

## PRODUCT LIABILITY RULES WORLDWIDE JAPAN, US AND TÜRKIYE

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### Abstract

*The present article is to examine the similarities and differences in the methods for regulating product liability issues within very differing countries, owing different legal culture and located in distant geographical areas, namely USA, Japan and Türkiye. These countries have a decisive economic influence on the world market that is growing with the effect of mass production worldwide. The USA was the cradle of product liability law, and now, it has spread to all countries. As a result of the global development and the national reception or adoption of existing legal solutions, a rich body of sources is available for a comparative analysis, which was the main research method used for preparing this work. This study analyses these above-mentioned adaptation processes. In addition, the analysis of these national regulations or legislative approaches may also provide insights into the future developments. The aim is to examine whether the additions made by the countries concerned to the law of another country can preserve the originality of their national law. Contrasting these product liability national regimes, this study scrutinizes how the chosen countries can maintain the originality of their national law during the adaptation of foreign legal solutions and phenomena.*

**Keywords:** Turkish product liability law, Japanese product liability law, American product liability law, comparative law, product safety

### 1. Introduction

With the advent of mass production, product liability has become increasingly important. With the increase in volume that mass production brings, product defects are inevitable.

USA has the largest market and economy in the world as a result of these productions (Acharya, 2024). For this reason, the United States was the first country to regulate legal innovations and to address the negative outputs of mass production. Consequently, the United States has been a source of inspiration for many countries, in particular for Europe and Japan, with its legal regulations.

Following the advent of the British industrial revolution, the concept of the product underwent a transformation on a global scale. This was accompanied by an increase in the number of product defects, which were caused by the rise of mass production. The mechanisation process began to replace human labour in the production process, necessitating a redefinition of the concept of product liability. This period saw the emergence of a transformative figure, Henry Ford, who played a decisive role in this revolution. “The period at the beginning of the 20th century is called Fordism and it was named after the founder of Ford Motor Company: Henry Ford. This was due to the revolutionary social and technical considerations of Henry Ford with respect to the production methods.” (Bouscasse et al., 2021) The production boom initiated by Henry Ford marked a decisive moment in American history, ushering in a

new era of industrialisation and laying the foundations for the country's enduring influence in the global market. The rapid expansion of production led to a surge in defective products, giving rise to numerous lawsuits against the Ford Motor Company.

Japan has been a pioneer in mass production, particularly within the automotive industry. In terms of product liability, it is therefore an important country. Furthermore, Japan is one of the most prominent countries in the world in terms of both production and economic size. In terms of numerical value, Japan is the fourth largest economy in the world (The Associated Press, 2024). Furthermore, OEC is estimated to have ranked fourth in terms of exports in 2022 (OEC World, 2024). In light of these considerations, we seek to adopt a novel perspective on product liability by analysing the manner in which a country with a vast market and a distinct cultural heritage located within the Asian region and therefore markedly divergent from the Western and American contexts – has adapted to the demands of the contemporary era and the evolving requirements of the consumer. Furthermore, the effects of product liability in European and American law will be examined, with particular attention to the additions made to the civil code in Germany and the new law studies in the United States.

Türkiye, a member of the G20 (Republic of Türkiye Ministry of Foreign Affairs, n.d.) is an important country due to its economic co-operation and geopolitical position. Türkiye is in constant interaction with the surrounding European and Asian countries, especially with its trade, logistics and large customer market, and continues to increase its cooperation with the aim of continuous growth. Türkiye is one of the most important collaborators of EU and at the same time, the cooperation with the European Union has increased with the initiation of the European accession process within the framework of the Ankara Agreement (1963) signed by Türkiye and the European Union (Karaşahin, 2023). Türkiye has a long history of collaboration with European countries, dating back to the Ottoman Empire. As a result of this enduring relationship, Türkiye's legal framework is designed to align with that of the European Union. This is primarily because legal issues that may arise in international trade and relations can be resolved more expeditiously through the application of similar legal regulations.

Consequently, Türkiye has emerged as a significant and vibrant hub for numerous manufacturers and distributors. Thus, the legislature has initiated efforts to address the potential liabilities associated with products and has enacted legislation to this end. However, in the Turkish legal system, product liability is intertwined with other laws and regulations, and there is no specific legislation governing product liability. In addition to product liability, the regulation on product safety has been unable to demonstrate its importance sufficiently. The root of many of these problems lies in the fact that, in order to harmonize with the European Union *acquis* (*acquis Communautaire*, the existing EU law), the aforementioned Manufacturers' Liability Directive of 1985 and the Product Safety Directive of 2001 were transposed into domestic law (Atamer and Gökçe, 2021). The objective of the legislator in adopting the regulations of the European Union, due to the originality of the national law, may result in ambiguities in the translation and definition of certain terms. This has led to a multitude of opinions being put forth in the doctrine due to this ambiguity. Furthermore, since it lacks its own organizational structure, it will be interesting to observe how it fares in meeting the challenges and expectations of the future.

