

## **1.0 Introduction**

Admiralty jurisdiction is a specialised field of law governing disputes that arise in the context of maritime commerce, shipping operations, and the carriage of goods by sea. In Nigeria, the Constitution and the Admiralty Jurisdiction Act of 1991 allocate exclusive jurisdiction over admiralty matters to the Federal High Court. This jurisdictional regime reflects the technical complexity and international character of maritime transactions, and it ensures uniformity in the adjudication of disputes that involve vessels, maritime contracts, and seagoing cargo.

Commercial and maritime actors often structure their legal relationships around contracts for carriage of cargo, time charter parties, bunkering arrangements, and related services. Disputes arising from these arrangements can involve overlapping strands of contract law and maritime law. A critical threshold issue in many of such disputes is whether the subject matter properly falls within admiralty jurisdiction, or whether it is a simple contractual claim within the ordinary civil jurisdiction of State High Courts.

The present case arose from a dispute between Sopetro Marine Ltd (the appellant) and Nepal Oil & Gas Services Ltd and Sorties Logistics Ltd (the respondents) over funds paid in connection with marine logistics, vessel chartering, bunkering, and cargo freight. The respondents characterised their claims as restitutionary and contractual. The appellant sought to reframe them as admiralty matters within the exclusive domain of the Federal High Court.

At first instance, the High Court of Lagos State determined that the respondents' claims were contractual in nature and fell within its jurisdiction. The Court of Appeal agreed. The Supreme Court was then called upon to decide the core legal question: whether the claims, as formulated in the originating pleadings, engaged admiralty jurisdiction as defined in the Constitution and the Admiralty Jurisdiction Act 1991.

## **2.0 Summary of Facts**

The respondents contracted with the appellant, Sopetro Marine Ltd., to provide logistics and marine transportation services for refined petroleum products. The contractual relationship gave rise to several financial disputes to wit:

- a. In April 2013, the respondents paid N15,000,000 for the delivery of 5,000 tonnes of Dual Purpose Kerosene (DPK). Only half of the cargo was owned by the respondents, yet the appellant refused to refund N7,500,000, representing the overcharged portion of the payment.
- b. In September 2013, the respondents paid USD\$200,000 for a 20-day time charter of the vessel S.P. Brussels at USD\$10,000 per day. The appellant misapplied the funds and declined to refund the amount, despite the respondents subsequently paying an additional USD\$200,000 directly to the vessel's owner to cover the charter.
- c. In October 2013, the respondents advanced N12,000,000 for bunkering the vessel M.T. Sea Tiger, under an agreement that the amount would be refunded within 30 days, with an interest of 7.5% per month. The appellant failed to honour this repayment obligation.

The respondents brought an action in the High Court of Lagos State, claiming the sums as money had and received, with interest and damages. The High Court granted summary judgment in favour of the respondents.

The appellant challenged the court's jurisdiction, arguing that the matter fell within admiralty law and should be heard by the Federal High Court. Both the trial court and the Court of Appeal rejected this argument, holding that the dispute arose from contractual obligations rather than admiralty issues. The appellant subsequently appealed to the Supreme Court, with the sole issue for determination being whether the High Court had jurisdiction over the dispute.

### **2.1 Ratio of the Supreme Court**

In resolving this appeal, Idris J.S.C., delivering the lead judgment, framed the core dispute as one about jurisdiction. The appellant sought to have the Supreme Court overturn the concurrent decisions of the High Court of Lagos State and the Court of Appeal that the respondents' claims were simple contractual claims within the jurisdiction of the State High Court.

The ratio of the Supreme Court can be structured under clear legal principles drawn from the judgment:

### **1. On Determination of Jurisdiction**

The Court emphasised that jurisdiction is fundamental to adjudication. A court acting without jurisdiction has no legal authority, and any decision it makes is a nullity. Jurisdiction is determined by the claims as formulated in the writ of summons and statement of claim. It is the plaintiff's pleading that defines the subject matter and dictates whether a court has jurisdiction. In this instant case, the statements of claim clearly described the respondents' claims as for money had and received, refunds, overpayment, and interest. They did not describe a cause of action that hinged on admiralty matters such as unperformed maritime contracts or ongoing carriage of goods on a vessel.

### **2. On Exclusive Admiralty Jurisdiction of the Federal High Court**

The Court restated that Section 251(1)(g) of the Constitution vests exclusive admiralty jurisdiction in the Federal High Court. This includes shipping, navigation, carriage by sea, and related maritime matters. The Admiralty Jurisdiction Act defines the scope of admiralty jurisdiction. Under Section 1(2), admiralty jurisdiction in respect of carriage and delivery of goods continues from when goods are placed on board a ship to when they are delivered to the consignee. It also captures any agreement connected with carriage of goods by sea. However, the Court emphasised that admiralty jurisdiction only applies where the dispute arises from maritime operations. In contrast, where the matter is one of simple contract, even if tangentially associated with marine services, the High Court of a State has jurisdiction.

