

**Admiralty Jurisdiction of the Federal High Court over Carriage of Goods on
Land – When it Ceases**

In the Supreme Court of Nigeria
Holden at Abuja
On Friday, the 21st Day of February, 2025

Before Their Lordships
Helen Moronkeji Ogunwumiju
Emmanuel Akomaye Agim
Haruna Simon Tsammani
Obande Festus Ogbuinya
Mohammed Baba Idris
Justices, Supreme Court

SC/34/2008

BETWEEN

1. GLENYORK NIGERIA LIMITED **APPELLANTS**
2. ROYAL RE-INSURANCE CO. LTD
(SUING BY AND THROUGH THEIR ATTORNEY)

AND

PANALPINA WORLD TRANSPORT NIG. LIMITED **RESPONDENT**

(Lead judgement delivered by Honourable Emmanuel Akomaye Agim, JSC)

Facts

In 1993, the 1st Appellant imported among others, a large 12RK Ruston Diesel Power Engine from the United Kingdom to Port Harcourt and contracted the Respondent to handle customs clearance of the goods, their transfer to the customs warehouse at the Seaport in Port Harcourt upon their discharge, and transportation of the engine by road to their project site in Calabar. The Respondent subcontracted the transport to a third party. In breach of the

Respondent's contractual duty to carry the goods carefully, safely and securely, the engine was negligently handled and delivered badly damaged to the 1st Appellant's project site at EPZ, Calabar. The 1st Appellant engaged the manufacturer's engineers from UK to examine and assess the damage, which was submitted to its Insurer – the 2nd Appellant. In settlement of the claim and in line with standard practice, the 2nd Appellant engaged other professionals for adjustment of the claims and settled them.

The Respondent on its part denied liability for the damage to the engine and refused to pay and indemnify the Appellants for the damage to the engine. The Appellants therefore, instituted an action against the Respondent at the High Court of Lagos State. The Respondent raised a preliminary objection challenging the jurisdiction of the High Court to determine the suit on the ground that the Appellants' claims are admiralty-related, and within the exclusive jurisdiction of the Federal High Court. In its ruling on the objection, the High Court of Lagos State held that the subject of the suit is a simple contract of bailment and negligence, which did not relate to ship and maritime claims. That it is not an admiralty matter and is therefore, within the jurisdiction of the trial court.

Dissatisfied, the Respondent successfully appealed to the Court of Appeal. The Court of Appeal set aside the ruling of the lower court, holding that Appellants' claims are admiralty matters which are within the exclusive jurisdiction of the Federal High Court. The Appellants consequently appealed to the Supreme Court.

Issues for Determination

The Supreme Court adopted the issues raised by the Appellants, which it considered together in the determination of the appeal, thus:

- i. Whether the Court of Appeal was right in holding that the appellant's claim for damages for breach of contract and for negligence was an admiralty matter thereby vesting jurisdiction in the Federal High Court in spite of Section 230(1)(g) of the Constitution of the Federal Republic of Nigeria 1979 (now Section 251(1)(g) of the Constitution of the Federal

Republic of Nigeria 1999 and the decision of this court in **ADELEKAN v ECU-LINE NV (2005) 12 NWLR (PT 993) 33**.

- ii. Whether the facts of this case as pleaded constitute cause of action in admiralty by virtue of S. 1(1)(g) and (2) of the Admiralty Jurisdiction Decree No. 59 of 1991 so as to make the further transportation of goods already discharged from ship and delivered to customs warehouse an extension of the shipping of the goods by sea.
- iii. Whether the Court of Appeal was right in holding that the decision in the case of **ALUMINUM MANUFACTURING CO. NIG. LTD v NIGERIA PORTS AUTHORITY (1987) 18 NSCC (PT. 1) 224** and **P.E LID & ANORS v LEVENTIS TECHNICAL LTD (1992) 23 NSCC (PT. 2) 228** was no longer authority on the interpretation of the provisions of sections 1 (1) (g) and (2) of the Admiralty Jurisdiction Act, No. 59 of 1991.

Arguments

Counsel for the Appellants argued that the Court of Appeal erred in holding that under Sections 1(1) and (2) of the Admiralty Jurisdiction Act 1991, maritime claims for loss or damage to imported goods extend beyond the offloading of the ship to include customs clearance and land transportation to the consignee's premises. They contended that the admiralty jurisdiction under Sections 1, 2, and 3 of the Act is strictly limited to claims related to ships and maritime matters. The trial court rightly relied on the decision of the Supreme Court in **P.E. LTD & ANOR v LEVENTIS TECHNICAL LTD**, which was determined further to the decision on **ALUMINIUM MANUFACTURERS CO. NIG. LTD v NPA (1987) 18 NSCC (PT. I) 224**, where it was held that admiralty jurisdiction ends when goods are unloaded from the ship. Counsel contended that the sea carriage contract ended at unloading, the Respondent was only involved afterward in customs clearance and land delivery to Calabar, which is a separate contract. Therefore, the Admiralty Jurisdiction Act applies only up to delivery of goods into the customs warehouse, and the present claim for breach of contract of bailment and negligence rightly falls within the trial court's jurisdiction, not admiralty jurisdiction.