According to OECD data, G20 represents nearly 85% of global GDP, 75% of world trade and two-thirds of the world population (Republic of Türkiye Ministry of Foreign Affairs, n.d.). Furthermore, the three countries that are members of the OECD intend to examine the effects of product liability on a global scale and its contribution to consumers, taking into account the effects on each other and the different geographical locations in which they are situated. The objective of this research is to gain a deeper understanding of the legal systems of Türkiye, the USA and Japan by analyzing them comparatively using the comparative law technique. Through this comparison, it is hoped to identify

any potential gaps in the definitions or misunderstandings of Turkish, American and Japanese law by analyzing the legal systems of the pioneer countries. This research aims to identify general norms by examining product liability from a universal perspective. To this end, different legal systems will be selected and the common points that exist despite this will be determined. Thus, we aim to identify similarities and differences between the product liability laws of the United States, Türkiye and Japan, despite their disparate cultural and geographical backgrounds, and to examine the impact of these factors on the law. Furthermore, the research will examine the impact of economic size on the legal prosperity and level of countries among those ranked in the G20.

## 2. Japanese Product Liability Act (no 85 of 1994)

### (製造物責任法 (平成六年法律第八十五号) )

#### *2.1. Background on the Postponement of Product Liability Regulation in Japan*

In order to analyse the issue of product liability in Japan, it would be more beneficial to gain an understanding of the Asian and Japanese cultural context and to evaluate this accordingly. In particular, they have a system that is known worldwide for its long-standing tradition and its capacity to evolve in accordance with the relationship of trust between the parties. In Japan, companies are known as *kaisha*. In contrast to the European and American models, Japanese companies are typically managed by a family, operating as family companies. The Japanese economy is characterized by the firm-dominated economy, or *Kaisha*-based economy (Koichi, 1996). As a consequence of their central role in the Japanese economy, family businesses bear responsibility as both producers and sellers with respect to product liability. The strong tradition of *Zaibatsu* (family conglomerate, financial clique) or *Keiretsu* (firm group) maintains this organizational feature of Japan's production sectors (Koichi, 1996).

For this reason, the enactment of product liability legislation was postponed in Japan. The companies, acting on the basis of reliability in the market, did not perceive the necessity for a legal mechanism to resolve disputes that arose through reconciliation among themselves. "As in any ideal family, relationships are said to be based on cooperation and trust; formal rules and institutions pale in importance next to reputation. For the Japanese, cooperation is not based on legal coercion." (Milhaupt, 1996) This trust between the consumer and the manufacturer, the seller, and the Japanese companies, which have been in business for centuries, is a testament to the reliability of these entities. In Japan, there are more companies with a 100-year-long history than anywhere else in the world (Nikkan Kogyo Shimbun & AHK Japan, n.d.). The cultural influence can be more clearly observed by referencing several globally renowned companies that have been serving customers for over a century with their products in the field of production, and providing insight into customer perceptions of product liability.

The list of companies in the study is as follows:

The Nintendo company (任天堂株式会社), which has global renown for its products in the gaming industry, was established in 1889, 135 years ago (Takeda, 2020).

Hitachi Ltd. (日立製作所), a highly diversified Japanese manufacturing corporation, started in 1910, 114 years ago (Treacy, 2024).

"Panasonic Holdings (パナソニック ホールディングス株式会社) is a major Japanese manufacturer of electric appliances, consumer electronics, rechargeable automotive batteries, and residential heating and

cooling systems. The company was established in 1918, 106 years ago (T. Editors of Encyclopaedia, 2024).”

Toshiba (株式会社東芝) has its roots in a small shop and factory in Ginza’s “brick town”, which was founded in 1875, 149 years ago (Toshiba, 2024).

Suzuki (スズキ株式会社), a manufacturer of industrial cars, was founded in 1909, 115 years ago (Suzuki, 2024).

Mazda (マツダ株式会社) began its history as a cork manufacturer in 1920, 104 years ago (Mazda, 2024).

