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Public sitting
held on Monday, 23 July 2007, at 1.00 p.m.,
at the International Tribunal for the Law of the Sea, Hamburg,
President Rüdiger Wolfrum presiding

THE "TOMIMARU" CASE

(Application for prompt release)

(Japan v. Russian Federation)

Verbatim Record

Uncorrected Non-corrigé Present: President Rüdiger Wolfrum

Vice-President Joseph Akl

Judges Hugo Caminos

Vicente Marotta Rangel

Alexander Yankov

Anatoli Lazarevich Kolodkin

Choon-Ho Park

Paul Bamela Engo

L. Dolliver M. Nelson

P. Chandrasekhara Rao

Tullio Treves

Tafsir Malick Ndiaye

José Luis Jesus

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Anthony Amos Lucky

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Shunji Yanai

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Registrar Philippe Gautier

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as Agent,

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as Co-Agent;

and

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Mr Kazuhiko Nakamura, Principal Deputy Director, Russian Division, Ministry of Foreign Affairs,

Mr Ryuji Baba, Deputy Director, Ocean Division, Ministry of Foreign Affairs,

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as Deputy Agents;

and

Mr Vladimir Golitsyn, Professor of International Law, State University of Foreign Relations, Moscow,

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Mr Vasiliy Titushkin, Senior Counselor, Embassy of the Russian Federation in the Netherlands.

Mr Andrey Fabrichnikov, Senior Counselor, First Asian Department, Ministry of Foreign Affairs,

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Mrs. Svetlana Shatalova, Attache, Legal Department, Ministry of Foreign Affairs, and Ms. Diana Taratukhina, Desk Officer, Legal Department, Ministry of Foreign Affairs;

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THE PRESIDENT: Good afternoon. May I now invite the Agent of the Russian Federation, Mr Zagaynov, to commence the submissions on behalf of the Russian Federation.

MR ZAGAYNOV: Thank you very much, Mr President. We would like to begin with a statement which will be made by myself. It will be followed by comments of Mr Yalovitskiy, who will do his best to speak without interpretation in English, and our rejoinder will be concluded by a statement of Professor Golitsyn.

THE PRESIDENT: Thank you.

 MR ZAGAYNOV: Thank you very much, Mr President, for giving me the floor. Mr President, distinguished Judges, distinguished Japanese colleagues. At the outset, I would like to refer to some quotations by the Applicant of my statement on Saturday which in my view were not quite correct. First, I did not say that the Russian legislation is imperfect. What I said is that it would be rather hard to find a perfect legal system in the world. If you look at the way parliaments work all over the world, you will agree that the task of improving national legislation is conceived everywhere as very important. Russia is not an exception in this respect, but this does not imply in any way that existing legal tools and regulations do not provide for effective implementation of the provisions of the UN Convention on the Law of the Sea, including its provisions on prompt release.

What I said in addition and what I repeat now is that the content of the Russian national legislation cannot be the object of the present dispute. I am pleased to quote here Mr Komatsu, who in his statement last Saturday pointed out that the provisions and procedures of Russian law are not themselves the subject of this prompt release litigation. As he mentioned, it is of course "for Russia to decide for itself exactly how it conforms to its legal obligations under the Convention in prompt release cases." We fully agree with that.

Taking note of the existing concerns of our Japanese partners, we have certainly been open to contacts on this issue. This is precisely why we decided to clarify the issue of the setting of the bond in the framework of existing tools of co-operation in the field of fisheries. Our openness to the dialogue seems to have been presented by the Applicant as a sort of argument against the position of the Russian Federation in this case. If this is the correct reading, it would certainly be an unusual approach to the way bilateral issues should be treated in modern international relations.

Then another quotation by the Applicant concerned the phrase that the Supreme Court of the Russian Federation can annul a decision of a lower court. This is true but, again, the phrase was taken out of context. It was followed by explanations that there exist only limited grounds upon which the Supreme Court of the Russian Federation can exercise this function. According to the Russian legislation judicial acts which have already entered into legal force are subject to modification or annulment if a Court conducting supervisory review – in this case the Supreme Court – establishes that this judicial act, first, disrupts the uniformity in the interpretation and application of legal norms; second, infringes upon human and civil rights and freedoms proclaimed by universally recognized principles and norms of international

law and international treaties of the Russian Federation; and third, violates rights and legitimate interests of an indefinite number of people or other public interests.

