

Consumer Protection beefed up

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In claiming compensation for damages, injuries or a loss from defective products, the consumers are now fully freed from the almost unattainable burden of proving the manufacturers' mistakes by intention or negligence with regard to those defects.

Since the product liability act of January 12, 2000, took effect on July 1 this year, all the consumers have to do is to present that the products have defects. It will no longer be proper to ask whether the manufacturers have exercised great care to make the products safe and durable. Those manufacturers will be simply responsible if the defects cause any harm or loss in any way.

Undoubtedly the PL Act will definitely prove to be the most effective tool yet for consumer protection against the products that are made unreasonably dangerous because of faulty designs, manufacturing defects or lack of appropriate instructions and warnings for usage.

It goes without saying that the Act's enforcement has been a long-standing favor to all consumers at large, whose rights have not infrequently been sacrificed in the course of our

export-driven industrialization during the past four decades. This Act will become much more powerful when bolstered by suits on class action, generated by damages and loss to be prevalent here and there.

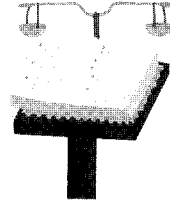
Deplorably enough, consumers at large have long been deprived of their inherent rights which they deserve in choosing safe and high-quality goods of their own free will. And eventually the Act on product liability has currently given them those natural rights back.

No doubt the Act certainly opens the sluiceway for complaints, claims and even lawsuits, given the fact that the heavy burden of proof has been discouraging consumers from bringing to court even legitimate cases of injury and loss resulting from defective products.

The report says that the number of lawsuits demanding compensation for such injury and loss in Japan almost doubled when PL law came into force there in 1995.

That will be quite natural development, in the strict sense of the word, because nothing other than lawsuits will provide a good relief for pitiable consumers injured by unreasonably unsafe and dangerous products.

The menace of lawsuits should certainly furnish manufacturers with a strong moment to



exercise greater caution in the research and development of new products though it may delay the plunging of the appliances into the market.

All the members of the staff ranging from chief executive officer and executives to junior clerks and petty assembly line operators will have to pay greater attention to the safety and durability of the products they are manufacturing.

On the top of this, they have to be prepared for possible legal proceedings to be lodged by injured consumers any time. Otherwise, those enterprises can not survive as it may be pushed into financial difficulties or even into bankruptcy by damages awarded to a consumers or a group of consumers. A shining example in this connection can be easily found in the case of Dow Corning, a U. S. manufacturer of silicone breast implants.

The enforcement of the Act will not be all that bad for manufacturers because it will furnish them with new opportunities to enhance the safety and the durability of their products and thus beef up their competitive potentials in the world markets.

Applications for insurance policies, litigations and delays in product development will surely cause additional costs on the side of manufacturers. But these are the price that manufacturers will have to share with consumers at large as members in a modern civil society.

Because of its diverse implications on the manufacturing industry and possible impact to both manufacturers and consumers alike as a

new and influential law, the Act on product liability, at this time of being enacted, was given an ample period of time for preparations such as two and half years until it started to go into effect as of July 1st, this year.

It is evident that during this period, all manufacturers, large or small, are supposed to have prepared themselves to satisfy stricter and harder demands for product safety and durability. It is reported that conglomerates have been doing rather well in this respect. There is, however, much to be desired when it comes to small and medium enterprises, and much more to ultra-small businesses.

Most of the large corporations, many of which have been exporting their products to the United States and other advanced nations in the world where laws on product liability are rigidly put in force, have been running task force teams.

The TFT is basically to heighten the awareness of product safety and durability, and also have entered into business alliances with insurance companies to provide against the future accidents. Some of their industry associations have selected out competent personnel to station at dispute consultation windows of their own for their customers.

Likely caught flatfooted, despite such a substantial period of time for preparations, will be small and medium companies. Therefore, those small and medium companies have to make every effort to prepare themselves against possible lawsuits raised by injured consumers at length.