Maritime Law/ Introduction to Maritime Law 2004 Fall

I

Upon arrival after a voyage from Denmark to Norway , a vessel is short 50 of 150 sacks that, according to the Bill of Lading, were shipped. The vessel was a time chartered vessel engaged in liner trade. The Bill of Lading was signed by the Master, without giving any indication as to whom she was representing.

What are the conditions for the receiver to claim compensation for the 50 sacks from the time charter carrier and the time charterer, respectively, assuming that the cause of the deficiency was that;

the number of sacks stated in Bill of Lading was incorrect?

the 50 sacks were lost during the voyage?

the 50 sacks were handed out to the wrong person?

II

a) Priority of maritime liens in vessels. Address in particular: What is the rationale of the rules?

b) Limitation period of maritime liens and suspension of the limitation period. Address in particular: What is the rationale of the rules?

All questions are to be answered.

Maritime Law 2005 Spring

1. Give an account of the regulations in the Norwegian Maritime Code on execution of loading and discharging during a voyage charter party. In your presentation, you may compare the Code's solutions to the solutions in different charter parties.

2. While the fishing vessel Nordbo was fishing for herring in the Langfjord, a storm suddenly blew with hurricane in the gusts. The Nordbo got the closing nets in her propellers, causing the engine to stop and the vessel to come adrift. She swiftly drifted towards rougher waters, with a number of islets and reefs. The Nordbo sent out an SOS distress signal, and the fishing vessel Fjellvik, situated in the vicinity, immediately came to assistance. The rescue vessel Himmelturen, situated approximately one hour from Nordbo, also turned towards the location of the accident. When Fjellvik arrived on the scene, Nordbo had almost drifted ashore and already briefly touched bottom. Fjellvik got a hawser on board the Nordbo and towed her out from shore, but shortly after the hawser broke and Nordbo was again drifting towards shore. Two more attempts were made, but in both cases the hawser broke almost immediately. While Fjellvik was struggling with reacquiring the towage, Himmelturen arrived and took over the salvage operation and successfully completed the rescue.

Fjellvik claimed salvage award from Nordbo in connection with the salvage. If Fjellvik had not been able to tow Nordbo out from shore, she would have been a total loss by the time Himmelturen arrived, something Nordbo admitted to. Nordbo contested that Fjellvik should obtain a salvage award. Fjellvik had not been successful in salving Nordbo, and would not have been able to do so on her own, something Fjellvik admitted to.

a) Can Fjellvik claim salvage award?

b) Can Himmelturen claim salvage award?

c) Given the condition that both Fjellvik and Himmelturen have the right to salvage award, what rules give the apportionment between the two vessels?

d) Can the salvage award be covered by any of Nordbo's insurance policies?

3. Give an account of the rules on liability of the contractual carrier and the actual carrier for cargo damages relating to carriage of general cargo according to the Norwegian Maritime Code.

All questions to be answered.

Maritime Law 2005 Fall

No. 1 On its way from Santos to Oslo, MS Bad Luck, laden in part with coffee in bags, collided with MS Happy Golucky. Both ships suffered serious damage in the collision. The collision also led to an outbreak of fire on board Bad Luck, but a joint effort by the crew members of both Bad Luck and Happy Golucky managed to extinguish the fire. However, 50 % of the sacks with coffee were seriously damaged by the fire, and the rest were ruined by the water used to extinguish the fire.

The owners of Bad Luck and Happy Golucky were in agreement that the collision was caused by a serious misinterpretation of the radar readings by Happy Golucky's officer of the watch. They were also in agreement that Bad Luck caught fire due to the fact that the ship was carrying several barrels of highly inflammable liquid on deck. These barrels had been loaded at the same time as the coffee. Bad Luck's owner admitted that the placing of the barrels did not conform to regulations given in accordance with the Seaworthiness Act. He had ordered the barrels to be "stored in a safe place on board", but unfortunately, the master had not followed up the orders in accordance with the owner's expectations.

Question 1:
Can the owner of the coffee claim compensation from Happy Golucky for the damage caused to the coffee bags?

When answering the question, you should take into consideration the argument put forward by Happy Golucky, that the damage was not in fact caused by the collision, but rather by the subsequent fire and fire fighting, and that there was no blame on Happy Golucky in this respect.

Question 2:
Can the owner of the coffee claim compensation from Bad Luck for the damage caused to the coffee bags based on unseaworthiness or other negligence?

Question 3:
Can Happy Golucky claim salvage award from Bad Luck for assisting in the fire fighting on board Bad Luck?