One of the most significant reasons for this continuity is the principle of good faith, which is the foundation of the law of obligations. Specifically, it shows that capital market regulation, legal enforcement of the good faith principle, and judicial gloss on employee tenure and job rotation practices play a significant role in compelling or encouraging long-term economic relationships (Milhaupt, 1996). For these reasons, there has been no demand for a legal regulation for some time. “In Japan, where legal disputes have often been resolved without litigation, this lack of ensuing litigation is not so surprising; the *Act* was designed to fulfill a role not inside, but outside of, the existing judicial framework.” (Matsuura, 2001)

Additionally, it is important to acknowledge the role of the civil code in resolving product liability issues prior to the enactment of product liability legislation. The civil code, inspired by both European and American legal traditions, served as a general law until the introduction of the Product Liability Act in 1994. The *Civil Code* was a major source of law for assessing manufacturers’ liability before the *Act* (Matsuura, 2001). In order to gain a deeper understanding of product liability law, it is essential to examine the civil codes. It is first necessary to note that in order to create a legal system suitable for the conditions of the day, legal systems including those of European countries have been examined, and their work has been carried out with the aim of creating a law that can respond to current problems. The findings of these studies have led to the German civil and commercial codes form the foundation of Japanese civil and commercial law (Behrens and Raddock, 1996). As can be observed, the European influence, which has already had an impact on Japanese law, has also had an impact on Japan’s preparations for enacting a law on product liability. It is also important to note that the unfortunate incidents that have occurred in Japan have highlighted the necessity for the enactment of a law on product liability. A number of these unfortunate incidents are listed in the following: the Morinaga Milk Poisoning Incident, the Thalidomide Incident, the Kanemi Oil Poisoning Incide, and the SMON Incident (Fumitoshi, 1996).

The product liability regulations enacted by the USA have served as a model for the European Union countries, which established their own legislation in 1985. As a result of this chain effect, countries with large economies have also enacted their own laws in this area. “More recently, with the issuance of European Community ‘Council Directive of 25 July 1985 on the Approximation of the Laws, Regulations and Administrative Provisions of the Member States Concerning Liability for Defective Products’ (the so-called EC Directive), several European and non-European nations have enacted product liability-related legislation.” (Madden, 1996). The aforementioned legislative amendments have resulted in the Japan became the only industrialized country without such a law (Cohen, 1997). In response to the necessity of aligning with the prevailing standards of the era, the legislators initiated the drafting of a new product liability law. The findings of these studies have led to “Japan has been contemplating the implementation of a product liability system since 1972. After much discussion, the Product Liability Law [Law No. 85 (1994)] was finally promulgated on July 1, 1994. It came into force

one year later on July 1, 1995.” (Madden, 1996). It was designed to supplement the Civil Code, a general law. This was the first time that a special law to safeguard consumers against hazardous products had been enacted in Japan (Koichi, 1996).

After the Product Liability Law stepped into force, there was a notable increase in public awareness and a corresponding rise in the number of citizens exercising their rights. Since it has had the beneficial effect of defining the legal disputes on product liability in a clear and coherent manner. Consequently, amendments have been made to the legal framework in accordance with this regulation. “The PL Law now operates in addition to existing Civil Code provisions "and establishes a definition for defect similar to a ‘danger-utility’ and ‘consumer- expectation’ defect standard for product safety." This change was influenced by European law and developments in the United States.” (Melchinger, 1997)

## ***2.2. The Ascendance of Japanese Consumers Under the Aegis of the Product Liability Act***

The Japanese Product Liability Act: Seizobutsu Sekinin Hou(製造物責任法) is comprises six articles. The product liability legislation of Japan is influenced by European Union Product Liability Directive. In order to understand the Japanese product liability law, it is necessary to consider the following points:

(目的) purpose, (定義) definitions, (製造物責任) product liability, (免責事由) ground for exemption, (消滅時効) extinctive prescription, (民法の適用) application of the civil code (Japanese Law Translation, 2017 & e-Gov Legal search, 2015).

The most crucial aspect of resolving legal disputes is accurately defining the elements in question. Consequently, it is essential to conduct a comprehensive analysis of Article 2. *Article 2 : (1 )The term “product” “seizoubutsu” as used in this Act means movables which are manufactured or processed* (Japanese Law Translation, 2017 & e-Gov Legal search, 2015).

The manufacturer is liable for any damage or loss to the movable goods produced by them. It should be noted that immovables are not included in this scope. Furthermore, there is no regulatory framework in place regarding component parts. However, Article 4 stipulates that component parts and raw materials are included within the scope of the product.

