

International Comparative Legal Guides

Class & Group Actions 2027

A practical cross-border resource to inform legal minds

19th Edition

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Expert Analysis Chapters

- 1** What Did You Really Mean? Ambiguity and Class Action Labelling Litigation
Dr. Robin Cantor, Dr. Shireen Meer & Dr. Andreas Groehn, BRG
- 7** The Evolving Landscape of UK Securities Class Actions
Andrew Herring & Emilie Jones, Pinsent Masons LLP
- 13** Delivering Justice for Everyday People in the AI Economy Through Mass Litigation: Progress and What's Next
Ryan J. Clarkson, Timothy Giordano, Yana Hart & Bryan P. Thompson, Clarkson Law Firm
- 22** Mass Litigation in the UK: An Incomplete Picture of Consumer Redress
Dr. Steffen Sirries & Ana Lucia Rantes Lozano, Solve Economics
Jade Tess Weiner, Angeion Group International
- 31** Sent Is Not Redeemed
Jay Grinde, Choice Digital

Q&A Chapters

- 36** **Brazil**
Gláucia Coelho, Eduardo Perazza,
Débora Chaves Martines Fernandes & Vitoria Garbin,
Machado Meyer Advogados
- 46** **Canada**
Matthew Angelus, Sarah E. Whitmore, Alicja Puchta &
Marie-Eve Gingras, Torys LLP
- 58** **Czech Republic**
Jan Šturm, Adam Forst, Petra Joanna Pipková &
David Krejčí, HAVEL & PARTNERS
- 69** **France**
Jérémy Bernard, CPC & Associés
- 82** **Germany**
Dr. Martin Eimer, Dr. Nicolas Nohlen, Katrin Ruhl &
Dr. Katrin Hansen, Ashurst Perkins Coie UK LLP
- 96** **Hong Kong**
Paul Kwan & Mandy Pang, Deacons
- 106** **Israel**
Shir Eshkol, Eshkol
- 115** **Japan**
Yugo Komori & Yasuhiro Akita,
Oh-Ebashi LPC & Partners
- 124** **Netherlands**
Damiën Berkhout & Dizzy van Duijn, Lindenbaum
- 134** **New Zealand**
Fionnghuala Cuncannon & Kate Muirhead, Cuncannon
- 143** **Switzerland**
Michelle Lindholm, Jascha Trubowitz & Emily Hunyor,
Lindholm & Rosenkranz
- 154** **United Kingdom**
David Barker, Jacqueline Harris, Laura Gillespie &
Emilie Jones, Pinsent Masons
- 167** **USA**
Roger A. Cooper, Elizabeth Hanft, Abena Mainoo &
Davawn Hartz, Cleary Gottlieb Steen & Hamilton LLP

Japan



Yugo Komori



Yasuhiro Akita

Oh-Ebashi LPC & Partners

Japan

1 Class / Group Actions

1.1 Do you have a specific procedure or set of rules for bringing, handling, and/or legally resolving a series or group of related claims? If so, please outline this.

Japan has no comprehensive class action regime equivalent to the U.S.-style class action system. Instead, Japan primarily provides the following two mechanisms:

(1) Ordinary joint litigation

Japan's ordinary joint litigation system allows multiple parties to assert related claims in a single lawsuit and litigate them jointly. In Japan, collective litigation is generally conducted in the form of ordinary joint litigation. Article 38 of the Code of Civil Procedure (the "CCP") provides that ordinary joint litigation is permitted in certain circumstances, such as where the rights or obligations of the co-litigants (plaintiffs or defendants) arise from the same factual and legal grounds.

(2) Consumer Organisation Collective Litigation System ("COCOliS")

COCOliS is a two-stage opt-in procedure established under the Act on Special Measures Concerning Civil Court Proceedings for the Collective Redress for Property Damage Incurred by Consumers (the "CCRA"). It is often regarded as the Japanese equivalent of a class action system.

In the first stage of a COCoLiS litigation, a Specified Qualified Consumer Organisation ("Specified QCO") acts as the plaintiff and seeks a judicial determination that the business operator owes a monetary obligation (a common obligation) to a large and unspecified group of consumers on a general and abstract basis. This action requires the satisfaction of three criteria: (i) numerosity; (ii) commonality; and (iii) predominance.

If the plaintiff prevails in the first-stage proceedings or the parties reach a settlement, the case proceeds to the second stage. At that stage, individual consumers submit claims to participate in the proceedings (opt-in), and the existence and amount of each individual claim are determined.

For reference, Article 30 of the CCP provides for the Appointed Party Representative System, by which multiple persons with a common interest appoint one or more representatives from among themselves to conduct litigation on behalf of the entire group; in practice, however, this system is rarely used.

1.2 Do these rules apply to all areas of law or to certain sectors only, e.g., competition law, securities, financial services? Please outline any rules relating to specific areas of law.

There is no collective proceedings regime specific to any particular sector or area of law.