Question 4:
Can the crew members of Bad Luck who assisted in the fire fighting, claim salvage award from Bad Luck?

Bad Luck had its hull insurance in the insurance company When. When admitted that, under the insurance, it was liable for the repair costs of the damage caused by the collision. When denied liability for the repair costs regarding the damage caused by the fire and the fire fighting, claiming breach of safety regulations (cf. NMIP sects. 3-24 and 3-25).

Question 5:
Is the insurance company When liable for the repair costs for damage to Bad Luck caused by the fire and the fire fighting?

Happy Golucky had all its insurances (hull insurance, hull interest insurance, loss of hire insurance, freight interest insurance, P&I insurance) in the insurance company How.

Question 6:
Explain whether and, if so, to what extent the different insurances may offer cover under the circumstances described above.

No. 2 Answer the following questions briefly

1. Explain the so called "near" clause in voyage charterparties.
2. In Salesform 1993, what does inspection "without opening up" mean?
3. What is the difference between a jurisdiction clause and a choice of law clause?

All questions are to be answered

Exam JUR5401 - Maritime Law, Autumn 2006

Problem 1 (please answer all questions)

In November 2005, the MS Inger was carrying sundry items from Bodø to Kirkenes. Inger was owned by the shipowning company Finger, and was chartered out to Longyear on a Gencon voyage charter party. The charter party included a FIO clause. Among the goods on board was a consignment of foodstuffs, piled on a total of 15 pallets. Longyear had entered into a contract of carriage with the owner of the foodstuffs, Kirkos, and had issued a sea waybill for the consignment. The loading in Bodø was carried out by Longyear's men, with the captain present.

During her voyage along the Finnmark coast, Inger met high winds and seas. The ship was exposed to heavy rolls and pitches and at the worst heeled 30 degrees over. The weather was substantially worse than what was to be expected from the weather forecast, but at the same time not different from what could be expected in these waters at this time of year.

In the ship's upper cargo hold, several large barrels with hydraulic oil were stored. They were placed in steel baskets, three baskets on top of each other. The baskets shifted during the bad weather, and part of the barrels sprung leak. The contents ran out and down on the cargo in the lower cargo hold, which, among else, contained the foodstuffs for Kirkos. The foodstuffs on 5 of the pallets were so soiled with hydraulic oil that they were regarded as total loss and destroyed. The foodstuffs were insured with the insurance company CareFul Ltd.

CareFul compensated Kirkos' loss under the cargo insurance with NOK 500.000, and claimed the amount from Longyear and Finger. However, both regarded themselves free from any responsibility.

CareFul claimed that the ship had not been properly stowed, given the time of year and where they were going, thus making the ship unseaworthy upon departure from Bodø. The steel baskets should have been secured better to prevent shifting, and should also not have been stowed three on top of each other. Both Longyear's men and the captain should have realised that this had not been carried out properly.

Longyear and Finger both argued that the damage was caused by the bad weather, thus could they not be liable. The steel baskets in which the barrels were placed are in use all over the world, used in the exact same way as was the case here. They were meant to be piled on top of each other, and there were no markings of any kind in relation to limitation of piling. Since the stowage of these should have sustained the normal strain well, Longyear and Finger asserted that the stowage was properly carried out, and that the ship was seaworthy.

Finger was also of the opinion that it was Longyear and not Finger who was responsible for the damage, as Kirkos and Longyear were the ones who had entered into the contract of carriage, and because Longyear's men had carried out the stowing.

Question 1:

Give an account of the rules that will decide Longyear's liability towards CareFul Ltd in relation to the damaged foodstuffs, and how you think this concrete case should be solved.

Question 2:

Give an account of the rules that will decide Finger's liability towards CareFul Ltd in relation to the damaged foodstuffs, and how you think this concrete case should be solved.
On each of the 15 pallets, between 15 and 20 units were stacked. The weight of the foodstuff on each pallet varied considerably, between 100 kg and 500 kg. The weight of each individual unit on the pallet also varied considerably, between 10 kg and 200 kg. Disagreement arose in relation to limitation of liability. Did Finger and Longyear have a right to limit their potential liability for the total loss of the foodstuff on the 5 pallets, and should the limitation in that case come to pass?

Question 3:

Give an account of the rules deciding if and in that case to what extent Longyear and Finger can limit their liability under these circumstances.

Should Finger become liable towards CareFul, Finger claimed recourse from Longyear, referring to the fact that they had no responsibility under the charter party for the total loss that arose on parts of the consignment of foodstuffs. Longyear on their part claimed that Finger would have been liable for the occurred damage, also under the charter party. In any case, the provisions in the charter party could not solve the current situation.

