended in judgment, whereas 35.3 and 18.2 per cent of cases ended in settlement and a withdrawal of action, respectively. A withdrawal of action is sometimes based on the settlement agreement between the parties, so a portion of the 18.2 per cent is also considered the result of the parties' settlement. It is worth noting that, in Japan, judges handling a case may sometimes solicit settlement and lead the settlement discussion, although the same judges will finally decide the case if the parties fail to settle.

#### **ii Procedures and time frames**

The litigation procedure begins with the plaintiff's filing of the complaint. After the court clerk has examined its compliance with the formal documentary requirements, the court will serve the complaint together with summons on the defendant and will request that the defendant

---

5 <https://www.courts.go.jp/app/files/toukei/894/011894.pdf>.

attend the first oral hearing and submit an answer before the hearing. The defendant may raise a counterclaim at any time during the proceedings at the court of first instance, although the court may reject the filing of the counterclaim as being unreasonably late and delaying the conclusion of the proceedings, intentionally or due to the gross negligence of the defendant. At the appellate courts, in contrast, the defendant may raise a counterclaim only if the other side consents thereto.

The first oral hearing is held usually within one to two months after the filing of the complaint. Thereafter, court hearings (which are either oral hearings at the courtroom that are open to the public or preparatory court hearings in the court's preparatory hearing room that are not open to the public) are held non-consecutively and usually about once a month or once every few months. For such hearings, both parties are expected to submit their written briefs and the relevant exhibits in advance – either both parties at the same time or alternately. At the hearings, the judges and both parties discuss the issues at hand to identify the factual and legal issues that should be determined by the court, and decide what the parties should prepare by the next court hearing.

When the judges conclude that the issues have been sufficiently sorted out and they can identify the factual and legal issues to be determined by the court, the oral hearing for witness examinations will be held. The duration of witness examinations in Japan is relatively short, and all witness examinations are usually completed within one day, except for in complicated cases where many witnesses need to be examined. Thereafter, both sides usually submit their final briefs within one to two months, and then the court will render judgment.

The average duration of proceedings at the district court (as the court of first instance) in 2020 was 9.9 months, but for those cases where the judgment was rendered with the defendant's appearance, it was 13.9 months.

Regarding urgent or interim applications that are available, two types of interlocutory measures are mainly utilised in Japan for the purpose of securing the enforceability of the judgment in the main action. One is provisional attachment, where the court may order the debtor (the defendant in the main proceedings) to preserve and not to dispose of its property such as bank deposits and registered real estate to the extent necessary to secure the monetary claim in the main action. The other is provisional disposition, which is usually utilised to preserve a disputed property or to maintain an interim legal relationship between the parties. For example, the court may order the debtor not to transfer the possession or ownership of the property at issue in the main action. Given the nature of these interim measures, certain categories of interim orders (e.g., provisional attachment) may be issued through *ex parte* procedures, without the appearance of the debtor. The debtor will have the opportunity to raise its objection after receiving the provisional order.

The time frame for such interim measures is highly dependent on the cases themselves. For example, in the case of an urgent *ex parte* procedure for provisional attachment, the filing party may be able to obtain the court order within a few days at the earliest; however, especially for those cases where the court finds that an *inter partes* proceeding is necessary, it will often take several weeks, and even several months for complicated cases.

### iii Class actions

Japan does not have a class action system. Although there is no restriction on the number of plaintiffs in one action, each plaintiff should be listed as a plaintiff. However, Japanese legislation has recently been amended to allow for a system that is quite similar to the class action.

First, in 2007, the Consumer Contract Act was amended to allow for consumer organisation proceedings, where a certain qualified consumer organisation may seek injunctions against certain unfair acts of business operators, for the benefit of the relevant consumers. However, under this system, the qualified consumer organisation can only seek injunctions and cannot seek damages suffered by consumers.