Although the definition of products in Japanese law shows similarities to that set out in the European Union's Product Liability Directive, there are also notable differences. The European Union directive provides a comprehensive definition that includes specific situations, whereas the definition of products in Japanese law is more generalised and does not specify particular cases. This discrepancy may have its roots in Japan’s status as a civil law country, where the aim may be to resolve issues through the interpretation of civil law rather than by specifying or detailing particular scenarios that may arise in the future. The absence of new regulations pertaining to digital products, software, and digital services in the definition of product. Japan, a country with a significant technological and digitalisation capacity, is notable for this deficiency in comparison to the European Union’s new product directive.

A comparative analysis of the concept of products in Turkish and Japanese law reveals a significant convergence. This can be seen as a consequence of the adaptation of European regulations into the Turkish legal system, reflecting the close relations between Türkiye and the European Union. The definition of product in Turkish law is sufficiently broad to include immovables, although there is no consensus in legal doctrine as to the precise scope of this definition. As a result, the Japanese definition differs from the definition of product in Turkish law. In terms of simplicity and comprehensibility, the Japanese definition is more aligned with the common understanding of the term.

(2) The term “defect” “*kekkan*” as used in this Act means a lack of safety which a product should normally have, taking into account the characteristics of the product, the normally foreseeable usage manner, the time at which the manufacturers, etc. delivered the product, and other circumstances of the product (Japanese Law Translation, 2017 & e-Gov Legal search, 2015). With regard to the concept of error, there is no mention of a standard introduced by the state. Nevertheless, the concept of error resulting from the lack of safety of the product worldwide can be understood from this definition in essence. The moment the product enters the market is also of significance. The concept of a defect as defined within Japanese legislation is notably similar to that of European and Turkish law.

(3) (i) any person that manufactured, processed, or imported the product in the course of business (hereinafter simply referred to as “manufacturer” “*seizougyousha*”) (Japanese Law Translation, 2017 & e-Gov Legal search, 2015). The inclusion of the exporter in the list of those held responsible as producers serves to enhance the accuracy of the definition. The other two paragraphs are analogous to the European Directive, and the source of inspiration is evident.

Article 4 delineates the circumstances under which the producer is not liable. Two methods of avoidance of liability are presented: firstly, scientific and technical inability to detect the defect at the time of placing the product on the market; and secondly, arising from a change of compound and raw materials or from non-compliance with the instructions (Japanese Law Translation, 2017 & e-Gov Legal search, 2015). Article four of the PL Law creates a defense of “*kaihatsu kiken*”, which is essentially a “state of the art” defense, but which might be more literally translated as “developmental risk”. (Melchinger, 1997) Despite the fact that the Japanese definition shares similarities with that of the European Union directive, it differs in that it does not include the clause which states that the seller is not responsible for products not intended for sale.

Article 5 (Japanese Law Translation, 2017 & e-Gov Legal search, 2015) the time component of the directive is also comparable to that of the European directive in terms of its overall structure and content.

The advent of this significant development in product liability has brought about numerous changes. In the first instance, the general public has demonstrated a growing preference for insurance companies as a means of compensation for damages incurred. In addition, manufacturers, which are now subject to closer regulatory oversight, have taken steps to enhance the reliability of their products. Furthermore, Japan, which has a significant presence in the global market, has endeavoured to ensure that afforded the same level of protection will be provided to its domestic consumers as to the overseas customers. According to Kazuo Ogawa, an assistant director of consumer affairs at the Economic Planning Agency, “A major change is evident in the attitude of corporations toward consumer complaints. Before the law, manufacturers often ignored claims, but now they are very quick to apologize and remove defects.” (Rothenberg, 2000).

In this field, the distinction between internationally renowned companies based within and outside the country is becoming increasingly blurred. The most notable company in this regard has been Nintendo: “When this came to light, a public dispute ensued over Nintendo’s double standard with regard to product liability overseas and at home. Nintendo’s reasoning for the double standard was that” consumer interest differs in the two countries. We don’t have a product liability law here in Japan.” (Rothenberg, 2000). The underlying reason for this lies in the fact that countries, particularly the United States and Europe, have implemented stricter product standards with the objective of protecting their customers from potential harm and providing mechanisms for compensation when necessary. As a consequence, Japanese mass production and standards have diverged between the domestic and international markets. This situation has resulted in disadvantaged rights for Japanese customers. Consequently, Japan has begun to enact legislative regulations much more rapidly than previously.