Responding to the submissions above, it was contended on behalf of the Respondent that pursuant to Section 251(1) of the 1999 Constitution and Sections 1(1) and (2) of the Admiralty Jurisdiction Act 1991, the Federal High Court holds exclusive jurisdiction over the claim. This is on the basis that admiralty jurisdiction encompasses the entire process, from the initial loading of goods onto the vessel through to their final delivery to the consignee or designated recipient. The respondent cited **SPDC NIG. LTD v ABEL ISALAH & ORS (2001) 5 SC (PT. II) 1 AT 6-7**, where he argued that a similar claim was held to be within the exclusive jurisdiction of the Federal High Court. Counsel posited further that decisions relied on by the trial court (**PE LTD & ANOR v LEVENTIS TECHNICAL LTD, SPDC NIG. LTD v ABEL ISALAH, AND ALUMINIUM MANUFACTURING CO. LTD**) are not apposite on the facts of this case; and therefore, the trial court lacked jurisdiction to entertain and determine the Appellant's claim.

Court's Judgement and Rationale

In its decision, the Supreme Court quoted copiously relevant provisions of the Constitution of the Federal Republic of Nigeria, 1999 and the Admiralty Jurisdiction Act, 1991 relating to scope of the jurisdiction of the Federal High Court on admiralty matters. The Supreme Court maintained that the Federal High Court has exclusive jurisdiction on admiralty matters. The court expounded the objectives of Sections 1(1) and (2) of the Admiralty Jurisdiction Act, and noted that Section 1(2) of the Act applies to contract of carriage and delivery of goods from overseas to the importer or consignee that involves transportation by sea and land. Under such a contract, the carrier or shipper has the contractual duty to carry and deliver the goods to the importer from the time the goods are placed on board a ship for the purpose of shipping to the time the goods are delivered to the consignee or whoever is to receive them whether the goods were transported on land during the process or not. The duty does not end or cease at the end of the sea part of the carriage and continues after the goods are unloaded from the ship at the port of disembarkation, carried by land and finally delivered to the consignee. The land carriage is a continuation of the sea carriage.

Furthermore, the Supreme Court noted that where the carriage of goods by land is a continuation of carriage by sea, any claims for loss or damage to the goods by

negligence during transportation by land are within the exclusive jurisdiction of the Federal High Court, as an admiralty matter.

The jurisdiction of the Admiralty proceedings covers the carriage by sea, its discharge from the ship, its carriage by road to the consignee on land who is to receive the container at the wet or dry dock. After its receipt by the consignee, the further transportation of the goods by the consignee cannot be an admiralty matter. Once the cargo reaches the agreed port of delivery, it is customary practice that the goods are considered delivered to the consignee at which point the admiralty jurisdiction of the Federal High Court ceases. The Admiralty jurisdiction therefore came to an end when the goods was off loaded from the ship and into the warehouse – TSKJ (NIG.) LTD v OTOCHEM (NIG.) LTD (2018) 11 NWLR (PT. 1630) 330.

In the circumstances of this case, Their Lordships held that *the Carrier's Contract of Carriage by Sea from UK to Port Harcourt Sea Port completely ended with the off-loading of the goods from the ship and delivery of the goods to the Custom Warehouse in Port Harcourt and thereafter the importer or consignee (1st Appellant herein) engaged another carrier in Nigeria (Respondent herein) to carry the goods from the Custom Warehouse in the Seaport at Port Harcourt by land to the consignee under a separate contract not connected with the contract of carriage of the goods by sea from UK, the court's admiralty jurisdiction would not extend to the contract to carry the goods by land from the custom warehouse to the consignee's project site at EPZ in Calabar.*

Consequent upon the foregoing, the Supreme Court concluded that the Court of Appeal was wrong in holding that the Appellant's claim for damages for breach of contract and for negligence for the damage of 1st Appellant's generator during carriage by land from Port Harcourt Sea Port to Calabar was an admiralty matter within the admiralty jurisdiction of the Federal High Court. The court set aside the decision of the Court of Appeal and restored the decision of the High Court of Lagos State.

Appeal allowed.

Representation

Mbanefo Ikwegbue, Esq. for the Appellant
Ayodeji Ademola, Esq. with Austine Ogezi, Esq. for the Respondent.

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