Then, in 2016, the Act on Special Measures Concerning Civil Court Proceedings for the Collective Redress for Property Damage Incurred by Consumers was enacted.<sup>6</sup> Under this legislation, as a first step, a qualified consumer organisation may file a lawsuit to seek the court's declaration that the defendant (a business operator) is obliged to compensate consumers for certain acts. If the court acknowledges and declares the business operator's common obligations to consumers then, as second step, the qualified consumer organisation may file an action to determine the target claims through a procedure called simple determination proceedings. In this second step, the qualified consumer organisation will provide individual notices of the commencement of the simple determination proceedings to known relevant consumers, while at the same time publicly announcing the commencement of the proceedings. Consumers who want to receive compensation may opt to join the proceedings. The qualified consumer organisation must notify the court of the claims for and on behalf of those consumers.

This collective recovery system differs from a typical Western-style class action in some ways. It is especially worth noting that consumers may not proactively commence and lead the first step. In addition, the categories of monetary claims subject to this system are limited, and certain damages, such as consequential damages, lost profits, damages relating to human life or body and damages regarding emotional distress, are excluded.

#### **iv Representation in proceedings**

In Japan, litigants may represent themselves in court: representation by an attorney is not mandatory. For a legal entity other than a natural person, those who have legal authority to represent the entity (e.g., a representative director of a company) may represent it in court proceedings. If a litigant is represented by someone else in court, in principle that representative must be a qualified attorney under the Attorney Act,<sup>7</sup> with some exceptions, such as in summary court proceedings where non-attorney representation is allowed under certain requirements.

#### **v Service out of the jurisdiction**

Certain important judicial documents such as the complaint and the summons initiating the proceedings are required to be served to the defendant under the Code of Civil Procedure, whether the defendant is a natural person or a legal entity. The service of those judicial documents should be carried out in accordance with the Code of Civil Procedure of Japan and the applicable treaties between Japan and the country where the defendant resides, or those treaties to which both countries are signatories. If, under the applicable treaties, service via consular channels is permitted, then generally speaking, the necessary time for the service

---

6 Act No. 96 of 2013.

7 Act No. 205 of 1949.

is shorter, although it usually still takes several months. If the service has to be done via a central authority channel (such as the Supreme Court of Japan and the designated authority in the defendant's country), then it usually takes longer than service via consular channels.

#### **vi Enforcement of foreign judgments**

A foreign judgment needs to be recognised by a Japanese court in order for it to be enforced in Japan. The gist of the requirements for the recognition of a foreign judgment under the Code of Civil Procedure is as follows:

- a* the foreign court has jurisdiction over the dispute;
- b* in the foreign litigation process, the defendant has been served with an order necessary for the commencement of the lawsuit, or has appeared without receiving such service;
- c* the contents of the judgment and the litigation proceedings are not contrary to public policy in Japan; and
- d* the foreign country provides reciprocal recognition of Japanese judgments.

#### **vii Assistance to foreign courts**

In accordance with the Convention on Civil Procedure and the Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters, Japan provides foreign courts in civil cases with judicial assistance, which covers service of judicial documents and examination of evidence, including witnesses in civil lawsuits.

#### **viii Access to court files**

Any person may review case records of lawsuits, including pleadings and evidence, except for cases subject to a confidentiality order. In addition, the parties to the case and any third party who shows interest in the case may obtain a copy of the case records. However, a court may restrict access to a record if it thinks that the access would be detrimental to the preservation of the record or the performance of the court's duties.

#### **ix Litigation funding**

Litigation funding in a form similar to that found in other countries has not commonly been used in Japan to date, although some proponents are working to promote it. In recent years, crowdfunding services have been used to raise funds for litigation.

### **IV LEGAL PRACTICE**

#### **i Conflicts of interest and Chinese walls**

The Attorney Act as well as Basic Rules on the Duties of Practicing Attorneys issued by the Japan Federation of Bar Associations (JFBA) set forth situations where attorneys are prohibited from providing legal services due to conflicts of interest. In some of the situations set forth in the said regulations, such as where an attorney in a current case is requested by the other party in that case to take on another case, the attorney can take on the other case if he or she obtains the approval of the client in the current case.