Meanwhile, as for the complaint of the owner of the *Tomimaru*, the Supreme Court has not yet even decided if the complaint received from the owner of the vessel is admissible. According to Russian procedural law, the supervisory review procedure is an exceptional judicial review of decisions which have already entered into force. Its function is not to duplicate the procedure of an appeal which presupposes the revision of a contested decision *in corpore* (in full amount) but to carry out certain specific tasks.

We did not find in the Russian legislation the notion of a final decision. On the other hand, reference is commonly made to the criterion of the entry into legal force of a decision and its implementation.

As is explained in the letter of the Supreme Court of the Russian Federation dated 20 August 2003 which provides clarification with regard to entry into force of decisions and judgments concerning administrative offences, the decisions rendered by district courts cannot be appealed and, in accordance with paragraph 3 of Article 31.1 of the Code of Administrative Offences of the Russian Federation, enter immediately into force upon their pronouncement. Thus, the decision of the Kamchatka District Court upholding the earlier decision of the Petropavlovsk-Kamchatskii Court on confiscation of the 53rd Tomimaru entered into force on 24 January 2007.

The Applicant referred to the *Grand Prince* case. As we stated before, we also consider it very relevant to this case. There is also, however, a difference between the *Grand Prince* case and the present case. In the *Grand Prince* case Belize filed its Application to the Tribunal on 15 March 2001, while its appeal against the judgment of the criminal court on confiscation was listed for hearing by the Court of Appeal on 13 September 2001. It was still possible to revise or annul the decision of the French court in the course of an appeal and eventually cassation.

Nonetheless, even at this stage of proceeding, an application by the ship owner for the release of the vessel upon presentation of a bank guarantee guaranteeing the payment of the sum specified by the court was rejected by the French court on the following grounds:

"Considering that the criminal court has ordered the confiscation of the vessel in the case, with immediate execution notwithstanding any appeal [exécution provisoire]; that consequently the forum judge no longer has jurisdiction to order the return of the vessel to its owner or captain in consideration of a simple bank guarantee."

 In the case of the *53*rd *Tomimaru* the appeal of the owner against the decision of the Petropavlovsk-Kamchatskii City Court ordering confiscation of the vessel has already been rejected. Moreover, as is known, the execution of the decision on confiscation of the vessel is not "provisional" as in the *Grand Prince* case.

That concludes my remarks. Thank you, Mr President.

THE PRESIDENT: Thank you very much, Mr Zagaynov. Would you call upon the next speaker of your delegation.

MR YALOVITSKIY: Mr President, honourable Judges, distinguished members of the Japanese delegation, the Applicant asserted that the Russian legal procedure impedes the release of the vessel and thus explaining why the ship owner failed to pay the bond.

If I may refer to my statement on July 21, there I clearly indicated that the investigator of the Prosecutor's Office, who was in charge of the *Tomimaru 53* case, on 12 December 2006 adopted the decision to satisfy the application of the ship owner and established, in full compliance with Article 73(2) of the UNCLOS the amount of the bond equal to 8,800,000 roubles and specified the account number in the designated bank for the transfer of the bond. He also pointed out that after deposition of the bond the Kamchatka Prosecutor's Office will not prevent free operation of the *Tomimaru 53*.

 This decision of the Investigator of the Kamchatka Prosecutor's Office removed in fact two of those "locks" mentioned by Professor Lowe in his statement. The Prosecutor gives an order to the Coast Guard to release the vessel both for the purpose of the criminal and administrative case. The assertion of the Applicant that the lawyer of the ship owner could not realize the competence of the Prosecutor---

Moreover, the Russian side cannot bear responsibility for the lawyer chosen by the Japanese side to represent its interests in the case.

We are not aware of any document provided to the Tribunal by the Applicant in support of the above. The Russian lawyer on the *Tomimaru 53* case was well aware of his right under Article 123 of the Procedural Criminal Code of the Russian Federation to lodge a complaint about the decision of the Investigator of December 12, 2006. Such complaint should have been lodged to the Prosecutor thus requesting all the necessary clarification as to possible size of the bond.

