Special Jurisdiction over Consumer Contracts — Focus on Art.3.4 and Art.3.7 of the Civil Procedure Law (summary)

Eonsuk Kim

Professor of Law, Bunkyo Gakuin University

The revised Civil Procedure Law provides special jurisdiction rules for consumer contracts with the purpose of the protection of the week. Looking back on 10 years from the enactment of international jurisdiction rules, this paper discusses special jurisdiction provisions over consumer contracts outlined in Art.3.4 and Art.3.7 of the revised Civil Procedure Law (CPL).

Firstly, it discusses several issues regarding international consumer contract cases which have been held after the date of the enforcement of the revised law, such as the issues about the law applicable to choice of court agreements, exercising public order doctrine to determine jurisdiction, consideration of defendant's intention in the separate proceedings, and consolidations of proceedings.

Based on the above discussion, this paper examines special jurisdiction provisions over consumer contracts from a comparative perspective. Compared to other jurisdictions, Japan protects a broader scope of consumers including active consumers in terms of jurisdiction and the scope of consumer contracts protected under the CPL is also broad. Also, unlike the EU, the interpretation issue concerning 'directing' does not take place in Japan. Moreover, under the CPL, the consumer can make a lawsuit against the professional in the current domicile he/she moved into after the contract had been concluded. Likewise, Japan provides a thorough protection for consumers through the enactment of new international jurisdictional rules. On the other hand, the interest of the professional only can be considered under Art. 3.9. which is an exceptional provision to dismiss the jurisdiction. When it comes to Art. 3.9, it should be noticed that it has some issues regarding the exclusive choice of court agreement and lack of predictability.

And then, this paper deals with other issues about a consistent approach between the choice of law rules and jurisdictional rules, indirect jurisdiction, and effectiveness of the provisions for consumer protection in the CPL.

Lastly, this paper points out that the balance between consumer protection and the interest of the professional is of importance, and because the new provisions do not function

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effectively in most cases even though it has thorough protection rules for consumers, the special dispute resolution system might be necessary without relying only on jurisdictional rules.