Ordinary joint litigation is available in all civil cases, provided the applicable requirements are met (for the fields in which they are used, see question 1.9).

COCOliS is narrower; it covers only specified monetary claims arising from consumer contracts, such as performance, restitution and damages claims. Even claims in competition, securities or financial services matters fall within its scope if claims are based on a consumer contract.

1.3 Does the procedure provide for the management of claims by means of class action (where the determination of one claim determines the claims of the class), or by means of a group action where related claims are managed together, but the decision in one claim does not automatically create a binding precedent for the others in the group, or by some other process?

Ordinary joint litigation is a group action, not a class action; each claim is determined individually, and the judgment binds only the parties to it.

COCOliS more closely resembles a class action; the first-stage judgment establishes the common obligation for consumers who file claims at the second stage.

1.4 Is the procedure 'opt-in' or 'opt-out'?

Japan has no opt-out regime. Ordinary joint litigation is opt-in, with each claimant participating as a party in its own right; COCoLiS is likewise opt-in, with only those consumers who file claims in the second-stage proceedings being bound by the outcome.

1.5 Is there a minimum threshold/number of claims that can be managed under the procedure?

Ordinary joint litigation is available wherever there are two or more parties, with no statutory minimum number of claimants.

COCOliS likewise prescribes no minimum number of claimants. However, a first-stage action may be brought only where a substantial number of consumers (in practice, several dozen) have suffered harm.

1.6 How similar must the claims be and what are the legal requirements for proceeding on a class or group basis? For example, in what circumstances will a class action be certified or a group litigation order made?

Japan has no class certification procedure and no group litigation order.

In ordinary joint litigation, the rights or obligations at issue must be common to several persons, arise from the same factual and legal grounds, or be of the same kind and arise from causes of the same kind. Mass tort claims, including product liability claims, commonly proceed on the second basis.

In COCoLiS, the first-stage action must satisfy three requirements: (i) a substantial number of consumers must have suffered harm; (ii) the claims must arise from common factual and legal grounds; and (iii) individual claims must be capable of being determined efficiently at the second stage.

1.7 Who can bring the class/group proceedings, e.g., individuals, group(s), and/or representative bodies?

There are no eligibility requirements specific to ordinary joint litigation; the general rules on standing apply, so that any individual or corporate entity that has suffered loss may sue.

In COCoLiS, the first-stage action may be brought only by a Specified QCO; neither individual consumers nor uncertified organisations may act as claimants.

1.8 Where a class/group action is initiated/approved by the court, must potential claimants be informed of the action? If so, how are they notified? Is advertising of the class/group action – before or after court approval – permitted or required? Are there any restrictions on such advertising?

No statutory notice requirements apply to ordinary joint litigation; however, particularly in high-profile collective litigation, counsel or victims' groups may publicise the case.

In COCoLiS, when first-stage proceedings are commenced, a Specified QCO must make reasonable efforts to inform the target consumers and other relevant persons of such commencement. Once the second stage begins, the business operator must notify known consumers of the details of the case. The Consumer Affairs Agency also publishes relevant information.

1.9 How many group/class actions are commonly brought each year and in what areas of law, e.g., have group/class action procedures been used in the fields of: product liability; industrial disease; securities/shareholder claims; financial services claims; competition; consumer fraud; data protection/privacy; mass tort claims, e.g., disaster litigation; environmental, climate change or other ESG-related claims, including greenwashing, human rights and supply chain liability; intellectual property; employment law; digital harms and/or artificial intelligence; or digital assets/cryptocurrency?

There are no judicial statistics on the number of collective actions.

Large-scale litigation in the form of ordinary joint litigation is actively used in Japan across a wide range of fields, including product liability and pharmaceutical claims, occupational disease and asbestos litigation, disaster-related claims, including those arising from the Fukushima Daiichi nuclear

accident, securities and shareholder claims, consumer and investment disputes, data protection incidents, claims against the State and environmental litigation.

COCoLiS has been used sparingly since the CCRA came into force in October 2016, with roughly 10 first-stage actions having been filed. Reported cases include claims for refunds of examination fees arising from discriminatory university admissions practices, refunds for cancelled event tickets, claims arising from beauty treatment contracts and claims arising from the sale of purported get-rich-quick information products.

1.10 What remedies are available where such claims are brought, e.g., monetary compensation and/or injunctive/declaratory relief, and what are the limitations on remedies, if any?

In ordinary joint litigation, ordinary civil remedies are available, including damages, injunctions based on personality rights and declaratory relief.

In COCoLiS, only monetary claims, such as damages or restitution, may be pursued. Separately, Qualified Consumer Organisations ("QCOs") may seek injunctions against improper solicitation, misleading representations, unfair contract terms and similar consumer protection law violations.

1.11 Are there any limitations in your jurisdiction on global/cross-border class or group actions, including any limitation on the ability of international claimants to participate in such actions?