The Prosecutor, in the case of such a request from the lawyer, the Master and the ship owner, shall provide them with all the requested clarifications within three days (Article 124 of the Procedural Criminal Code of the Russian Federation).

However, none of the actions, neither the complaint nor the request for clarification, was taken by the Japanese side. Instead, the ship owner once again addressed the Coastguard, despite the fact that on 1 December 2006 this office notified the ship owner that the issue of establishing the bond and release of the vessel falls to the competence of the Prosecutor.

I dare to hope that the above explanations are quite exhaustive and show to the Tribunal that the Russian side strictly followed the prescribed procedures for the establishment of the bond. The Japanese side was fully aware of its rights and obligations in the case and its lawyer had every possibility of implementing these rights. Thus, the Russian side cannot bear any responsibility for the deeds or misdeeds of the lawyer chosen by the interested parties to represent their interests.

 The *Tomimaru 53* was detained under a criminal case to ensure civil action and it is a fact that the Prosecutor's office was competent to dispose of the vessel. After some time, the Prosecutor's office was fully aware of the administrative case against the ship owner and the Master of the *Tomimaru* 53 since this administrative case laid the ground for the criminal case. Thus, the assertions of the Applicant that the Prosecutor could not have knowledge of the administrative case and could not take it into account while deciding on the bond issue are unjustified.

Such arguments of Professor Lowe seem to be lame. It is obvious that the vessel could not be confiscated in May 2007 due to a simple but quite strong fact: this vessel had already been confiscated in the administrative case in accordance with the decision of the Petropavlovsk-Kamchatskii Municipal Court of 28 December 2006.

We would also like to draw the Tribunal's attention to the fact that the Applicant, while formally arguing about the so-called imperfection of the Russian legislation, in fact failed to produce any legally sound arguments to that end, limiting itself just to emotional considerations.

THE PRESIDENT: Thank you, Mr Yalovitskiy.

I now call upon Professor Golitsyn to continue.

 PROFESSOR GOLITSYN: Mr President, distinguished judges, it is a great honour for me to make these final comments in the current proceeding. In my presentation I will touch upon two issues: first, the authority which authorizes the Russian Federation to decide on the final setting of the bond; and, secondly, the issue of the reasonableness of the bond.

In the light of questions raised this morning by the Japanese side concerning the criminal and administrative procedures related to the setting of the bond, in our presentation we have to go back to what we said earlier in our meticulous description of the procedures followed by the competent Russian authorities in this regard. The explanations provided by us confirm that in the *Tomimaru* case the competent Russian authorities followed these procedures step-by-step. We are mystified as to why the Applicant remains lost in trying to understand these procedures after such a thorough presentation.

In a nutshell, it all comes to the designation of a proper authority to set a bond in a particular case, which is not a fragmented bond but the bond that is set as a result of all applicable proceedings, encompassing all of them, and which is set by the proper authority to do that.

What should also be kept in mind is that these are pre-trial procedures and that this is the practice that has been followed in all cases where violations of Russian fishing regulations have been discovered by the competent Russian authorities.

In our previous interventions, it was noted that we are puzzled by the way the Applicant uses annexes and documentation relevant to the *Tomimaru* case. The

Japanese side picks up and makes reference to those annexes and information that in its view serves its purposes and strengthens its arguments. At the same time, it has a tendency to side-step information which it not in its favour. Maybe this is the normal way to present cases before the Tribunal, but we have no choice but to bring the attention of the distinguished judges and the Applicant to what is stated in our Statement in Response, facts on which the Applicant is silent.

As we have just explained, the setting of a bond is usually assigned under the Russian system to a particular authority, and the owner is informed about it. I would like, in this regard, to bring to the attention of the distinguished judges what is stated in paragraphs 13, 14 and 15 of the Statement in Response.

In paragraph 13, it is noted that on 8 December 2006 the owner of the vessel asked the Inter-District Prosecutor's Office for Nature Protection in Kamchatka and the Northeast Border Coastguard Directorate of the Federal Security Service of the Russian Federation to determine the bond in respect of the vessel.

According to paragraph 14, in response to this inquiry of the owner of the vessel, the Northeast Border Coastguard Directorate of the Federal Security Service of the Russian Federation on 14 December 2006 confirmed to the Consulate-General of Japan in Vladivostok that the proper body to determine the bond in the case of 53rd Tomimaru was in this case the Inter-District Prosecutor's Office for Nature Protection in Kamchatka.