Question 4:

If we presuppose that Finger is liable towards CareFul for the total loss on parts of the consignment of foodstuffs, is Finger entitled to make a recourse claim towards Longyear, either in accordance with Norwegian legislation or the provisions of the charter party?

Problem 2 (all questions to be answered briefly)

Question 1:

What do we understand by channelling of liability? Are there any examples in the Maritime Code of such channelling?

Question 2:

What is the SCOPIC clause, and what does it imply?

Question 3:

What sanctions are available to the buyer under the Standard Form Shipbuilding Contract 2000 in connection with deficiencies in the ship?

Question 4:

What are the characteristic features in a bareboat charter party? Does the Maritime Code contain provisions regarding such charter parties?

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Exam JUR5401 - Maritime Law

Spring 2007

1. Please explain the rules concerning the shipowner's liability for the acts or omissions of other persons according to Section 151 of the Norwegian Maritime Code.

2. A vessel had been voyage chartered to load in Le Havre, France and to discharge in Gothenburg, Sweden. The contract had been concluded on the basis of the Gencon 1994 standard charter-party. The following standard clauses had been deleted: clause 5 (b) and clause 18. The following standard clause had been modified: clause 6 (c), see the text below.

The loading place had been specified in the charter-party so that loading would take place att berth number 2B.

Clause 6 (c) had been modified so that the sentence starting on line 109 had been deleted and the following text had been included instead:
"The vessel shall be entitled to give notice of readiness within ordinary office hours whether in berth or not (WIBON), whether in free pratique or not, whether customs cleared or not. Laytime or time on demurrage shall then count ... (the text continues as the printed standard text)".

Clause number 19 had been modified and a reference had been made to Norwegian law being applicable.

The contracting parties had chosen standard clause 6 (a), i.e. separate laytime for loading and discharging.

The laytime had been agreed to be "two running days" at the port of loading.

Box number 5 in the charter-party (Part I) did not contain the name of the vessel, but, instead, the following note had been included: "Vessel to be nominated". Additional clause 12 (not found in the

standard text) included reference to the fact that the vessel was to be "box-shaped" ("vertical walls" in the cargo holds).

When the vessel arrived at Le Havre the weather was bad and the vessel had to anchor on the roads at the pilot station. There were no problems in the port or at the agreed berth with any traffic congestion. According to the vessel's log book, the vessel arrived at the pilot station on Sunday March 18, 2007 at 17.05 hours. The weather improved on March 21, 2007 and the vessel reached her berth 2B on Wednesday March 21, 2007 at 17.10 hours, after half an hour of shifting of the ship. The loading was completed on Friday March 23, 2007 at 12.00 hours.

The shipowner represented a claim to the charterer on demurrage (i.e. the agreed laytime had been exceeded). The basis for the shipowner's claim was that the sea voyage of the vessel had ended at her arrival at the pilot station and the master of the vessel had then sent a notice of readiness. The shipowner maintained that the agreed laytime had clearly been exceeded. The shipowner presented a specification of the calculations.

The charterer denied this claim and maintained that the vessel could under no circumstances expect the sea voyage to have ended at the pilot station. This was quite clear on the basis of English law, even though Norwegian law as such was applicable to the dispute.

The charterer also maintained that the vessel did not correspond with the charter-party

description. The shipowner had delivered a vessel which was of a shelter decker type (a vessel that did not satisfy the requirements of "vertical walls" in the cargo holds), and this had resulted in loading being more slow, as also evidenced by the stevedores, than if the vessel had been box-shaped. Stowage of the cargo had due to this in general become more difficult.

After the loading had been completed the voyage resumed and the vessel with cargo arrived at Gothenburg. When starting with discharging of the cargo it was noticed that the cargo had shifted during the voyage resulting in damage to the cargo. The vessel had met with very heavy weather and rough seas. According to the vessel's log book, the maximum list of the vessel had been approximately 40 degrees. The vessel had had a permanent list of approximately 8 degrees.

In a closer investigation it could be established that the stevedores had not had a possibility to stow the cargo in pallets towards the side of the cargo hold. Nor had the cargo been supported by special arrangements towards the side of the cargo hold.

The charterer, who was the owner of the cargo, directed a cargo damage claim against the shipowner. The shipowner denied his liability and maintained that he was not liable on the basis of the Gencon 1994 charter-party clause 2.

Discuss whether

1) the owner has a claim on demurrage,

2) the voyage charterer has a claim on damages due to the damage to the cargo.

All questions shall be answered.

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