A person residing outside Japan may act as a claimant in ordinary joint litigation, provided that the Japanese courts have international jurisdiction (see question 9.1). COCoLiS is likewise not restricted by nationality or residence, although the person must be a "consumer" (an individual) under the Consumer Contract Act.

2 Actions by Representative Bodies

2.1 Do you have a procedure permitting collective actions by representative bodies, e.g., consumer organisations or interest groups?

In ordinary joint litigation, only persons who have themselves suffered harm may be parties to the litigation; consumer organisations and other interest groups may not litigate on behalf of victims.

In COCoLiS, only a Specified QCO may conduct the proceedings (see questions 1.1 and 1.7). Injunctive relief for consumer harm may likewise be sought only by a QCO (see question 1.10).

2.2 Who is permitted to bring such claims, e.g., public authorities, state-appointed ombudsmen or consumer associations? Must the organisation be approved by the state and, if so, what are the criteria for approval?

Only a Specified QCO may bring collective recovery proceedings in COCoLiS, and only a QCO may seek consumer injunctions under consumer protection legislation. QCOs and Specified QCOs must be certified by the Prime Minister. Certification requires, among other things, an appropriate legal form, a record of consumer-protection activity, suitable governance and expert involvement, and an adequate financial basis. A Specified QCO must first be a QCO and satisfy additional requirements.

As of 2026, there are 27 certified QCOs and four certified Specified QCOs nationwide. No regime permits public authorities, ombudsmen or uncertified organisations to pursue collective civil claims.

2.3 In what circumstances may representative actions be brought? Is the procedure only available in respect of certain areas of law, e.g., consumer disputes?

Representative actions by certified consumer organisations are confined to the consumer field.

COCOLiS applies only to certain monetary claims arising from consumer contracts (see question 1.2).

Injunctive actions may be brought in relation to consumer law violations, including improper solicitation, unfair contract terms, misleading representations, breaches of specified commercial transaction rules, and improper food labelling.

2.4 What remedies are available where such claims are brought, e.g., injunctive/declaratory relief and/or monetary compensation, and what are the limitations on remedies, if any?

In COCOLiS, only claims for the payment of money may be pursued, as described in question 1.10.

In an injunctive action brought by a QCO, relief is confined to orders requiring the business operator to cease the improper conduct, to discontinue the contract terms in question, or to take or abstain from other specified action. Damages may not be claimed.

3 Court Procedures

3.1 Is the trial by a judge or a jury?

Cases are decided by professional judges. There is no jury in civil proceedings; the *saiban-in* (lay judge) system applies only to certain criminal cases.

3.2 How are the proceedings managed, e.g., are they dealt with by specialist courts/judges? Is a specialist judge appointed to manage the procedural aspects and/or hear the case?

There are no specialist courts or judges dedicated to collective proceedings; such cases are heard by district courts, usually by a three-judge panel. Tokyo, Osaka, and certain other courts have specialised divisions that handle administrative, labour, intellectual property, medical, construction, traffic and commercial cases on a concentrated basis, and group litigation within those fields may be allocated to such divisions.

3.3 How is the group or class of claims defined, e.g., by certification of a class? Can the court impose a 'cut-off' date by which claimants must join the litigation?

Ordinary joint litigation involves no certification requirement; only claimants who file become parties, and non-participants remain free to bring separate proceedings.

In COCOLiS, the first-stage judgment defines the relevant consumers and the common obligation, and the order commencing the second stage sets the claim-filing period. Consumers who do not file claims during the second stage remain free to pursue individual actions.

3.4 Do the courts commonly select 'test' or 'model' cases and try all issues of law and fact in those cases, or do they determine generic or preliminary issues of law or fact, or are both approaches available? If the court can determine preliminary issues, do such issues relate only to matters of law or can they relate to issues of fact as well, and if there is trial by jury, by whom are preliminary issues decided? If a judge determines certain preliminary factual issues, are those factual determinations binding on a later jury?

There is no statutory test case procedure. However, in practice, an earlier judgment in large-scale ordinary joint litigation may function as a *de facto* model for subsequent actions and settlements. The court may also render an interlocutory judgment on liability only, leaving the remaining issues to be determined at a later stage, but this is infrequent outside fields such as intellectual property.

3.5 Are any other case management procedures typically used in the context of class/group litigation?

Ordinary rules of civil procedure apply to collective litigation without modification, for example: preparatory proceedings (Articles 168 *et seq.* of the CCP); planned trials (Article 147-3 of the CCP); and the consolidation or severance of oral arguments (Article 152 of the CCP).

3.6 Does the court appoint experts to assist it in considering technical issues and, if not, may the parties present expert evidence? Are there any restrictions on the nature or extent of that evidence?

The court may order an expert examination, appoint a technical adviser in procedural steps, or refer a matter to civil conciliation involving an expert commissioner. Parties may also submit privately commissioned expert reports or examine experts as witnesses. Expert evidence is subject to the ordinary rules of civil procedure (see question 3.10).

