Internationales Handelsrecht
International Commercial Law
Zeitschrift für das Recht des internationalen Warenkaufs und -vertriebs

2/2010
10. Jahrgang S. 45-88 April 2010

Aus dem Inhalt

- Schwenzer – The Application of the CISG in Light of National Law S. 45
- Trappe – Maritime Law Problems under a Sale Contract Overseas S. 56
- OLG Hamm – Anwendbarkeit des CISG: keine Erkundigungspflicht, ob die Kaufsache privat oder geschäftlich genutzt werden soll S. 59
- BGH – Unwirksamkeit einer Formularklausel, wonach ein Provisionsanspruch aus einem (Unter-)Handelsvertretervertrag mit der Beendigung des vermittelten Vertrages endet S. 65
- BGH – Unwirksamkeit der Klausel die zur Teilnahme am Abbuchungsauftragsverfahren verpflichtet S. 71

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sellier.
The Application of the CISG in Light of National Law

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I. Introduction

In recent times much has been said and written about the homeward trend by domestic courts when applying the CISG.1 In general, this homeward trend is strongly criticised,2 although a few select authors seem to support it by arguing it might prevent some parties from opting out of the Convention.3

The background of this discussion begins with Art. 7 CISG. It is the article which lays down the basic methods on interpretation of the Convention. Art. 7 CISG contains two rules that are simple in principle: first, Art. 7 (1) CISG seeks to secure an autonomous interpretation of the provisions of the CISG and its general principles,4 i.e. an interpretation free from preconceptions of domestic laws;5 by focussing on the international character of the Convention, the need to promote uniformity in its application and the observance of good

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faith in international trade; and second, Art. 7(2) CISG serves as a basis for gap-filling.7

Although the CISG has been in force now for more than 21 years and has 74 member states,8 thus potentially governing about 70-80% of the world trade. However, it is still - or more and more it seems - extremely hard work to achieve even a basic level of uniformity in the application and interpretation of the CISG.9 That uniformity as our collective goal has already been decided by the mere fact of the Convention and its adoption by so many states. Thus, we should not debate the merits of uniformity but rather how it can be achieved.

This paper will first identify the main areas where problems with interpreting the CISG from a domestic view have so far arisen. It will then analyze the reasons for such a homeward trend and finally discuss possible remedies that could ensure a higher level of uniformity in the future.

II. Main areas of the homeward trend

1. General

The homeward trend may take different forms;10 the first is as simple as not applying the CISG where it should be applied; the second is interpreting the provisions of the CISG according to their existing or merely presumed domestic counterparts; and last undermining the CISG by resorting to concurring domestic remedies.

There are a number of countries that are accused of being especially prone to a homeward trend.11 The first in line seems to be Common Law countries; especially Australia,12 New Zealand13 as well as the United States.14 But French courts do much less international than would be expected.15 Finally, the courts in the Contracting States may simply have their places of business in Contracting States and thus be deducted from Art. 1(l)(a) CISG, relying on an abundant interpretation of the CISG from a domestic view have so far arisen.16 A closer look at uniform interpretation of the CISG.17 That uniformity as our collective goal has already been decided by the mere fact of the Convention and its adoption by so many states. Thus, we should not debate the merits of uniformity but rather how it can be achieved.

For a general overview see Ferrari, IHR 2009, 8 et seq.

See Flechtner, 17 J.L & Com. (1998) 187, 199; Honnold/Flechtner (fn. 5) Art. 7 paras. 87, 92. See also Ferrari, IHR 2009, 8, 14 et seq.


Flechtner “The CISG in the German Federal Civil Court” in Ferrari (ed) (fn.12) 211, 233 et seq.


Below para. II 2.


For a very interesting survey about the CISG and its non-application in the US see Gordon “Some Thoughts on the Receptiveness...
number of foreign decisions to support this result seems at best to be superfluous.20