Even if an attorney has a conflict of interest on a matter, other attorneys in the same law firm can take on the matter where such other attorneys can keep their impartiality in providing their service. A Chinese wall may, depending on the nature of the wall and the case, be regarded as one factor that supports that impartiality.

## ii Money laundering, proceeds of crime and funds related to terrorism

Under the JFBA's Regulations Concerning Verification of Client Identity and Retention of Records,<sup>8</sup> an attorney is required to confirm the identity of a client through an identification card or a certificate of corporate registration if the client asks the attorney to safekeep the client's money or deposit of not less than ¥2 million, or if the attorney's legal services will involve certain categories of transactions such as the sale of real estate or corporate M&A. An attorney is exempted from such obligation if the deposit he or she receives is for the purpose of court proceedings, typical examples of which include payments of filing fees or settlement amounts, and expenses for a attorney's activities as a bankruptcy trustee or an executor of wills.

## iii Data protection

The Act on the Protection of Personal Information<sup>9</sup> regulates business operators who are handling personal information, including law firms. The Act imposes on those business operators various obligations that include, among other things, the obligation to notify or disclose the purpose of utilising personal information upon acquiring personal information; and the obligation, in principle, to obtain a data subject's prior consent when providing his or her personal information to a third party.

# V DOCUMENTS AND THE PROTECTION OF PRIVILEGE

## i Privilege

Although the concept of attorney–client privilege, which we see in common law jurisdictions, is not recognised under Japanese law, attorneys have an obligation under the Attorney Act to keep in confidence information about clients learned in the course of providing legal services. As to such information, attorneys have the right to refuse to testify in court and the right to be exempted from the obligation to produce documents under the Code of Civil Procedure.

## ii Production of documents

It is a general rule under Japanese law that each party has the responsibility to collect and produce evidence to prove its case. In civil cases, parties can submit any evidence as long as it is admissible under the Code of Civil Procedure, and the relevance of a piece of evidence usually only affects the value of the evidence, not its admissibility.

As to documents not held by a party who wants to submit them as evidence, the Code of Civil Procedure allows courts, upon the request of that party, to order those who are holding those documents (including third parties) to produce the documents if the production is necessary to the case, and the documents do not fall under the listed exceptions, such as:

- a* documents that are created solely for the purpose of the holder's internal use;
- b* confidential information held by professionals (such as attorneys and doctors); and
- c* public officials' documents the disclosure of which would cause harm to the public.

In addition, the Code has certain categories of documents, such as those that the other party has cited in its brief or that were created for the benefit of the party seeking to submit the

---

8 [https://www.nichibenren.or.jp/library/pdf/jfba\\_info/rules/kisoku/kisoku\\_no\\_154\\_en.pdf](https://www.nichibenren.or.jp/library/pdf/jfba_info/rules/kisoku/kisoku_no_154_en.pdf).

9 Act No. 57 of 2003.

documents as evidence, where the holder of the documents is required to produce them regardless of the listed exceptions above. In practice, however, it is common for the other party to dispute the necessity of the document production and to assert that the requested documents fall under the listed exceptions above. Further, in practice, it is not easy to obtain an order of document production from the court.

The above also generally applies to documents stored electronically.

## **VI ALTERNATIVES TO LITIGATION**

### **i Overview of alternatives to litigation**

The ADR Act came into force in 2007 to promote ADR procedures such as arbitration, mediation and conciliation. Recently, an increasing number of disputes in Japan are being referred to such ADR procedures.

### **ii Arbitration**

The Arbitration Act, the most important Japanese arbitral legislation applicable to arbitral proceedings in Japan, has adopted the UNCITRAL Model Law with some deviations.

As Japan is a signatory to the New York Convention, foreign arbitral awards are enforceable in Japan. The standards for judicial review and the grounds for the recognition and enforcement of arbitral awards are substantially the same as those provided in the UNCITRAL Model Law.