3.7 Are factual or expert witnesses required to present themselves for pre-trial deposition and are witness statements/expert reports exchanged prior to trial?

Japan has no equivalent of the U.S. deposition procedure; witnesses, including expert witnesses, are examined at a hearing in the presence of the court. Written witness statements, including expert reports, are submitted in advance as documentary evidence to streamline the examination-in-chief. Neither the opposing party nor its counsel is ordinarily present when such statements are prepared.

3.8 If discovery is permitted, do courts typically phase such discovery, such as bifurcating discovery between class discovery and merits discovery?

Japan has no comprehensive discovery regime equivalent to the U.S.-style discovery procedure.

In both ordinary joint litigation and COCOLiS, evidence relevant to the procedural requirements and evidence relating to the merits are gathered and examined in parallel.

3.9 What obligations to disclose documentary evidence arise either before court proceedings are commenced or as part of the pre-trial procedures?

Before the commencement of civil proceedings, preservation of evidence under Article 234 of the CCP may be used not only to prevent the loss or destruction of evidence but also, in practice, to obtain disclosure of relevant evidence held by the opposing party. Information may also be obtained through an inquiry to a party under Article 132-2 of the CCP; however, this procedure is rarely used because it requires prior notice of an intention to bring an action. In addition, attorneys may obtain information through a Bar Association inquiry under Article 23-2 of the Attorney Act.

After the commencement of civil proceedings, a party may serve inquiries on the opposing party (Article 163 of the CCP) and request a commission to a document holder (Article 226 of the CCP). A party may also apply for a document production order. The holder must comply with the order unless a statutory exemption applies, including where the document was prepared solely for the holder's internal use (Articles 220 to 225 of the CCP).

The CCRA further provides for a preservation disclosure order, under which the court may order a business operator to disclose the names and addresses of the consumers concerned (Article 9 of the CCRA).

3.10 Can the parties challenge the admissibility of expert testimony prior to or after a determination as to whether a claim can proceed on a class or group basis?

Admissibility of expert testimony cannot be challenged as a separate matter; credibility and probative value are assessed under the principle of free evaluation of evidence. A party wishing to challenge an opinion must therefore do so by cross-examination or by filing a contrary expert report.

3.11 How long does it normally take to get to trial?

Japan has no concentrated trial system; a case is heard over a succession of hearing dates. Proceedings at first instance take around one year on average, although large collective proceedings generally take three to five years, or longer.

COCOLiS proceedings likewise take one to two years to reach a first-stage judgment alone. Taken together, the first- and second-stage proceedings typically take several years to reach a final resolution.

3.12 What appeal options are available, including whether an appeal can be taken immediately of a decision certifying a class or entering a group litigation order?

A first-instance judgment in ordinary joint litigation may be appealed to the high court, and the appellate judgment may be challenged by a final appeal or a petition for acceptance.

A first-stage judgment in COCOLiS may likewise be appealed, and the appellate judgment may be challenged in the same manner. By contrast, a second-stage determination order in COCOLiS is subject to objection. Upon an objection being filed by a consumer, the matter proceeds as ordinary litigation between that consumer and the business operator.

As there is no certification decision, no interlocutory appeal arises.

3.13 To what extent are technology-assisted tools, including artificial intelligence, used by courts, litigants, or their advisers in the management of class/group actions? Are there any restrictions on the use of such tools?

There are no arrangements specific to collective proceedings. For the general digitalisation of civil procedure, in force since May 2026, see question 9.2.

Among parties and counsel, the use of legal technology, including generative AI, is expanding in such areas as research, drafting, document review, and translation. The courts conducted trials of generative AI in early 2026 but concluded that it was not yet suitable for adoption, although they continue to explore its potential use in assisting judges.

4 Time Limits

4.1 Are there any time limits on bringing or issuing court proceedings?

Yes. Japanese law prescribes periods of extinctive prescription – the equivalent of limitation periods – varying by type of claim (Articles 166 *et seq.* of the Civil Code).

4.2 If so, please explain what these are. Does the age or condition of the claimant affect the calculation of any time limits and does the court have discretion to disapply time limits?

Limitation periods vary by claim. In general, a claim is extinguished five years from when the obligee became aware that the right was exercisable, or 10 years from when it could be exercised. Tort claims prescribe three years from awareness of both the damage and the identity of the tortfeasor, extended to five years for death or personal injury, and in any event 20 years from the tortious act. Product liability claims prescribe three years from awareness of the loss and liable person, extended to five years for personal injury, and in any event 10 years from delivery of the product.

The Civil Code provides mechanisms by which completion of prescription is postponed or prescription is renewed, including a judicial claim, a demand for performance and an agreement to hold discussions. Prescription must be invoked by a party, and the court has no discretion to disapply it, although reliance on it may exceptionally be restricted as contrary to the principle of good faith or constituting an abuse of right. Special rules postpone expiry for minors and adult wards.

