

Japanese Law News Monthly Bulletin 2006/02**HEADINGS****FOCUS in December**

1. **Equity (securities law, corporate law)**
2. **Debt (insolvency law, banking and finance law)**
3. **Goods and Services (contracting, competition law, IP, PL, consumer law)**
4. **Labour (employment law, pension system)**
5. **Oversight and Policy (administrative law, public official law, tax policy)**
6. **Social Context (NPO law, civil justice reforms, education)**
7. **Legal Policy (constitutional reform, international relations)**

FOCUS in February: DFAA 'bid-riggers' face arrest over new claims

Prosecutors will serve fresh arrest warrants on three former Defense Facilities Administration Agency officials on suspicion of orchestrating bid-rigging for construction and civil engineering work, according to sources. The three men already face being charged with rigging bids for contracts to install air-conditioning systems when their detention expires on Monday. According to the sources close to the special investigative squad of the Tokyo District Public Prosecutors Office, the former officials, including Mamoru Ikezawa, 57, a former technical councillor for the agency, will be held on suspicion of bid-rigging a contract to relocate facilities of the U.S. Marine Corps' Iwakuni Air Station in Yamaguchi Prefecture, among others:

<<http://www.yomiuri.co.jp/dy/national/20060219TDY02005.htm>> (19 February)

See also, "EDITORIAL/ Defense collusion scandal"

<<http://www.asahi.com/english/Herald-asahi/TKY200602220188.html>> (22 February)

"DFAA needs to declare total war on bid-rigging"

<<http://www.yomiuri.co.jp/dy/national/20060217TDY04005.htm>> (17 February)

"Contractors move to end bid-rigging / Employees reassigned, made to sign oaths promising to abide by the law"

<<http://www.yomiuri.co.jp/dy/national/20060226TDY02009.htm>> (26 February)

"Defense agency scandal goes deep / Officials allegedly used bid-rigging to keep amakudari system up and running"

<<http://www.yomiuri.co.jp/dy/national/20060210TDY02010.htm>> (10 February)

"Collusion suspects rearrested"

<<http://www.asahi.com/english/Herald-asahi/TKY200602210408.html>> (22 February)

1. Equity (securities law, corporate law)

"Opinions split on form, function of securities watchdog"

Discussions on strengthening the functions of the Securities and Exchange Surveillance Commission are intensifying within the government and ruling parties in the wake of the Livedoor Co. scandal, but opinions are split on the matter:

<<http://www.yomiuri.co.jp/dy/business/20060202TDY08009.htm>> (2 February)

"TSE seen poised to delist Livedoor"

The Tokyo Stock Exchange is expected to delist Livedoor Co. from its Mothers market should police issue fresh arrest warrants for former Livedoor President Takafumi Horie and other former Livedoor group executives to indict them on suspicion of violating the securities law by submitting false financial statements:

<<http://www.yomiuri.co.jp/dy/business/20060214TDY08012.htm>> (14 February)

2. Debt (insolvency law, banking and finance law)

"Govt to let BOJ determine money policy"

The government will not demand that the Bank of Japan postpone a decision on lifting the quantitative easing of its monetary policy, a right the government has exercised before, even if the bank's Policy Board decides to do so at a meeting scheduled for March 8 and 9, sources said Sunday:

<<http://www.yomiuri.co.jp/dy/business/20060227TDY01004.htm>> (27 February)

"Well-managed small firms to get break on guarantees"

The Economy, Trade and Industry Ministry is to classify bank loan guarantee rates paid by small and midsize firms to guarantor corporations into nine levels based on financial health, as opposed to the 1.35 percent under the current system:

<<http://www.yomiuri.co.jp/dy/business/20060228TDY08007.htm>> (28 February)

3. Goods and Services (contracting, competition law, IP, PL, consumer law)

"Japanese trademarks targeted / Man killed in 2003 made applications in R.P., but reason unclear"

A firm in the Philippines has applied to that country's patent office to register the trademarks of 122 Japanese newspapers and food manufacturers, The Yomiuri Shimbun has learned:

<<http://www.yomiuri.co.jp/dy/national/20060207TDY03006.htm>> (7 February)

"Govt finds 77 Toyoko hotels altered on sly"

The construction ministry announced Monday [6 February] that out of 122 hotels operated by Toyoko Inn Co., 77 hotels in Tokyo and 23 prefectures were illegally modified after local governments inspected the completed buildings, according to a ministry survey:

<<http://www.yomiuri.co.jp/dy/national/20060207TDY01004.htm>> (7 February)

"Chiba man held over online ID phishing scam"

The Metropolitan Police Department on Tuesday [7 February] arrested a 25-year-old unemployed man from Inage Ward, Chiba, on suspicion of stealing the ID and password of another person on a fake Yahoo! Auction site. The suspect allegedly used the information to steal goods, violating the Unauthorized Computer Access Law:

<<http://www.yomiuri.co.jp/dy/national/20060208TDY02004.htm>> (8 February)

"Heartlife execs rearrested over illegal capital"