2. Not applying the CISG where it should be applied

As mentioned above, the first form a homeward trend can take consists of simply disregarding the applicability of the CISG.21 Certainly, no numbers exist in how many cases courts did not apply the CISG despite it being applicable and not excluded by the parties. But there must be thousands. Take for example Australia. There the CISG formally entered into force as early as 1 April 1989.22 To this very day, however, there are only eight Australian cases which apply the CISG.23 This may in part, or even to a great extent, be attributed to the fact that many Australian parties automatically exclude the CISG in their contracts.24 But this fact alone - even if it is true - cannot explain the whole picture. The CISG has been in force in Australia for more than 20 years and Australia’s top five trading partners are all CISG member states; there certainly must be more than these eight cases litigated before Australian courts where the CISG applied. It seems very likely that in many cases the parties, nor their counsel, nor the judges ever realized that they were pleading and deciding the case under the wrong law.25 A similar picture is painted for New Zealand where the CISG entered into force on 1 October 1995.26 The first true CISG case is now – in 2010 – pending before the Court of Appeal.27 There are, however, quite a few CISG cases litigated and decided outside Australia and New Zealand involving Australian and New Zealand parties.28 Notably there are many such CISG awards delivered under auspices of CIETAC, the China International Economic and Trade Arbitration Commission.29

Another prominent example of a circumventing the application of the CISG can be found in France.30 In contrast to decisions from many other countries,31 the Cour de cassation12 of Contract Rules in the CISG and UNIDROIT Principles as reflected in one State’s (Florida) Experience of (1) Law School Faculty, (2) Members of the Bar With an International Practice, and (3) Judges’ 46 Am. J. Comp. L. (1998) 361, 369 et seq. See also Kraeber “The Convention on Contracts for the International Sale of Goods: Scope, Interpretation and Resources” Rev. CISG (1995) 147, 163; Reimann, Rabetsz 71 (2007) 115, 120 et seq.

The Convention actually first appeared in Australian statute books in 1986 (NSW) and 1987 (Vic.). It was similarly inserted into the legislation of other states of Australia at about the same time. Under Australia’s Constitution trade is a State matter and thus it was necessary for the CISG to be introduced at a State level. However, the state legislation contained a provision stating that the law would not become operative until the date Convention entered into force at a federal level.


26 See Butler “New Zealand” in Ferrari (ed) (fn. 1) 251, 254 et seq. arguing that “[...] in all the cases the CISG provisions are used to back up a court’s interpretation of domestic law. [...]” Butler further notes that the New Zealand courts mentioned the CISG in only seven cases, see 251, 254 et seq. for further references. Furthermore, see Hideo Yoshimoto v. Canterbury Golf International Ltd [2001] 1 NZL 523, CISG-online 1080.

27 International Housewarea (NZ) Limited v. SEB S.A. (High Court, Auckland, 31 March 2003), CISG-online 833.


29 For a detailed list of the cases, see the CISG-online database on http://www.globalsaleslaw.org/index.cfm?pageID=29 (last accessed 15 March 2010).


31 For Italian decisions see e.g. Tribunale di Vigevano, 12 July 2000, CISG-online 493 = IHR 2001, 72 et seq. and Tribunale di Padova, 25 February 2004, CISG-online 819 = IHR 2005, 31 et seq., stating that the reference in the pleadings to the non-uniform domestic rule of a contracting State alone is not, by itself, sufficient to exclude the applicability of the Convention. Several German courts held that the parties referring to German substantive law in the
held that pleading a case in court under French law amounted to a subsequent implicit exclusion of the CISG irrespective of whether the parties were aware or not that the CISG applied to their contract.\(^{30}\)

3. Interpreting CISG provisions in the light of domestic law

There are innumerable examples of national courts equating CISG concepts and provisions with the familiar domestic ones not realizing and probably not being interested in the fact that they are – at least sometimes – totally different. Let me highlight some of the most striking issues.

To the very day many US American courts seem to be convinced that it is perfectly normal to interpret the CISG according to the UCC and the case law decided under it.\(^{34}\) Thus even in 2008 two decisions in the District Court of the Southern District of New York\(^{35}\) relied upon the UCC “to clarify the CISG” claiming that there was “virtually no American case law on the CISG” thus relying on a statement in the 1995 decision in Delchi Carrier;\(^{36}\) and ignoring the already abundant US case law on the CISG.\(^{37}\) If, however, a New York district court does not even consider case law from any other US State why should one expect it to consider any international developments?\(^{38}\)

Similar attitudes, however, can be found around the globe.\(^{39}\) For example, Australian courts, too, interpret the CISG through comparisons with domestic legislation.\(^{40}\) In Europe, the Austrian Supreme Court in order to justify the result that a notice of arbitration to a Commentary on the Austrian Commercial Code.\(^{41}\)

Although the German courts that are widely praised as interpreting the CISG in a truly international manner in general and not falling back on purely domestic law;\(^{42}\) still, they are only relying on German Commentaries on the CISG as well as German case law.\(^{43}\) The same holds true for Austrian and


36 Delchi Carrier, SpA v. Rotorex Corp. 10 F. 3d 1024 (2nd Cir. 1995), CISG-online 140.

37 According to the entries in the CISG-online database, in 2008, there were close to 100 cases decided by US courts that are dealing with the CISG. They are freely available at http://www.cisg-online.ch (last accessed 15 March 2010) and http://www.cisg.law.pace.edu (last accessed 15 March 2010).


