



NOVEMBER 2023 EXAMINATION SESSION
WEDNESDAY 29TH NOVEMBER 2023 – AFTERNOON

SHIPPING LAW

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Answer **BOTH** parts of the question, with reference to case law.

In the case of the 'Timna' it was said "It is a good working rule...to give Notice of Readiness and to go on giving such notices in order that, when later the lawyers are brought in, no one shall be able to say "If only the Master had given Notice of Readiness, laytime would have begun and the Owners would now be able to claim demurrage".

- a) Discuss when laytime starts for both port and berth charterparties
b) Discuss what happens if the Notice of Readiness is invalid.

2. Article IV *bis* (2) of the Hague-Visby Rules provides that if a claim is brought against the servants and agents of the carrier in relation to cargo claims, the servant and agents are entitled to the same defences as are available to the carrier himself, and that such defences are not available to independent contractors.

A claim has been brought against a stevedore for negligent handling of cargo resulting in severe damage to cargo. The stevedore would like to know if they could invoke Article IV *bis* (2) of the Hague-Visby Rules to defend the claim.

Advise the stevedore, using suitable case law reference to support your arguments.

3. Vessel SKY was proceeding too fast in a narrow channel and had an inadequate lookout on board. She failed to observe vessel PRIDE until it was too late, resulting in a collision. Vessel PRIDE was towed to dry-dock where extensive repairs were carried out.

Advise the Owners of the vessel PRIDE of their legal rights and remedies against the owners of the vessel SKY, particularly with reference to the quantum of their claim under international law.

PLEASE TURN OVER

4. On Friday, while discharging a cargo in London, a vessel was arrested for non-payment of crew wages. The following Monday, a salvage company has joined the action for outstanding salvage reward for services rendered to the vessel. The next day, Tuesday, upon hearing the arrest of the vessel in London, an alarmed mortgagee bank has joined the action. On Wednesday another creditor of the vessel has joined the action, claiming non-payment for repairs carried out while the vessel was dry-docked a year before. The creditors are convinced that their claims are sustainable under UK Laws but are not sure how the liens and claims are ranked. Discuss the procedures to be followed before the English Admiralty and the ranking of the liens, supporting your answer with suitable case law.

5. A 24-month time CP states that the hire is due on 16th of each month. There is no anti-technicality clause contained in the CP. While the charterers were prompt in making the hire payments before the due date, they delayed the hire payment for the 9th month by one day. The shipowners have duly notified the charterers about the delay, indicating that the vessel will be withdrawn if there were to be a repeat of the delay in hire payment. In response, the charterers made the payment immediately.

In the 14th month however, the charterers have failed to make the hire payment on time and have been notified by the shipowners that they are withdrawing the vessel with immediate effect.

The Charterers are looking to you for advice as to the payment obligations under a time CP; if the shipowners can withdraw the vessel without further notice; and if the shipowners' actions constituted a breach.

Use case law to support your answer.

6. Vessel WAVE collided with the stationary vessel STAR while entering port to discharge her cargo of coal. STAR suffered damages and was dry-docked for 3 months to undergo repairs. The owners of the STAR claim that they have lost a lucrative time charterparty contract because of lengthy period of time being dry docked to undergo repairs arising from the damages sustained in the collision. They are of the firm opinion that they are to be compensated for both the damages sustained and the lucrative time CP contract that did not materialise.

Discuss the liability of the vessel WAVE for such damage caused, and the quantum of recoverable damages. Use case law to support your answer.

7. Answer **BOTH** parts of the question with reference to case law.

- a) Discuss the rationale and scope of limitation of Shipowners' liability under the 1976 Limitation Convention;
- b) Explain the conduct that is necessary to prevent the right to limit under the Convention.

8. The English courts have held that "*what constitutes a safe port*" purely depends on the circumstances of each case. Using case law reference, discuss the legal principles and circumstances which courts will consider while deciding if a port is safe or not