As finally stated in paragraph 15 of the Statement in Response, on 12 December 2006, the Inter-District Prosecutor's Office for Nature Protection in Kamchatka duly set a reasonable bond. It specified in its letter to the owner of the vessel that the Prosecutor's office would allow free operation of the vessel upon the payment of the bond. The details of the deposit account were also provided to the owner. The amount of the bond was set at the level of overall damage to living marine resources in the Russian Exclusive Economic Zone equivalent to 8,800,000 roubles.

 In concluding on this subject, I would like to reiterate what was stated by the Respondent yesterday, namely that upon completion of all the necessary procedures, the Respondent: (i) identified the proper authority for the setting of the bond; (ii) set the bond; (iii) provided the owner with the precise and clear information with regard to the amount of the bond and the account details: and, (iv) assured the owner that the arrested vessel would be released upon payment of the bond.

The bond established on 12 December 2006, whether the Japanese side appreciated it or not, was the bond that was set for the purposes of paragraph 1 of Article 73 of the Convention. There was no fragmentation of the bond. It was one bond required under paragraph 2 of Article 73 of the Convention. Therefore hair-splitting by the Applicant this morning between criminal and administrative proceedings was quite interesting, and we appreciate the time spent by the Applicant on doing that. However, this was a pure description by the Applicant of how it understands the applicable procedures and nothing more.

 In relation to the Applicant's interpretation of the letter dated 12 December 2006, we would like to comment that reference to the index number in the letter does not mean that it relates only to one type of proceedings. This is an invention by the Applicant. What the Applicant fails to understand is that this letter was related to both proceedings and was written by the authority that was designated, as noted above, to set a reasonable bond.

Here I would like to repeat once again what has been repeated by us during these proceedings over and over again. The Russian Federation is well aware of its responsibilities under paragraph 2 of Article 73 of the Convention. Therefore, on 12 December 2006, it set a reasonable bond for the purposes of Article 73 of the Convention and no other bond has been subsequently set by the Russian authorities under this Article. The failure by the owner of the *Tomimaru* to pay this bond is a clear non-compliance by it of the provisions of the Convention, which eventually resulted in harsh punishment of the owner,

As for the attempt by the owner to seek a solution through some other proceedings, I refer to my remark yesterday which was criticized by Professor Lowe this morning with the addition of some remarks by him on the nature of the Russian legal system. Please be advised that I referred to what is stated on this subject on page 2 of the judgment by the Petropavlovsk-Kamchatskii City Court of 12 December 2006. The judgment contains reference to the relevant statement by the attorney for the owner during the court proceedings. I will refrain from further comments as, in my view, what is stated by the attorney has nothing to do with the adequacy of the legal system.

Another remark: this morning it was said that the Russian legal system should be transparent and clear. It was questioned whether it is. I am not aware of, and nor am I familiar with, Russian legal systems that are not transparent. At least this is definitely not the case of the Russian legal system. As to whether the system is clear or not, and we believe it is, I make this remark with some reservations because if the legal systems – and I speak in general – had been crystal clear, there would have been no room for us attorneys!

I now switch to the question of reasonableness of the bond in the *Tomimaru* case, an issue around which the Applicant was tiptoeing constantly in its two presentations this morning. The Applicant expressed some kind of unhappiness that a reasonable bond set by the Russian authorities on 12 December 2006 was at an unreasonably low level, approximately one-third of the penalty that could have been imposed for offences committed in this case.

We were criticized that it is a bond that is not commensurate with the potential penalties. We were also criticized that here we are not consistent with our arguments in the *Hoshinmaru* case where we made reference to a human factor, namely to the accountability of those involved in the setting of the bond for their actions.

In response to these observations, I would like to bring to the attention of the distinguished judges the following. The *Hoshinmaru* and the *Tomimaru* are two

different cases and therefore invoking one case in the context of the other is questionable, unless we are dealing with obvious things that exist in both cases.

In both cases in our Statement in Response (in the chapter on Statement of Facts) the Respondent included sections on the context of the case, which are practically identical. However, the implications of what is stated in these sections are different in each case as far as the setting of a bond is concerned because of the timing difference in these two cases.

