

The EAPIL blog

Applicable Law to Contractual Obligations – A Look at the Case Law of Greek Courts

CASE LAW, DEVELOPMENTS IN PIL



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The latest edition (October 2020) of the Thessaloniki Bar Review (*Armenopoulos*) includes a section devoted to the application of the Rome I Regulation [<https://eur-lex.europa.eu/eli/reg/2008/593/oj>] in Greece. The judgments reported examined issues regarding the law applicable to insurance and sales contracts, as well as a post-contract choice of law relating to multiple sales contracts.



Applicable Law in Insurance Contracts

In a lawsuit against a UK insurance company concerning a claim for compensation arising out of a freight insurance contract signed in 2014, the Thessaloniki Court of Appeal (judgment No 770/2019) resorted to Article 25 of the Greek Civil Code, i.e. the domestic conflict-of-laws provision for contractual obligations, and stated that the 1980 Rome Convention was not applicable to the case pursuant to Article 1(3) thereof ('The rules of this Convention do not apply to contracts of insurance which cover risks situated in the territories of the Member States of the European Economic Community. In order to determine whether a risk is situated in those territories the court shall apply its internal law'). No reference was made to the Rome I Regulation.



dispute was governed by the English Maritime Insurance Act, common law and English practice (Institute Cargo Clauses) for boat insurance.

The court failed to examine the matter in accordance with the proper law, which was Article 7 of the Rome I Regulation, read in light of Article 1(2)(j).

Applicable Law to a Contract for the Sales of Goods

In a lawsuit brought by a Greek company against a Liberian company in connection with a contract for the sale of marine fuel between by the former and the latter, represented by its Greek agent, the Court of Appeal of Piraeus (ruling No 276/2019) applied Greek law to the sales contract on the ground that no choice had been made by the parties, and that the seller had its habitual residence in Greece. With respect to the representation of the defendant company for the purposes of the conclusion of the contract, the Court observed that the agency is excluded from the scope of Rome I Regulation. The Court relied on Greek conflict-of-laws rules to state that Greek law applied to agency, this being the law of the state where the agent had acted.

Applicable Law in Multiple Sales Contracts

In proceedings brought by a Greek company against a company registered in the Marshall Islands, the Piraeus Court of first instance (ruling No 5326/2018) applied Greek law to a series of connected sales contracts, pursuant to Article 4(1) and (4) of the Rome I Regulation. The former was self-explanatory (seat of the seller in Greece), and the latter was founded on the fact that the contract was signed at the seller's registered office. Finally, the court mentioned an additional reason for applying domestic law: It stated that a tacit post-contractual determination of applicable law may be deduced by the defendant's default of appearance.



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