Furthermore, manufacturers have begun to prioritize product safety in their manufacturing processes. One of the most illustrative examples is: “A major toy manufacturer, Bandai Corporation, spent 500 million yen in preparation for the new law. Bandai also modified its Ultra-man toy figure series to make surface areas softer and more pliable.” (Rothenberg, 2000)

The advent of product liability legislation has prompted a re-evaluation of products across all sectors, with the objective of preventing any potential damage. This process entails considering the full range of possible problems, including those that may not have been previously considered. “In order to prevent drinks from slipping out of people’s hands, Asahi Beverage Inc., a subsidiary of beer-maker Asahi Breweries, Ltd., changed its cider bottle design by making it thinner and adding indentations. While consumers probably cannot sue a beverage manufacturer because they drop a bottle, Asahi Beverage has decided to be cautious.” (Rothenberg, 2000)

In summary, product liability law has been employed as a means to raise societal awareness and to hold producers responsible for the consequences of their actions. The economy and the general welfare of the country have been positively affected as a result of the increased awareness on the part of both the producers and the public.

### **3. American Product Liability Development: The Restatement (Third) of Torts**

“During the first half of the 20th century, U.S. judges adjudicated product-related disputes in either contract or negligence. Over the course of the 1960s and 1970s, they shifted to strict liability. Some observers celebrated the change. The new approach would give producers the right incentives, they argued. It would raise safety levels. It would provide social insurance.” (Ramseyer, 2012)

Afterwards, the American Law Institute identified a need for a new regulation on product liability. The development of the concepts of producer and product liability and the renewed definitions of these concepts assisted the injured party in determining the manner in which they could seek redress for their injuries and the extent to which the producer could be held liable.

In the United States, the Restatement Second of Torts (1965) did not distinguish types of product defects (Castillo, 2012).

It thus arose that a new regulation was required. As a consequence of the aforementioned efforts, the Restatement of the Third was adopted in order to address the aforementioned deficiency.

Subsequently, the American Law Institute identified a need for a new regulation on product liability. The development of the concepts of producer and product liability and the renewed definitions of these concepts assisted the injured party in determining the manner in which they could seek redress for their injuries and the extent to which the producer could be held liable. “In 1997, the American Law Institute (‘ALI’) adopted the Restatement (Third) of Torts: Products Liability [‘Restatement (Third)’].” (Mark, 2002)

#### **3.1. Defective product**

Prior to the defective product, it is essential to delineate the concept of product liability in the USA. Unlike the EU, the USA lacks harmonisation at the federal level, with each state enacting distinct legal regulations. Additionally, litigation processes differ, and activism is more prevalent. Despite similarities in definitions, inspired by EU regulation, there are notable differences in practice. “Products liability, which is primarily governed by state law, concerns the civil liability of a manufacturer, seller, or other party along a product’s manufacturing or distribution chain for personal or property damages caused by a product to a consumer or third-party user of that product. Product defects have been generally grouped

into three categories—manufacturing defects, design defects, and warning defects.” (Congressional Research Service, 2014) “A manufacturing defect is a mistake that occurs in the manufacturing process such that the product fails to meet the manufacturer’s design specifications, resulting in an error that causes an injury to a consumer or other third party.” (Congressional Research Service, 2014) In US law, the concept of defect is defined as a product that does not conform to the manufacturer’s standard. In this respect, the definition of defect differs from that in EU and Turkish law.

The concept of a defective product, which is defined as non-conformity to the standard of the public authority in the EU and Türkiye, has become more subjective, personal and private sector-oriented in US law. In this context, a product is defined as one that does not conform to the normal production standard of the manufacturer. Apart from this difference, the rest of the definition is similar to the aforementioned legal regulations. In order to qualify the USA as a product defect, it is necessary to consider the consumer’s perspective, the damage caused by the product and the presence of safety problems in the production process and the manufacturer’s normal products. In order for a product to be considered defective, there must be a difference between the manufacturer's normal products and the damages caused to the injured party. In such cases, the manufacturer is required to compensate the injured party for the damages caused.

“A design defect is a mistake in a product’s design that results in undue risk to a consumer or other third party that could have been reasonably prevented by a safety device or other design alternatives. Design defect claims are the most commonly asserted type of products liability claim against a manufacturer.” (Congressional Research Service, 2014) American law permits the injured party to recover damages when damage occurs as a result of the manufacturer’s failure to design and manufacture its product in a dangerous and unsafe manner.