4.3 To what extent, if at all, do issues of concealment or fraud affect the running of any time limit?

Since the shorter limitation periods for tort claims run from the victim's awareness of both the damage and the identity of the tortfeasor, they do not begin to run while the wrongdoer conceals either the wrongful conduct or the causal connection.

The courts have also restricted the effect of prescription, or held reliance on prescription to be contrary to the principle of good faith, where concealment by the wrongdoer prevented the victim from exercising the right.

4.4 Does the filing of a class or group lawsuit toll the limitation period by which any individual who falls within that class or group would have to bring his, her, or its own individual claims?

In ordinary joint litigation, an action by one group of victims has no effect on prescription for non-parties, each of whom must take independent steps, such as commencing an action.

In COCoLiS, a claim filed at the second stage is deemed to have been made judicially at the time the first stage action was filed, postponing expiry or renewing prescription accordingly. No such effect arises for a consumer who does not file.

5 Remedies

5.1 What types of damage are recoverable, e.g., bodily injury, mental damage, damage to property, economic loss?

In ordinary joint litigation, recoverable loss is governed by the ordinary law of damages; any loss with an adequate causal connection to the wrongful act is recoverable. This covers pecuniary loss – medical and treatment expenses, repair costs, loss of earnings and other lost profits, and business losses – and non-pecuniary loss, including compensation for pain and suffering.

In COCoLiS, recovery is generally limited to certain monetary claims relating to consumer contracts, including contractual performance, restitution of unjust enrichment, and damages for breach of contract or in tort. Examples include amounts due under, or paid pursuant to, a contract that is void, damages for non-conforming performance, and losses caused by fraudulent business practices. Personal injury, consequential loss beyond the subject matter of the contract and lost profits are excluded. Compensation for pain and suffering may be included only where the factual basis is common to the pecuniary claim, or intentional conduct is involved and common facts allow assessment for a substantial number of consumers.

5.2 Can damages be recovered in respect of the cost of medical monitoring (e.g., covering the cost of investigations or tests) in circumstances where a product has not yet malfunctioned and caused injury, but it may do so in future?

Damages compensate loss actually suffered, and stringent requirements apply before liability can be established for future loss. Accordingly, the costs of examinations already carried out are recoverable, whereas the costs of future examinations or medical monitoring are generally not recoverable unless exposure to a harmful substance gives rise to a specific health risk requiring continuing examination. In particular, under COCoLiS, the costs of medical monitoring are treated as “loss resulting from harm to the life or body of a person” (Article 3(2)(v) of the CCRA) and fall outside that procedure.

5.3 Are punitive damages recoverable? If so, are there any restrictions?

No punitive damages are recoverable under Japanese law. Punitive damages are considered contrary to public policy. Accordingly, a foreign judgment is not recognised or enforced to the extent that it awards punitive damages (Article 118(iii) of the CCP).

5.4 Is there a maximum limit on the damages recoverable from one defendant, e.g., for a series of claims arising from one product/incident or accident?

There is no general cap on the amount of damages that may be awarded under Japanese law. However, statutory limits on liability apply in certain fields (Article 567 of the Commercial Code, Article 9 of the Act on International Carriage of Goods by Sea, and the Act on Limitation of Liability of Shipowners and Others).

For special rules regarding the damages recoverable in COCoLiS, see question 5.1.

5.5 How are damages quantified? Are they divided amongst the members of the class/group and, if so, on what basis?

In ordinary joint litigation, damages are assessed individually by reference to the difference between the position the victim would have been in but for the event and the victim's actual position. Where the nature of the loss makes its amount extremely difficult to prove, the court may determine a reasonable amount on the basis of the entire content of the oral argument and the evidence.

In COCoLiS, the existence and amount of each filing consumer's claim are likewise determined individually at the second stage. There is no mechanism for determining an aggregate sum and apportioning it among consumers.

5.6 Do special rules apply to the settlement of claims/proceedings, e.g., is court approval required? If so, what are those rules?

In ordinary joint litigation, a settlement takes effect only by agreement between the parties; no court approval is required. Where agreement is reached with some claimants only, the defendants may settle with those claimants alone.

In COCoLiS, a first-stage settlement was formerly limited to confirming the common obligation; however, following the 2022 amendments to the CCRA, it may take a more flexible form, including the payment of a settlement sum. No court approval is required. However, a Specified QCO must act faithfully in consumers' interests and is supervised by the Prime Minister, who may require reports and revoke certification.

5.7 How are damages or settlement funds distributed to class/group members from a practical perspective (e.g., through the use of claims portals)?

In ordinary joint litigation, a counsel team usually receives the settlement proceeds and distributes them among the individual claimants.

In COCoLiS, the Specified QCO usually receives a single payment from the business operator and pays each consumer the balance after deducting its remuneration and charges, based on the amount determined for that consumer (see question 5.5).