The president and an executive of Sapporo-based health food company Heartlife have been rearrested on fresh warrants for using business capital gained through fraud, marking the first time the Pharmaceutical Affairs Law has been applied, according to Shizuoka prefectural police:

<<http://www.yomiuri.co.jp/dy/national/20060209TDY02007.htm>> (9 February)

"Sompo Japan admits illegal policies"

Sompo Japan Insurance Inc. announced Tuesday [14 February] that it had 431 illegal contracts on its books involving life insurance policies of its partner company, Dai-ichi Mutual Life Insurance Co., to help their agencies achieve sales strategies:

<<http://www.yomiuri.co.jp/dy/national/20060215TDY08006.htm>> (15 February)

"Home sellers face mandatory liability insurance"

Following the fabricated earthquake-resistance data scandal, the construction ministry intends to oblige anyone selling newly built houses or condominiums to buy liability insurance to cover possible structural defects of the buildings, ministry officials said:

<<http://www.yomiuri.co.jp/dy/national/20060221TDY02011.htm>> (21 February)

4. Labour (employment law, pension system)**"Pension plan overhaul approved"**

The government and ruling coalition Thursday [9 February] approved a plan to integrate the corporate employees pension plan with the pension system for government workers:

<<http://www.yomiuri.co.jp/dy/national/20060210TDY02008.htm>> (10 February)

"High court rejects pension plan claims by disabled men"

The Hiroshima High Court on Wednesday [22 February] overturned a lower court ruling ordering the central government to pay 2 million yen each to two disabled men who were refused a basic disability pension payment on the grounds they had not joined the national pension plan when they were students:

<<http://www.yomiuri.co.jp/dy/national/20060223TDY02004.htm>> (23 February)

5. Oversight and Policy (administrative law, public official law, tax policy)**"Ex-prosecutor claims innocence in bribery appeal"**

A former senior prosecutor at the Osaka High Public Prosecutors Office pleaded not guilty to allegations that he accepted bribes from a former gang member in return for providing information about an investigation, during an appeal hearing Tuesday at which he demanded the charges be dismissed:

<<http://www.yomiuri.co.jp/dy/national/20060208TDY03004.htm>> (8 February)

"Privacy law hampering cancer research"

The regional cancer registration system, used to devise measures in the fight against cancer, has hit a roadblock as medical institutions refuse to provide information to local governments as they stick to the letter of the privacy law:

<<http://www.yomiuri.co.jp/dy/national/20060211TDY02008.htm>> (11 February)

"Agency aims at pension dues dodgers"

The Social Insurance Agency is considering issuing short-term national health insurance cards to replace open-ended ones held by people who have failed to pay national pension premiums for extended periods as a way to pressure them into paying, agency sources said Saturday:

<<http://www.yomiuri.co.jp/dy/national/20060212TDY02008.htm>> (12 February)

"Takarazuka mayor quits over bribe allegations"

The mayor of Takarazuka, Hyogo Prefecture, who was arrested last week on suspicion of accepting a bribe connected to pachinko parlor interests in the city, submitted a letter of resignation to the municipal assembly chairman Tuesday:

<<http://www.yomiuri.co.jp/dy/national/20060215TDY02009.htm>> (15 February)

See also, "Takarazuka mayor held over bribery accusation"

<<http://www.yomiuri.co.jp/dy/national/20060208TDY02010.htm>> (8 February)

"Ministries, local govts fight confusion over privacy law"

Confusion and overreaction following the enactment of a privacy law designed to stop data on individuals falling into the wrong hands has prompted ministries and local governments to explain how the law should be applied:

<<http://www.yomiuri.co.jp/dy/national/20060226TDY03003.htm>> (26 February)

6. Social Context (NPO law, civil justice reforms, education)

"Asbestosis sufferer files suit against contractors for 33 mil. Yen"

A 68-year-old man on Wednesday [1 February] filed a suit for 33 million yen in damages against two major construction firms, claiming he suffers from asbestosis as a result of working as a subcontractor for them over a 30-year period:

<<http://www.yomiuri.co.jp/dy/national/20060202TDY02010.htm>> (2 February)

"Opposition grows to Imperial law changes"

In what may be another headache for Prime Minister Junichiro Koizumi throughout his last regular Diet session before he is scheduled to step down in autumn, opposition is growing toward the proposed government-sponsored bill to revise the Imperial House Law to expand the right of succession to the throne:

<<http://www.yomiuri.co.jp/dy/national/20060203TDY03002.htm>> (3 February)

See also, "Caution on law revision may grow"

<<http://www.yomiuri.co.jp/dy/national/20060209TDY03002.htm>> (9 February)

"Court grants overseas A-bomb survivors benefits"

The Hiroshima High Court on Wednesday [8 February] ordered the Hiroshima prefectural government to pay three Japanese atomic-bomb survivors living in Brazil health care benefits that have been left unpaid based on the statute of limitations:

<<http://www.yomiuri.co.jp/dy/national/20060209TDY02010.htm>> (9 February)