“A warning defect is one where a manufacturer fails to provide appropriate information about a product’s known hazards and how to avoid them, resulting in undue risks to a consumer that could have been reasonably prevented. A manufacturer’s general ‘duty to warn’ can be viewed as encompassing two distinct obligations.” (Congressional Research Service, 2014). In accordance with the laws of the United States of America, as with those of the European Union and Türkiye, the manufacturer is obliged to provide the consumer with accurate information about the product and to specify the conditions of use. Furthermore, if there is a situation that requires extra attention in terms of safety in the use of the product, this must be clearly stated by the manufacturer. A consumer who is unaware of the conditions of use of a product and the potential dangers associated with misuse cannot be held responsible for any damage caused by the product.

### ***3.2. Negligence***

The concept of negligence, which is the basis of American law, can be defined as a wrongful act that occurs when a person causes damage as a result of acting contrary to the expected duty of care. The courts and the basic doctrine are closer to the concept of negligence and it is a concept that is investigated primarily in the proceedings of cases. “A classic cause of action under tort law, negligence is defined as a harm to another resulting from a “failure to exercise the standard of care that a reasonably prudent person would have exercised in a similar situation.” (Congressional Research Service, 2014) In order for the concept of negligence to be legally actionable, four specific actions must be proven to have occurred. It is important to note that if the defect in question did not create a danger in the product and could not be scientifically detected when it was placed on the market, as discussed in EU and Turkish law, the update made in subsequent products would not have any importance and no liability would arise.



### **3.3. Breach of warranty**

In American law, the manufacturer bears certain responsibilities for the product it produces. The performance, quality and characteristic features of the product are of particular importance in this context. It should be noted here that the consumer is guaranteed that the product is suitable for their preferences and that it will function as intended when used in accordance with the instructions provided. As a consequence of this guarantee, the purchaser of the product may have used it because it has a specific feature and thus contributed to the manufacturer's profit. In the event that this profit strategy does not prove effective, the injured party is protected by the legislator and his victimisation is prevented. "A products liability lawsuit where a breach of warranty action is asserted by a plaintiff closely resembles an action for breach of contract. In essence, a products manufacturer has obligations under the law when it makes assertions about a product." (Congressional Research Service, 2014) In contrast to a breach of warranty, this is a case of damage to the purchaser caused by the manufacturer's deliberate misrepresentation.

## **4. Turkish Product Liability Law**

In contrast to the approach taken in German and Swiss law, product liability in Turkish law was not addressed by a specific legal instrument or by a provision within the TBK (The Turkish Code of Obligations) or the TKHK (The Law on the Protection of Consumers) (Baş, 2022). Türkiye included product liability in the Product Safety and Technical Regulations Law (hereinafter: UGDTK). As there is no other regulation specifically referring to product liability, Türkiye differs from Japan, USA and Europe in this respect.

In the context of legal disputes pertaining to this field, the general provisions of the extant legal framework were employed to ascertain and remunerate the damages sustained. Product liability, due to its legal structure, primarily aims to satisfy the injured party legally by compensating for the damage incurred. The underlying rationale for this is to instill confidence in the market and foster a trusting environment through the legal mechanism, thereby providing justice. Furthermore, the legislator aims to minimize the problems in the legal system by introducing preventive and supervisory regulations to prevent this legal dispute from occurring again or to resolve the dispute more easily when it occurs. According to the European Commission, product liability constitutes a "safety net" (Karaşahin, 2023).

### **4.1. Product**

In order to be able to discuss product liability, it is first necessary to recognize and analyze its elements. Furthermore, since man is a developing being, his needs are also changing as a result of these changes, and the concept and types of the product in question are also changing. The potential damage that may arise as a result of these changes, when a legal dispute occurs, necessitates the development of regulations to compensate for this damage. Consequently, the legal system is in a constant state of evolution and adaptation in order to meet the needs of legal subjects. The Law defines a product as any substance, preparation or article [Art. 3(1)(s) of the Law] [UGDTK Article m. 3(1)(s), n.d.]. The term "goods" is used to describe tangible, limited, and controllable items (Polat, 2022). Accordingly, the concept of goods as defined in the law of goods encompasses both immovables (argumentum a contrario) and movables. As evidenced by the wording of the law, it is not possible to ascertain that the

product in question pertains solely to movables. In our estimation, this law, which is designed to align with the European Union Directive, has not succeeded in achieving such harmonization.