5.8 What happens to damages or settlement funds that remain unclaimed at the end of class/group litigation (e.g., because individual class/group members cannot be identified or do not come forward)?

The Japanese mechanisms are opt-in; an obligation to pay arises only towards persons who are parties or who have filed

a claim, so the question of unclaimed funds does not arise. A consumer who has not filed remains free to pursue his/her claim individually.

6 Costs

6.1 Can the successful party recover: (a) court fees or other incidental expenses; and/or (b) their own legal costs of bringing the proceedings, from the losing party? Does the 'loser pays' rule apply?

Court costs, meaning the statutory costs of the proceedings, such as the filing fee, service costs, and witnesses' allowances and travel expenses, are borne by the unsuccessful party (Article 61 of the CCP). The loser-pays principle therefore applies to that extent.

Attorneys' fees do not form part of the court costs, and each party generally must bear its own fees. However, in tort and comparable claims, the courts commonly award attorneys' fees in an amount equivalent to approximately 10% of the damages awarded.

6.2 How are the costs of litigation shared amongst the members of the group/class? How are the costs common to all claims involved in the action ('common costs') and the costs attributable to each individual claim ('individual costs') allocated?

In ordinary joint litigation, the initial retainer, disbursements and similar items are usually shared among the claimants, equally or in proportion to the amounts claimed, depending on the terms of the retainer agreements. Common expenses are typically accounted for separately from the costs of individual claimants.

In COCoLiS, the costs of the first stage are borne by the Specified QCO. Consumers must bear the Specified QCO's remuneration and expenses, including their share of common expenses, under the authorisation agreement concluded when a claim is filed at the second stage. The amounts and the method of calculation are explained to consumers by the Specified QCO, and are subject to oversight through the certification regime.

6.3 What are the costs consequences, if any, where a member of the group/class discontinues their claim before the conclusion of the group/class action?

Where an action is withdrawn, the court costs are, as a rule, borne by the withdrawing party.

The treatment of sums already paid, and whether remuneration falls due on withdrawal, are governed by the retainer agreement or the counsel team's rules.

The financial consequences of withdrawing a claim filed at the second stage of COCoLiS are likewise governed by the consumer's contract with the Specified QCO.

6.4 Do the courts manage the costs incurred by the parties, e.g., by limiting the amount of costs recoverable or by imposing a 'cap' on costs? Are costs assessed by the court during and/or at the end of the proceedings?

There is no costs-capping mechanism. The proportions in which court costs are to be borne are fixed in the final judgment, and the amount is determined after conclusion of the proceedings

by the court clerk of the first-instance court on a party's application. The method of calculation is prescribed by the Act on Costs of Civil Procedure.

Furthermore, the value of the subject matter of the first stage in COCoLiS proceedings is deemed to be JPY 1.6 million. COCoLiS proceedings may therefore be commenced on the basis of a modest filing fee, regardless of the aggregate amount of loss claimed.

7 Funding

7.1 Is public funding, e.g., legal aid, available?

Yes. The court may, on the application of a party of limited means, defer payment of court costs (Articles 82 *et seq.* of the CCP).

In addition, the Japan Legal Support Center (*Houterasu*) provides civil legal aid under the Comprehensive Legal Support Act, including free consultation and the advance of attorneys' fees and costs, which are generally subject to repayment.

7.2 If so, are there any restrictions on the availability of public funding?

Deferral of court costs under the CCP is available where: (i) the applicant is of limited means; and (ii) the claim is not without prospect of success. Corporations may also use this system.

Civil legal aid is available where: (i) the applicant is an individual of limited means, satisfying the prescribed income and asset criteria; (ii) the claim is not without prospect of success; and (iii) aid accords with the purposes of the scheme. Corporations are outside of its scope, so aid is available only to individual claimants.

7.3 Is funding allowed through conditional or contingency fees and, if so, on what conditions?

Yes. Attorneys' fees have been left to agreement since the fee schedule was abolished in 2004. Combining an initial retainer with a success fee is permissible; even a wholly contingent fee arrangement is permitted. Attorneys' fees must, however, be proper and reasonable having regard to the economic benefit, difficulty, and time and effort involved (Article 24 of the Basic Rules on the Duties of Attorneys). Excessive fees may give rise to disciplinary consequences.

The remuneration and expenses that a Specified QCO receives from consumers must likewise not be "improper from the standpoint of protecting the interests of consumers" (Article 71(4)(vi) of the CCRA).

7.4 Is third-party funding of claims permitted and, if so, on what basis may funding be provided? Insofar as applicable, please address the following: whether there are any regulatory rules governing third-party litigation funding; whether and to what extent parties are required to disclose to the court and/or other parties the existence and terms of a litigation funding agreement; and any restrictions on the terms of litigation funding agreements.