### **3. On Nature of the Respondents' Claims**

Drawing on the respondents' pleadings, the Supreme Court found that the claims were not founded on unresolved maritime carriage or on rights arising from the physical transportation of goods by sea.

The respondents sought:

- a. A refund of N12,000,000 advanced as working capital for bunkering a vessel, with agreed interest.
- b. Recovery of USD\$200,000 misapplied by the appellant instead of being paid to the owner of S.P. Brussels for a time charter.

c. N7,500,000 as overcharge for freight paid for the transportation of DPK.

These causes of action were money recovery claims based on alleged misapplication of funds and contractual overcharge. There was no factual basis showing cargo still on board a vessel, no valid charter party between the parties, and no circumstance where the respondent's rights arose from admiralty contracts. The Court noted that the mere involvement of vessels or marine operations does not convert a contractual claim into an admiralty cause of action. The proper test is whether the claim is directly connected to maritime carriage at the relevant time.

#### **4. On Comparison with Established Admiralty Jurisprudence**

The lead judgment surveyed established authority, including *Texaco Overseas (Nig.) Ltd. v. Pedmar (Nig.) Ltd.* and *Pacers Multi-Dynamics Ltd. v. M.V. Dancing Sister*, confirming that admiralty jurisdiction is invoked only if the cargo remains on the ship or the claim arises from maritime carriage that is not completed.

The judgment highlighted that once goods have been discharged or delivered, and the dispute concerns post-delivery obligations, the matter is not within the Federal High Court's admiralty jurisdiction. In the instant case, there were no facts suggesting any cargo remained on board or that the respondents' rights derived from ongoing maritime carriage. Their rights, as pleaded, were contractual and financial.

#### **5. On Concurrent Findings of Fact and Appeals Standard**

The Supreme Court emphasised the well-settled rule that it generally does not disturb concurrent findings of fact by the trial court and the Court of Appeal unless there are exceptional circumstances. The appellant failed to show that the lower courts' findings were perverse or irrational. They correctly found that the dispute rested on simple contractual obligations and not on admiralty matters. Consequently, the Supreme Court upheld the conclusions of the lower courts that the High Court of Lagos State had jurisdiction.

#### **6. On Purpose and Limits of Reply Briefs**

The Court clarified that a reply brief must only respond to new substantive arguments raised in the respondents' brief. It cannot be used to reinforce or revisit the appellant's main arguments. In this case, the appellant's reply brief

merely rehashed its original position without addressing new points. The Court therefore disregarded it.

### **7. On Duty on Counsel not to Mislead Court**

The lead judgment also addressed the conduct of counsel, stressing the ethical duty not to misrepresent facts or mislead the court. Counsel's attempt to recast contractual claims as admiralty matters was expressly criticised.

In summary, the Supreme Court held that:

- The respondents' claims were contractual, not admiralty.
- Admiralty jurisdiction attaches only where claims directly arise from maritime carriage or where goods remain on board a vessel.
- The High Court of Lagos State had jurisdiction to entertain the suit.
- Concurrent factual findings by the lower courts were correctly upheld.
- The appeal lacked merit and was dismissed with costs.

The Court's reasoning further reinforces the practice that claims for money owed, even when involving elements of maritime commerce, are not automatically admiralty claims unless they arise from maritime contracts or ongoing maritime operations. This case offers the Supreme Court an authoritative platform to restate and refine the threshold test for admiralty jurisdiction, reinforcing the distinction between contractual obligations and maritime causes of action.

### **3.0 Key Takeaways from the Study**

The decision in this case provides clear guidance on the limits of admiralty jurisdiction and its intersection with contractual disputes. The Supreme Court clarified that admiralty jurisdiction is confined to matters that are inherently maritime or involve goods physically aboard a vessel. Claims arising after unloading or relating solely to financial obligations do not fall within admiralty jurisdiction. This principle will guide courts in distinguishing maritime from ordinary civil claims in future disputes.

The Court's decision also confirms that claims framed as recovery of money, refunds, or compensation, even when connected to marine operations, are contractual in nature and are properly adjudicated in ordinary civil courts. This distinction extends beyond maritime matters and applies to other commercial

and civil contexts where specialised services are provided, ensuring clarity on the appropriate forum for enforcement.

Another significant point is the reaffirmation of the principle of concurrent findings of fact. The Supreme Court emphasised that factual determinations made by lower courts should not be disturbed except in exceptional circumstances. This reinforces judicial stability and predictability in civil litigation. The case also underscores procedural discipline. Reply briefs are intended to address new substantive issues and not to reargue matters already raised, promoting efficiency and focus in appellate practice.

Finally, the Court highlighted the importance of professional integrity. Counsel are required to present claims honestly and in good faith, without exaggeration or misrepresentation. This standard strengthens ethical conduct across civil proceedings and discourages attempts to manipulate jurisdictional arguments. Collectively, the decision enhances predictability in civil disputes, clarifies jurisdictional boundaries, and provides guidance on ethical and procedural standards, making it a significant reference point for both maritime and general civil litigation.