39 El-Sughir “The Interpretation of the CISG in the Arab World” in Janssen / Meyer (eds) (fn. 1) 355, 366. See also Cairo Chamber of Commerce and Industry, 3 October 1995, CISG-online 1289, where the arbitrator applied Egyptian law to interpret CISG. For China see Han “China” in Ferrari (ed) (fn. 1) 343, 344 et seq. For Argentina see Nood Taquela “Argentina” in Ferrari (ed) (fn. 1) 3, 5 arguing that “[...] Argentine courts are not conscious enough of the mandate to interpret the CISG in the light of the international character and in general do not take into account the need to promote uniformity [...]”.


Swiss courts. Thus all depends on the quality and internationality of the Commentaries written and published in German.

Let me give you some examples of areas that are especially prone to be interpreted from a domestic perspective.

a) Examination and notice requirement,
Arts. 38, 39 CISG

In domestic sales laws there is a great variety of views concerning the question whether a buyer has to inspect the goods and to give notice to the seller of a non-conformity thereby discovered. Most domestic sales laws do not recognize any such obligation of the buyer at all. Even in those countries whose domestic sales laws do contain such provisions, their function and interpretation varies greatly from a very rigid requirement to an instrument designed to prevent fraud.

Thus, it does not come as a great surprise that diverging domestic preconceptions have heavily influenced the interpretation of the CISG provisions concerned.

Many if not most decisions especially in Common law countries do not mention the fact of when or even if the buyer had given notice of a non-conformity of the goods at all. Probably neither parties, counsel nor courts realized the requirement of timely notice in these cases. If the issue of timely notice is discussed generous timeframes are usually allowed. Sometimes notice given several weeks or months after delivery of the goods is still deemed to be appropriate.


46 Among the exceptions are the domestic sales laws of Germany, Austria and Switzerland which all know an express duty of the buyer to examine the goods and to give notice of any lack of conformity, see §§ 377, 378 German Handelsgesetzbuch (HGB), §377 Austrian Unternehmensgesetzbuch (UOb) and Art. 201 Swiss Code of Obligations (OR). Further exceptions are e.g. the US, see § 2-607(3)(a) UCC, Italy, see Art. 1667(2) Italian Codice Civile (CC), the Netherlands, see Art. 7:231 Dutch Burgerlijk Wetboek (BW) and Portugal, see Art. 471 Codigo de Comercio (Comc). For further information see Schwenzer /Hachem, 57 Am. J. Comp. L. (2009) 457, 469; Schwenzer, 19 Pace Int’l L. Rev. (2007) 103, 105 et seq.; Schwenzer (fn. 45) 416, 417; Schwenzer, 7 EJLR (2005) 353, 354.

47 An example of a country dealing with the examination of the goods and the notice of non-conformity in a very rigid manner is Germany, see § 377 HGB. For a detailed analysis of § 377 HGB see Schlechtriem Schuldrecht Besonderer Teil (J. C. B. Moor, Tübingen, 6th ed., 2003) para. 70; Grunewald in Schmidt (ed) Münchener Kommentar zum Handelsgesetzbuch (C. H. Beck, Munich, 2nd ed., 2007) § 377 para. 3 et seq. Furthermore see Honnold/Flechtner (fn. 5) Arts. 39, 40, 44, para. 258; Schwenzer /Hachem, 57 Am. J. Comp. L. (2009) 457, 469; Schwenzer (fn. 45) 416, 417; Schwenzer, 7 EJLR (2005) 353, 354; Schwenzer in Schlechtriem /Schwenzer (eds) (fn. 4) Kommentar, Art. 39 para. 4; Schwenzer in Schlechtriem /Schwenzer (eds) (fn. 5) Commentary, Art. 39 para. 4.

48 For the meaning of “reasonable time” under the UCC see White /Summers Uniform Commercial Code (West Group, St. Paul, 5th ed., 2000) 418 et seq. with further references to US case law.


