

Jurisdiction & Choice of Law Agreements

(Orientation 8 Slides)

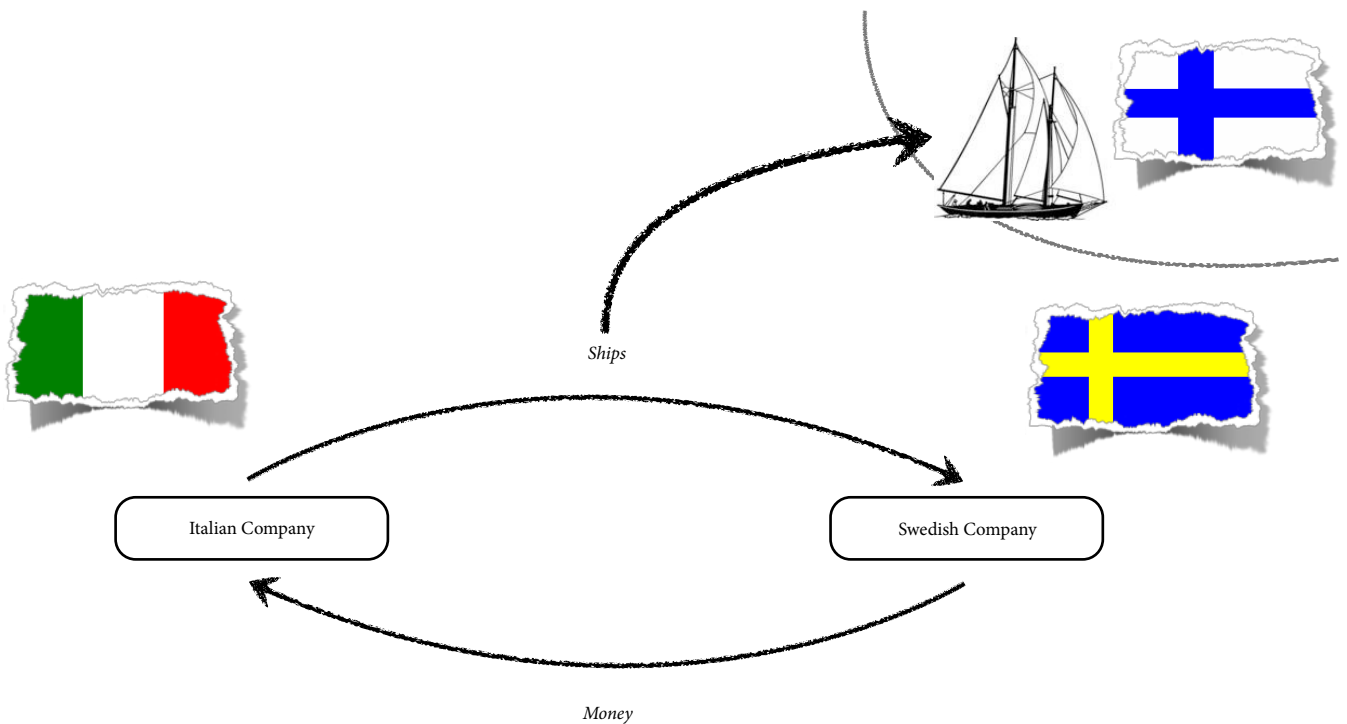
A Swedish company and an Italian Company enter into a contract of sale. According to this contract the Italian company shall deliver ships and the Swedish company shall pay a certain purchase price. Thus, the Italian company is the seller; the Swedish company is the buyer. The Italian company shall deliver the ships not to Sweden but to Finland.

The Italian company actually delivers the ships to Finland. However, the Swedish company refuses to pay as the ships are not in accordance with the contract. The Italian company argues the opposite and insists that the Swedish Company is obliged to pay the purchase price.

However, now the contract contains a **jurisdiction agreement** and a **choice of law agreement**.

Which court is competent to hear the case?

Which law will be applied by this court?



Contract

“Jurisdiction agreement. Any disputes arising from this contract shall be settled by English courts.”

“Choice of law. This contract shall be governed by English law.”

Art 25 Brussels Ia Regulation

1. If the parties, one or more of whom is domiciled in a Member State, have agreed that a court or the courts of a Member State are to have jurisdiction to settle any disputes which have arisen or which may arise in connection with a particular legal relationship, that court or those courts shall have jurisdiction. Such jurisdiction shall be exclusive unless the parties have agreed otherwise. Such an agreement conferring jurisdiction shall be either:

(a) in writing or evidenced in writing; or

Art 25 Brussels Ia Regulation

Rule: Art. 23 para Brussels I Regulation

PIL Issue: Jurisdiction

Reference: "shall have jurisdiction"

Fact setting: "the parties, have agreed that a court have jurisdiction to settle any disputes"

Connecting Factor: "that court shall have jurisdiction"

Contract

“Jurisdiction agreement. Any disputes arising from this contract shall be settled by English courts.”

“Choice of law. This contract shall be governed by English law.”

Art 3 Rome I Regulation

Rule: Art. 3 Rome I Regulation

PIL Issue: Applicable Law

Reference: "shall be governed by the law"

Fact setting: "law chosen by the parties"

Connecting Factor: "the law chosen by the parties"