Indeed, according to Karasahin, the term “goods” is defined in the Turkish Dictionary of the Turkish Language Association as “man-made, portable inanimate objects used for various purposes.” (Karasahin, 2023) In our view, the intention of the legislator is of great importance in the interpretation of the law. Therefore, we believe that the inclusion of only movable goods, such as the European Union directive, is more in line with the intention of the legislator. As evidenced by the legislation, the definition of the product is expansive, conferring heightened accountability upon the producer. The prevailing perspective in Turkish jurisprudence, though predicated on disparate tenets, is in favor of recognizing software as a product (Karasahin, 2023). As can be observed, the legislation in question is not only harmonized, but it is also possible to refer to current issues such as software and digital products, which are among the topics of our day. The broad scope of the legislation has made it easier to apply the law against innovations.

#### ***4.2. Defect (inappropriate) product***

Secondly, in order to discuss product liability, it is necessary to demonstrate that the product in question has a defect. Damage that occurs without a defect in the product or due to the user’s subsequent actions after the purchase of the product will not be the subject of product liability. Given the imperfect nature of liability in this context, the manufacturer will be held liable for damage caused by the manufacturer’s breach of the duty of care. “UGTDK 6 II requires that the product be non-conforming in order for the manufacturer and importer to be liable. In accordance with the stipulations of the pertinent legislation, the term ‘non-conformity’ is defined as ‘non-conformity of the product with the relevant technical regulation or general product safety legislation’ (UGTDK 3 [r]).” (Karasahin, 2023)

“Article 6(II) of the Product Safety and Technical Regulations Law (UGTDK) provides that a manufacturer or importer may be held liable only if the injured party can prove both the damage suffered and the causal link between the nonconformity and the damage (T.C. Cumhurbaşkanlığı Mevzuat Bilgi Sistemi.” (2020) As it can be observed, the legislator has not only provided unilateral protection to the consumer but has also aimed to balance the interests of the two parties by imposing requirements such as the burden of proof and causal link on the injured party. It is of particular importance to emphasise here that the term “nonconformity product” as used by the legislator affects other articles, and in such cases, there may be problems in proving causality.

The concept of non-conformity as outlined in the law could be more effectively implemented as the concept of error as defined in the European Union directive. This would align the legislation more closely with the existing framework regulating product safety. However, the concept of product liability arising from a defect in a product manufactured by a manufacturer remains unclear.

In this field, it is of paramount importance that the manufacturer provides the user with an accurate and intelligible explanation of the product’s characteristics, accompanied by a clear and comprehensive user manual. The onus is on the manufacturer to ensure that a customer with a sound mental state and average knowledge can comprehend the product when viewing it and reading the accompanying information. For instance, in Japan, particularly in the catering industry, the dimensions of products are clearly displayed on packaging, enabling customers to make informed purchases aligned with their expectations. In the event of damage, the cause is clearly identifiable. If manufacturers provide comprehensive information on product use and potential issues, they cannot be held liable for damage caused by their products. However, it is necessary to consider the information regarding the suitability of a product in accordance with market conditions. Furthermore, it is unacceptable for the manufacturer

to exploit this information for economic gain by deliberately causing the product to be faulty and then presenting the information in this way.

### **4.3. Liable persons**

The legal subjects of product liability for the product placed on the market are divided into three groups: the manufacturer, the importer and the distributor. Article 3/1(g) of the UGTDK defines a natural or legal person as “a natural or legal person who manufactures the product or has the product designed or manufactured and places it on the market under his own name or trademark.” (Kanişlı, 2020) The definition of a manufacturer in European, Turkish, and Japanese law exhibits notable similarities. Individuals who place the product on the market for business purposes, produce the product, or market it under their own trademark are held liable for any resulting damages. One notable distinction between this legislation and that of other countries is the 10-day period afforded to distributors.

According to Article 11/3 of the UGTDK [UGTDK 11(3)(s), n.d.] the legislator has granted the distributor a degree of flexibility in comparison to other subjects. With the stipulation of a 10-business day period for the provision of requisite liaison documents, the distributor is afforded the opportunity to absolve themselves of liability through a process of mitigation. The rationale behind the distributor's liability, akin to that of the manufacturer, in the absence of information is to safeguard the compensation of the injured party. The rationale behind the legislation is readily apparent, and it is a positive development for the manufacturer that the unusual alterations to the product introduced by the importer cannot be attributed to the manufacturer in terms of liability. Consequently, the inclusion of the distributor in the product liability due to the change in the product is a positive development for the manufacturer. This change must be attributable to the distributor's fault or negligence.

