

## Private International Law. U.S. Courts will give Effect to Choice of Forum Clauses in Seamen's Employment Contracts. In Re Complaint of Lidoriki Maritime Corporation

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## V. PRIVATE INTERNATIONAL COMMERCIAL LAW

### U.S. COURTS WILL GIVE EFFECT TO CHOICE OF FORUM CLAUSES IN SEAMEN'S EMPLOYMENT CONTRACTS.

*In Re Complaint of Lidoriki Maritime Corporation,*  
404 F. Supp. 1402 (E.D. Pa. 1975)

On April 9, 1974, a series of fires and explosions at the Fort Mifflin Terminal, Philadelphia, totally destroyed the tank vessel *Elias*, injuring and killing many members of her crew. The sur-

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vivors and representatives of the deceased subsequently brought suit in federal district court against the owner and alleged owners of the vessel to recover damages under the Jones Act<sup>1</sup> or the general maritime law of the United States. Upon motion of the shipowner, the suit was dismissed on grounds of *forum non conveniens*.<sup>2</sup>

The *Elias* was a Greek vessel, flying the Greek flag, with its home port in Piraeus, Greece. The ship's owner, Lidoriki Maritime Corporation, was a Panamanian corporation with its principal place of business in Piraeus. All of the corporation's directors resided in Greece and no part of the corporation was owned by an American citizen or resident.<sup>3</sup> None of the injured or deceased crew members and officers of the *Elias* were American citizens. The employment contracts, signed by the claimants in Greece, each contained the provision that all disputes arising from the crew members' employment would be subject to the exclusive jurisdiction of the Greek courts.<sup>4</sup>

The court relied heavily on the Supreme Court case of *Lauritzen v. Larsen*<sup>5</sup> to support its conclusion that the claimants had no cause of action under the Jones Act or the general maritime law of the United States. In *Lauritzen* Mr. Justice Jackson listed several factors to be considered by the Court in deciding whether to enforce the choice-of-law and forum clauses of a time employment contract. These included: (a) the place of the wrongful act, (b) law of the flag, (c) allegiance of the defendant shipowner, (d) allegiance or domicile of the claimant, (e) place of the employment contract, (f) the inaccessibility of the foreign

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credit when it will turn out to be grants? I prefer to call it grants, and link it to economic recovery.

James O. Goldsborough, *Interview with Claude Cheysson*, EUROPEAN COMMUNITY No. 200, 15, 16 (March-April 1977).

1. Jones Act, 46 U.S.C. § 688 (1970).

2. In an action by the owners for exoneration from and limitation of liability, the injury claimants moved the court to attach the proceeds of the hull insurance on the vessel and to add such proceeds to the limitation fund. This motion was denied. 410 F. Supp. 919 (E.D. Pa. 1976).

3. Alleged owners, Eletson Maritime Corporation and Gregory B. Hadjieleftheriadis, were found by the court to be at most agents of Lidoriki Maritime Corporation and not owners of the *Elias*.

4. The claimants belonged to a seamen's federation which had a collective-bargaining agreement with the vessel's owner. This agreement included the provision that all employment-related accident claims required the application of Greek municipal law for their adjudication.

5. 345 U.S. 571 (1953).

forum, and (g) law of the forum. In the present case the claimants argued that the "place of the injury" factor mandated the application of United States law to supplant the provisions of the employment contracts. The district court rejected this argument on the authority of *Lauritzen*.<sup>6</sup>

Having concluded that the facts of the dispute did not justify the application of American law, the court determined that it would give effect to the forum-selection clauses of the employment agreements by invoking the doctrine of *forum non conveniens* and dismissing the suit. This case reaffirms the principle that American courts generally will give effect to choice of forum clauses in seamen's employment contracts, and will decline to apply the Jones Act or the general maritime law of the United States in disputes arising under those contracts.

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6. Justice Jackson stated: "The test of the wrongful act or omission, however sufficient for torts ashore, is of limited application to shipboard torts, because of the varieties of legal authority over waters she may navigate." *Id.* at 583. Jackson, in discussing the law of the forum factor, went on to say, "Jurisdiction of maritime cases in all countries is so wide and the nature of its subject matter so far flung — that there would be no justification for altering the law of the controversy just because local jurisdiction of the parties is obtainable." *Id.* at 591.