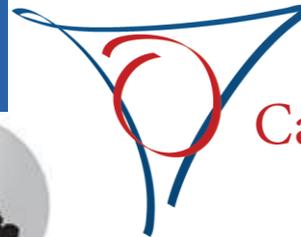


# Hague Visby Rules Article IV Rule 5 Limitation of Liability Economic Loss

**James Mackay**  
2 February 2016



**Campbell Johnston Clark**  
*Marine Law*

UK SHIPPING LAW FIRM OF THE YEAR 2015

## Article IV, rule 5(a)

neither the carrier nor the ship shall in any event be or become liable for

***any loss or damage to or in connection with the goods***

in an amount exceeding

- 666.77 SDRs per package or unit; or
- 2 SDRs per kilogram [200 SDRs per mt] of gross weight of ***the goods lost or damaged,***

whichever is the higher.

## Article IV, rule 5(b)

The total amount recoverable shall be calculated by reference to the value of such goods at the place and time at which the goods are discharged from the ship in accordance with the contract or should have been so discharged.

The value of the goods shall be fixed according to the commodity exchange price, or...the current market price, or,....by reference to the normal value of goods of the same kind and quality.

## Article III, rule 8

Any clause, covenant, or agreement in a contract of carriage relieving the carrier or the ship from liability for loss or damage to or in connection with goods arising from negligence, fault, or failure in the duties and obligations provided in this Article or lessening such liability otherwise than as provided in these Rules, shall be null and void and of no effect.

# Cases re. Economic Loss in HV Rules

***Goulandris Bros. Ltd. v R. Goldman & Sons Ltd.*** [1958] 1QB 74; [1957] 2 Lloyd's Rep.207

***Anglo-Saxon Petroleum v Adamastos Shipping Ltd.*** [1957] 2 QB 233 (Devlin J.); HL [1959] AC133; [1958] 1 Lloyd's Rep.73

***GH Renton &Co. Ltd. v Palmyra Trading Corp of Panama*** [1957] AC149

***The OT Sonja*** [1993] 2 Lloyd's Rep.435, 443-444 (per Hirst LJ)

# Partial Damage Cases

**Data Card Corporation v Air Express International Corporation**

[1984] 1 WLR198: [1983] 2 Lloyd's Rep.81

**Pirelli General v PSA Corp** [2003] S.G.H.C.31 (Ang J.)

**Serena Navigation Ltd. v. Dera Commercial Establishment (*The Limnos*)** [2008] EWHC 1036 (Comm): [2008] 2 Lloyd's Rep.166.

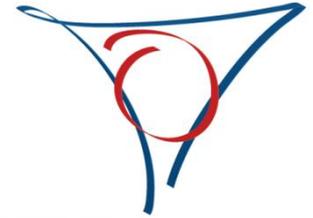
# Flouting Business Common Sense

**Antaios Compania Naviera SA v Salen Rederierna AB**

**(The Antaios)** [1985] 1 AC 191

“If detailed semantic and syntactical analysis of words in a commercial contract is going to lead to a conclusion that flouts business common sense, it must be made to yield to business common sense”

per Lord Diplock at pp. 200 & 201



UK SHIPPING LAW FIRM OF THE YEAR 2015

**James Mackay**  
**Campbell Johnston Clark**  
**Tel: +44 207 855 9669**  
**[james@cjclaw.com](mailto:james@cjclaw.com)**