Third-party litigation funding is not expressly regulated in Japan and is neither expressly permitted nor prohibited. Crowdfunding has been used in public interest and consumer-related litigation, and commercial services that advance attorneys' fees in return for a share of recoveries also exist. However, funding structures must be considered carefully in

light of restrictions on non-lawyers handling legal matters for remuneration, acquiring disputed rights as a business, and litigation trusts.

There is no general requirement to disclose the existence or terms of a funding agreement to the court or to the opposing party. In practice, third-party funding remains uncommon in domestic litigation, and debate continues as to whether a clearer legislative framework should be introduced.

7.5 Is insurance available to parties to protect them against any adverse costs order made in class/group litigation? If so, is the premium payable for such insurance recoverable from the losing party?

Since attorneys' fees are not generally borne by the unsuccessful party (see question 6.1), exposure to the other side's costs is confined to the statutory court costs. No significant market has therefore developed for after-the-event-style adverse costs insurance. Legal expenses insurance, which is widely available, covers the insured's own attorneys' fees and similar expenses. Premiums are not court costs and cannot be recovered from the unsuccessful party.

8 Other Mechanisms

8.1 Can consumers' claims be assigned to a consumer association or representative body and brought by that body? If so, please outline the procedure.

No. Both injunctive actions by QCOs and COCoLiS proceedings by Specified QCOs rest on a statutory right of action and statutory authorisation. Neither operates by assignment of individual consumers' claims to the organisation.

Assigning individual claims to an organisation so that it may litigate them is constrained by the prohibition on trusts whose principal purpose is to have proceedings conducted (Article 10 of the Trust Act) and on the acquisition of disputed rights (Article 73 of the Attorney Act). Voluntary litigation conduct in one's own name on behalf of another person is prohibited unless there is a reasonable necessity for such an arrangement and it does not risk circumventing the principle of attorney representation or the prohibition on litigation trusts.

8.2 Can consumers' claims be brought by a professional commercial claimant that purchases the rights to individual claims in return for a share of the proceeds of the action? If so, please outline the procedure.

It is generally prohibited to acquire another person's rights as a business and to enforce them through litigation (Article 73 of the Attorney Act; and it is a criminal offence under Article 77(iii) of the Attorney Act), and the creation of a litigation trust is also prohibited (Article 10 of the Trust Act). Commercial aggregation of claims by purchase therefore cannot lawfully be carried on in Japan.

As an exception, servicers are permitted under the Servicer Act to recover debts assigned or entrusted to them by financial institutions and others.

8.3 Can criminal proceedings be used as a means of pursuing civil damages claims on behalf of a group or class?

Criminal proceedings cannot be used to pursue collective

claims for damages; however, in practice, victims often seek to exert practical pressure toward a settlement by filing a criminal complaint or reporting the matter to the authorities.

Furthermore, a person harmed by an intentional criminal act may apply to the court hearing the criminal case for a damages order (Articles 23 *et seq.* of the Act on Measures Incidental to Criminal Proceedings). That procedure is available only in relation to certain serious offences and adjudicates the individual victim's claim; it is not a form of class or group litigation.

8.4 Are alternative methods of dispute resolution available, e.g., can the matter be referred to an ombudsperson? Is mediation or arbitration available?

Civil conciliation before the courts, arbitration and private ADR certified by the Minister of Justice are all generally available. In the consumer field, the Dispute Resolution Committee of the National Consumer Affairs Center conducts mediation and arbitration in significant disputes and may deal with multiple applications concerning the same type of harm together.

A financial ADR scheme operates through designated dispute resolution organisations (Articles 156-38 *et seq.* of the Financial Instruments and Exchange Act). Product liability ADR centres exist for sectors such as motor vehicles, pharmaceuticals, and household appliances. ADR mechanisms are also available in a number of other sectors, including insurance, employment, and intellectual property.

The Nuclear Damage Compensation Dispute Resolution Center has handled a large volume of mediations arising out of the Fukushima Daiichi accident, including collective applications made on a municipality-by-municipality basis.

There is no public ombudsman scheme for redress.

8.5 Is it permissible and/or common for businesses to include arbitration clauses or class action waivers in contracts, seeking to compel arbitration on an individual basis rather than collective proceedings? Has this given rise to any particular trends, developments, or judicial consideration?

Such clauses are not common in Japan.

A consumer may cancel an arbitration agreement relating to future disputes (Article 3(2) of the Supplementary Provisions to the Arbitration Act), and it ceases to have effect where the consumer does not appear in an arbitration commenced by the business operator, so its practical force is greatly restricted. Since Japan has no opt-out class action, a U.S.-style class action waiver serves little purpose, and a term restricting recourse to the CCRA in advance would very likely be void under Article 10 of the Consumer Contract Act.

8.6 Are statutory compensation schemes available, e.g., for small claims?

There is no scheme of general application to collective proceedings.