"Lawyer puts people before profits"

Seigo Hirayama, who will become president of the Japan Federation of Bar Associations in April, has a word of advice for lawyers who seek to put money before all else:

<<http://www.yomiuri.co.jp/dy/national/20060219TDY03002.htm>> (19 February)

"Women seek fair deal from top court"

Residents of Okinawa Prefecture faced off at the Supreme Court on Friday [17 February] on the issue of whether a local community rule that stipulates that compensation for land seized by the U.S. Army be paid only to men is discriminatory toward women:

<<http://www.yomiuri.co.jp/dy/national/20060219TDY02009.htm>> (19 February)

"Lawyers set up group to assist in policymaking"

Thirteen lawyers have formed a private legislation bureau, headed by Junri Ozaki, former vice chairman of the Japan Federation of Bar Associations, to help political parties and lawmakers map out policies from a legal viewpoint:

<<http://www.yomiuri.co.jp/dy/national/20060220TDY02004.htm>> (20 February)

"Govt to publish translations of laws in English"

The government plans to publish English translations of international business-related technical terms and phrases from 14 major laws, as well as the whole texts of some of these laws, and publish them on the Cabinet Secretariat's Web site in April, The Yomiuri Shimbun learned Sunday:

<<http://www.yomiuri.co.jp/dy/national/20060220TDY01003.htm>> (20 February)

"Lawyers to learn plain speaking"

The Osaka Bar Association is taking steps to improve its member lawyers' communication skills in preparation for the introduction of the lay judge system in May 2009 that will see members of the public join judges in trying criminal cases:

<<http://www.yomiuri.co.jp/dy/national/20060226TDY02007.htm>> (26 February)

7. International Context (constitutional reform, international relations)

[U.S. Military in Japan]

"U.S. Iwakuni terminal veto hits civil flights plan"

The U.S. government has refused to allow the construction of an air terminal for commercial use on the site of the U.S. Marine Corps' Iwakuni Air Station in Yamaguchi Prefecture, despite a basic agreement reached last year to allow civilian flights to land at the airfield, sources said Thursday:

<<http://www.yomiuri.co.jp/dy/national/20060210TDY01004.htm>> (10 February)

See also, "Realignment takes back seat / Progress slowed by defense contract scandal, need to win over public"

<<http://www.yomiuri.co.jp/dy/national/20060204TDY03004.htm>> (4 February)

[International Security]

"Progress in talks depends on Pyongyang's sincerity"

Progress, or lack of it, in diplomatic normalization talks between Japan and North Korea that started Saturday [4 February] depends on how sincerely Pyongyang responds to Japanese concerns about the abduction, nuclear and missile issues, Koichi Haraguchi, Japan's ambassador in charge of the normalization talks, said in an interview with The Yomiuri Shimbun before the talks:

<<http://www.yomiuri.co.jp/dy/national/20060205TDY02006.htm>> (5 February)

"Govt reiterates plan to invite Iranian foreign minister"

The government has reiterated its plan to invite Iranian Foreign Minister Manouchehr Mottaki to Japan to press directly for a halt to Iran's uranium enrichment and other related activities as soon as possible, according to Foreign Ministry sources:

<<http://www.yomiuri.co.jp/dy/national/20060206TDY03001.htm>> (6 February)

"N. Korea seeks Japan's help in easing U.S. sanctions"

In its 20-hour diplomatic normalization talks with Japan, North Korea apparently sought to make the United States relax sanctions it has imposed on the country by showing its readiness to discuss its nuclear problems with Japan, diplomatic sources said:

<<http://www.yomiuri.co.jp/dy/national/20060210TDY03003.htm>> (10 February)

"Some SDF members may stay after Iraq pullout"

The government is considering keeping several Ground Self-Defense Force members as liaisons and coordination officials for multinational forces in Iraq after GSDF units stationed in southern Iraq withdraw from the country, government sources said Sunday:

<<http://www.yomiuri.co.jp/dy/national/20060220TDY02009.htm>> (20 February)

See also, "3 allies OK GSDF's Iraq withdrawal"

<<http://www.yomiuri.co.jp/dy/national/20060226TDY01002.htm>> (26 February)

[WWII-Related]

"Ruling fails to satisfy anyone / Trial over WWII suppression case halted, but defendants not cleared"

The Yokohama District Court's decision Thursday [9 February] to halt a retrial of five men, now dead, convicted in a case of wartime suppression of free speech known as the Yokohama Incident showed consideration to the five men. But bereaved family members seeking not-guilty rulings were disappointed the court avoided any judgment on whether the five were guilty:

<<http://www.yomiuri.co.jp/dy/national/20060211TDY03004.htm>> (11 February)

[Territorial Disputes]

"S. Korea quietly dealing with 'Tokdo issue'"

In response to the Shimane Prefectural Assembly's designation of Feb. 22 as Takeshima Day, the South Korean government in March significantly relaxed regulations for landing on the islands:

<<http://www.yomiuri.co.jp/dy/national/20060223TDY03005.htm>> (23 February)