 What is stated in sections on the context of the case is that there was a pattern of increasing violations by the Japanese fishing vessels of the Russian regulations in the Exclusive Economic Zone; that there was a pattern of non-payment of fines imposed by the competent Russian authorities for crimes committed in the zone. These unfortunate developments led to the establishment by the competent Russian authorities of special procedures that were conveyed to the Japanese authorities within the framework of the activities of two Joint Commissions established by the 1984 and 1988 bilateral agreements between the two countries. Therefore, in the *Tomimaru* case the bond was determined more or less at the level of fines that had been imposed in the past years and the newly developed procedures, referred to above, were not yet used in that case. In the *Hoshinmaru* case, the calculation of the bond was made in accordance with the procedures that I have just mentioned, about which the Japanese side was properly informed and with regard to which it has never raised any questions.

It follows from the above that a reasonable bond set by the Russian authorities on 12 December 2006, which, according to the comments of the Applicant, was set at an unreasonably low level, was consistent with the practice that existed at that time. However, we agree with the Applicant that it was too low. As the system of these unreasonably low level bonds did not work and resulted in increased violations by the Japanese fishermen, the systems have been improved through the introduction of new procedures for the calculation of bonds. In accordance with the newly adopted procedures, fines are and will be established at a level commensurable with committed offences, and reasonable bonds will therefore be at a higher level, as was done in the *Hoshinmaru* case.

I would like to thank you for your kind attention.

THE PRESIDENT: Thank you very much, Professor Golitsyn, for your statement.

I now call on the Agent of the Russian Federation to read its party's final submissions. A copy of the final submissions, signed by the Agent, shall be communicated to the Tribunal and transmitted to the other party in accordance with Article 75(2) of the Rules.

MR ZAGAYNOV: Mr President, the Russian Federation requests the Tribunal to declare and to make the orders sought in paragraph 1 of the Application of Japan.

 The Russian Federation requests the Tribunal to make the following orders:

a. that the Applicant of Japan is inadmissible;

b. alternatively, that the allegations of the Applicant are not well founded and that the Russian Federation has fulfilled its obligations under paragraph 2 of Article 73 of the United Nations Convention on the Law of the Sea.

THE PRESIDENT: Thank you very much, Mr Zagaynov.

That brings us to the end of the oral proceedings in the *Tomimaru* case. I would like to take this opportunity to thank the Agents, Counsel and Advocates of both parties for the excellent presentations that they have made to the Tribunal over the past days. In particular, the Tribunal appreciates the professional competence and personal courtesies exhibited so consistently by Agents, Counsel and Advocates on both sides. We have indeed greatly benefited from your expertise and we thank both sides most profoundly for the very kind words that you have expressed to the Tribunal.

The Registrar will now address questions in relation to documentation.

THE REGISTRAR: Mr President, in conformity with Article 86, paragraph 4 of the Rules of the Tribunal, the parties have the right to correct the transcripts of the presentations and statements made by them in the oral proceedings in the original language used. Any such corrections should be submitted as soon as possible but in any case no later than 6.00 p.m. on Tuesday, 24 July 2007.

In addition, the parties are requested to certify that all the documents that have been submitted and which are not originals are true and accurate copies of the originals of those documents. For that purpose, the Agents of the parties will be provided with a list of documents concerned.

With respect to the questions put to the parties by the Tribunal, the Agents of the parties are also requested to provide the Registry with responses not later than 6.00 p.m. on Tuesday, 24 July 2007.

THE PRESIDENT: The Tribunal will now withdraw to deliberate on this case. The judgment will be read on a date to be notified to the Agents. The Tribunal has tentatively set a date for the delivery of the judgment in this case. The date is 6 August 2007. The Agents will be informed reasonably in advance if there is any change to the schedule, either by way of advancing the date or by way of postponement.

In accordance with the usual practice, I request the Agents to kindly remain at the disposal of the Tribunal in order to provide any further assistance and information that it may need in its deliberations of the case prior to the delivery of the judgment.

The hearing is now closed.

May I announce that the public sitting in the *Hoshinmaru* case will begin in approximately 10 minutes to hear the final submissions of both parties.

(The hearing was adjourned at 1.40 p.m.)