Statutory redress and compensation schemes exist in particular fields. These include compensation for pollution-related health damage, asbestos health damage relief benefits, relief for adverse drug reactions under the Act on the Pharmaceuticals and Medical Devices Agency, benefits under the Act on Special Measures concerning Hepatitis B Responding to Mass Vaccinations and the Relief Framework for Hepatitis C from Tainted Blood Products, and distributions under the Remittance Fraud Relief Act.

8.7 What remedies are available where such alternative mechanisms are pursued, e.g., injunctive/ declaratory relief and/or monetary compensation?

In ADR and conciliation, a dispute may be resolved in flexible forms not limited to money; an apology, preventive measures, and contract cancellation are all possible. A conciliation entered in the record has the same effect as a final and binding judgment (Article 16 of the Civil Conciliation Act), as does an arbitral award, which is binding on the parties and may be enforced once an execution order is obtained (Articles 45 and 46 of the Arbitration Act).

Under the statutory schemes, relief principally takes the form of monetary payments.

9 Other Matters

9.1 Can claims be brought by residents from other jurisdictions? Are there rules to restrict ‘forum shopping’?

Foreign residents may bring claims in Japan if the Japanese courts have international jurisdiction. Jurisdiction is determined by statute, the grounds including the defendant’s domicile or principal office, the place of performance, the place of a tort, and, in the case of consumer contracts, the consumer’s domicile. There is no separate rule excluding international claimants from ordinary joint litigation or COCoLiS proceedings, although the claimant must fall within the relevant substantive and procedural requirements.

Even where a statutory ground of jurisdiction exists, the court may dismiss the action if special circumstances make it inappropriate for Japanese courts to hear the case, having

regard to fairness, the burden on the defendant, the location of evidence, and the expeditious conduct of proceedings. Japan has no rule directed specifically at forum shopping, but the statutory jurisdictional grounds and the special circumstances discretion materially limit its scope.

9.2 Are there any changes in the law proposed to promote or limit class/group actions in your jurisdiction, or other anticipated developments (including significant judicial decisions) that may materially alter the landscape for class/group actions?

Three developments are particularly relevant.

First, the 2022 amendments to the CCRA are likely to affect the practical use of COCoLiS. They expanded the scope to include certain damages for pain and suffering, permitted more flexible first-stage settlements, strengthened notification and information mechanisms, and created support arrangements for Specified QCOs and the National Consumer Affairs Center. Whether the recoverable heads of loss should be widened further remains under discussion.

Second, recent court decisions suggest a broader approach to COCoLiS proceedings. The Supreme Court of Japan’s judgment of March 12, 2024 cautioned against an unduly strict reading of the requirement of predominance, holding that the case was not one in which the existence and substance of the covered claims could not be determined appropriately and expeditiously in the second-stage proceedings. Consequently, the procedure may be available in a broader range of consumer claims than had previously been assumed.

Third, the digitalisation of civil procedure under the 2022 CCP amendments, including online filing, electronic records, and hearings via web conference, may make dispersed multi-party litigation easier to conduct efficiently.



Yugo Komori is a partner at Oh-Ebashi LPC & Partners with more than 20 years of experience in complex disputes. His practice focuses on product liability, mass tort and collective litigation, product safety, recalls, and crisis management. He regularly advises multinational manufacturers in the pharmaceuticals, automotive, consumer products, electronics, and chemicals sectors on high-stakes disputes and product-related incidents.

Mr. Komori has played leading roles in a number of Japan's most significant product liability and group litigation matters. He was a key member of the defence team that successfully represented the manufacturer in the landmark *Iressa* product liability litigation before the Supreme Court of Japan. He has also been extensively involved in major pharmaceutical product liability disputes, including vaccine-related litigation and large-scale group litigation matters. In addition, he advises clients on large-scale recalls, recall-related recovery actions, and complex product safety issues, and has represented clients in major disputes concerning recall costs and product-related losses. Beyond product liability matters, Mr. Komori has represented clients in precedent-setting commercial, corporate, administrative, and international tax disputes, including a major international tax case before the Supreme Court of Japan. He also has substantial experience conducting investigations relating to product quality issues, product-related incidents, and other corporate misconduct matters. Mr. Komori is a frequent author and speaker on product liability, product safety, product recalls, and collective litigation. He has published extensively in both Japanese and English and has served as an expert adviser to Japan's Consumer Affairs Agency on product liability research.

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Oh-Ebashi LPC & Partners is a Japanese law firm with offices in Tokyo, Osaka, Nagoya and Shanghai. The firm is one of Japan's 10 largest law firms, with a team of over 180 attorneys.

The firm was established in Osaka in 1981, founded by three visionary partners, Tadashi Ishikawa, Makoto Miyazaki and Hiroaki Tsukamoto. Their shared vision was to establish "an excellent law firm" that would serve the needs of the people, society and the evolving times. Over the years, it expanded its footprint, opening offices in Shanghai in 1995, Tokyo in 2002 and Nagoya in 2015, and a Jakarta Desk in 2025, in response to the growing demands of its clientele.

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