## **5. Conclusion**

The expansion of the consumer base, driven by the growth of mass production and digitalisation across the globe, and the rising number of consumers in the economic market, have compelled countries to adapt.

This study aims to examine whether the additions made by the countries concerned to the law of another country can serve to preserve the originality of their national law. This study scrutinises how the selected countries can maintain the originality of their national legal systems during the adaptation of foreign legal solutions and phenomena, contrasting the aforementioned product liability national regimes.

The pace and nature of this change varies according to a country's position in the production and economic landscape. As this study will demonstrate, product liability regulations began with the USA, the world's largest economy, adapting to innovations more rapidly than other countries in order to protect and develop its economic market. In this process, the USA has maintained its existing audience and increased its potential even further. In contrast, different factors have come into play in Japan, which ranks among the top four economies in the world. The corporate system in Japan differs from that in Europe and the USA, because it is more traditional and trust-based, with a family-owned business identity, aiming for long-term sustainability.

As a result, product liability has not been regulated or postponed in Japan for a long time. However, in spite of this, it was inevitable for the countries with large industrial economies to regulate only when they did not have product liability regulation in their own systems. Ultimately, the obligations of a developed economy prevailed. This is the situation in the countries at the top of the G20, but in the case of Türkiye, which is economically developing and at the bottom of the G20, as a result of its relations and geopolitical position for many years, it has made legal regulations in a manner close to the countries

with which it co-operates. In this context, Türkiye incorporates EU-derived elements into its legal framework and modifies its legislation to align with its own legal system. Additionally, it implements changes to sustain and enhance its economic growth.

The fact that Japan has adopted the civil law of Germany and that the USA exerts influence on Japanese legal developments demonstrates that the European and American legal systems are similar and do not present practical difficulties. The companies' direct engagement with the situation and their investment and measures following the enactment of the law in Japan and the increase in consumer complaints demonstrate the positive effects of the law. Japan has adopted a strategy of effective utilisation of mandatory and warning provisions within the law. Prior to the implementation of this legislation, the products of a country that is both a significant global exporter and home to numerous branches and overseas subsidiaries were afforded greater opportunities for consumer exposure and engagement abroad than within Japan itself. This approach enabled the country to simultaneously promote its own domestic consumers and safeguard the interests of its domestic market.

From a research perspective, it can be observed that the economic level affects the speed of legal regulation. However, it is also understood that other factors can affect this process. Given the globalised nature of the global market, it can be seen that the requirements of countries are similar, and that they influence each other. Consequently, legal systems contain similar contents regardless of geography.

Furthermore, in the interpretation of the laws of various countries, it is essential to consider a number of additional factors. In order to gain a deeper understanding of the legislative process, it is necessary to examine the intentions of the legislators who enacted the laws in question. Finally, in order to fully comprehend the essence of the laws in question, it is essential to consider the underlying principles that inform them. In the case of Türkiye, the legislator, who is attempting to harmonise with the product directive in Europe, should consider this situation and the articles in question. In Japan, however, culture and social organisation are combined with tradition, and therefore an examination should be made with a view to sustainability. In the United States, the protection and growth of the economy are becoming increasingly important, and legal arrangements are being made to encourage this environment. It is important to note that the impact of the European Union on other countries should be discussed separately from the broader topic of country impact. The European Union, through its mechanisms, has long been engaged in the preparation of a liability directive that can be accepted by every country within its organisation. As a result, they produce an important legal source. This source is initially implemented by member states and candidate states in accordance with their domestic legislation, and subsequently serves as a source of inspiration for the regulations of other countries.

Although the definitions in Japan and Türkiye are broad in scope and aim to address the challenges posed by future innovations, the significant innovations that will emerge with the advent of digitalisation and autonomous vehicles will necessitate the development of new regulations and amendments. In order for countries to foster economic growth, they must provide legal security and cultivate trust between consumers and producers. Consequently, the legal system, which is a field that cannot be overlooked, will consistently strive to fulfill the needs of society by employing all available resources in this direction. The continued co-operation of these countries will continue to have an impact on each other, which will be reflected in their respective legal systems. The responsibilities of the countries have increased further still with the advent of global trade. Consequently, it is of paramount importance for the countries in question to engage in collaborative efforts and to implement analogous legal frameworks in order to offset the detrimental effects of the products in question. Although the objective of legal regulations is to address issues, it will be equally crucial to be able to regulate in the context of the new era.

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