Parties to an arbitration are not allowed to appeal an arbitral award in court, but are entitled to file a petition to set it aside. The grounds for setting aside an arbitral award, as set forth in the Arbitration Act, are substantially in line with the UNCITRAL Model Law.

The most commonly used arbitral institution in Japan is the JCAA, which accepts approximately 20 new cases a year. In addition, Japan has many other arbitral institutions specialising in specific areas of expertise, such as the Japan Intellectual Property Arbitration Center, the Japan Sports Arbitration Agency and the Tokyo Maritime Arbitration Commission).

As a result of the continuous efforts of the government and practitioners to promote arbitration, Japanese corporations have gradually become more familiar with and accepting of arbitration, and international arbitrations involving Japanese corporations have increased.

### **iii Mediation**

The Japan International Mediation Centre in Kyoto (JIMC-Kyoto), which is the most famous mediation institution in Japan, specialises in international commercial disputes, with its strength being hybrid dispute resolution mechanisms that combine mediation and arbitration, such as 'med-arb' and 'arb-med-arb'.

Japan has not signed the Singapore Convention on Mediation.

### **iv Other forms of alternative dispute resolution**

One of the most commonly utilised ADR procedures in Japan is civil conciliation under the Civil Conciliation Act. A chief conciliator (a judge) and two or more civil conciliation commissioners designated by the court to a case will carry out the conciliation proceedings.

The ADR Act has established various types of ADR proceedings specialising in specific areas. Examples of such ADR proceedings include the financial ADR system focused on

facilitating disputes between customers and financial business operators, and the nuclear power plant ADR specifically for settling damage disputes associated with the nuclear accident arising from the Great East Japan Earthquake of 11 March 2011.

## **VII OUTLOOK AND CONCLUSIONS**

While enjoying the impartiality and reliability of its courts, Japan has been robustly promoting the usage of ADR, including arbitration and mediation, in recent years. Together with the continuing trend of internationalisation, this trend is expected to accelerate further.

# ABOUT THE AUTHORS

## **YOSHINORI TATSUNO**

*Mori Hamada & Matsumoto*

Yoshinori Tatsuno is a partner at Mori Hamada & Matsumoto (MHM) who is admitted in Japan and California and has extensive experience representing clients in international and domestic disputes and transactions, which include international arbitration cases at the ICC, the JCAA and the SIAC, disputes involving litigations in multiple jurisdictions, and pre-litigation negotiations and disputes in cross-border transactions. He earned his LLM from Harvard Law School in 2015 and gained experience working with Weil, Gotshal & Manges LLP, New York office, in 2015 and 2016, and at MHM's Singapore office in 2016 and 2017 for multi-jurisdictional litigations and international arbitrations. He is listed for his work in arbitration and mediation in *The Best Lawyers in Japan* 2021 and 2022.

## **RYO KAWABATA**

*Mori Hamada & Matsumoto*

Ryo Kawabata is a senior associate at Mori Hamada & Matsumoto (MHM) who is admitted in Japan and New York and has significant experience advising clients on a wide range of complex claims in both international arbitration and mediation and Japanese litigation proceedings, as well as multi-jurisdictional turnaround and bankruptcy cases. After obtaining his LLM degree at New York University School of Law in 2018, he joined Jenner & Block LLP at their New York and Los Angeles offices from 2018 to 2019. He also gained experience working at the MHM Singapore office in 2019 and 2020 where he was involved in various international dispute and bankruptcy matters.

**MORI HAMADA & MATSUMOTO**

16th Floor, Marunouchi Park Building

2-6-1 Marunouchi

Chiyoda-ku

Tokyo 100-8222

Japan

Tel: +81 3 6266 8785

Fax: +81 3 6266 8685

[yoshinori.tatsuno@mhm-global.com](mailto:yoshinori.tatsuno@mhm-global.com)

[ryo.kawabata@mhm-global.com](mailto:ryo.kawabata@mhm-global.com)

[www.mhmjapan.com](http://www.mhmjapan.com)

ISBN 978-1-83862-277-0