However, interestingly Art. 39 CISG was recently relied upon by a US American District Court\(^5\) in a manner for which it was not at all designed. It was applied by analogy to a case of alleged late delivery of the goods – Art. 39 CISG only relates to non-conformity – its para 2 being interpreted as a statute of limitation. The CISG, however, does not deal with the prescription of actions whatsoever.\(^4\) There is a separate UN Limitation Convention to which the USA is also a party.\(^6\)

At the other end of the spectrum are the decisions from the Germanic legal systems. As German, Austrian and Swiss domestic sales laws know or at least ought to have known very roughly investigate the question whether timely notice of any non-conformity was given. When the CISG first came into force German courts merely relied on the interpretation of the respective domestic provisions, consequently allowing buyers only a few days for inspection of the goods and giving notice.\(^7\)

Over time the German\(^8\) as well as the Swiss Supreme Court\(^9\) were convinced by comparative scholarly writing\(^10\) that this was not at all in line with an international interpretation of the Convention.\(^11\) In general case law from both countries now allows the buyer one month for giving notice.\(^12\) However, the Austrian Supreme Court still stubbornly favors an overall period of a fortnight to inspect and notify.\(^13\) It was inspired to do so exclusively by Austrian scholars who negatively commented on the German courts merely relying on the interpretation of the Convention to which the USA is also a party.\(^5\)

For Germany see §377 HGB, for Switzerland see Art. 201 OR. Austria recently changed the provision regarding the timely notice of non-conformity of the goods (§ 377 HGB) from "unverzüglich" (without undue delay) to "binnen angemessener Frist" (within reasonable time) in order to adjust the domestic law to the CISG, see § 377 UGB. See also CISG-AC Opinion No. 2 (fn. 45), Comment 51.; Flechner, 26 B. U. Int'l J. (2008) 1, 16; Schwenzer in Schlechtriem/Schwenzer (eds) (fn. 4) Kommentar, Art. 39 para. 4.

See e.g. Landgericht Stuttgart, 31 August 1989, CISG-online 11; Oberlandesgericht Düsseldorf, 8 January 1993, CISG-online 76; Oberlandesgericht Düsseldorf, 12 March 1993, CISG-online 82; Oberlandesgericht Saarbrücken, 13 January 1993, CISG-online 83; Oberlandesgericht Düsseldorf, 10 February 1994, CISG-online 116; Oberlandesgericht München, 8 February 1995, CISG-online 142. See also Honnold/Flechner (fn. 5) Arts. 38, 39, 44, para. 257; Niemann (fn. 5) 161 et seq.

Bundesgerichtshof, 3 November 1999, CISG-online 475, referring to Bundesgerichtshof, 8 March 1995, CISG-online 144.

Schweizerisches Bundesgericht, 10 October 2005, CISG-online 1353.


mented on the shift by the German Supreme Court towards more internationality.64 Consequently, Arts. 38, 39 CISG are an area where national preconceptions heavily influence the interpretation of the Convention.

b) Other areas of divergent interpretation

Numerous other areas of domestically influenced divergent interpretations of the CISG could be mentioned here; the main areas being the provisions on damages (Art. 74 CISG)65 and exemption (Art. 79 CISG)66 as well as – again a special problem in the US – the parol evidence rule.67

4. Narrowing the scope of the Convention

Another facet of the homeward trend can be seen in endeavors to narrow the scope of the Convention, be it by applying concurrent domestic law remedies or by relying on rules that are defined as concerning issues of validity or as being procedural in nature.

a) Concurring domestic law remedies

A special form of homeward trend is the application of concurrent domestic law remedies.68 The CISG and its uniform interpretation can be severely undermined in this way, too.69 Again, US American courts70 with the support of at least some US American scholars71 seem to be especially prone to this form of a homeward trend. The main device to circumvent

the CISG seems to be negligent misrepresentation.\textsuperscript{72} As negligent misrepresentation is conceived as sounding in tort it is not regarded as being excluded by the CISG – which allegedly only deals with the contractual obligations of the parties.\textsuperscript{71} However, the mere fact that there is hardly any case in which a buyer complaining about non-conformity of the goods under a sales contract is not simultaneously relying on negligent misrepresentation clearly shows how the two fields are overlapping. Allowing concurring domestic remedies undermines the CISG in a core area, namely seller’s liability for non-conformity of the goods. Unification is thus highly endangered.

Finally, drawing the line between so called “substantive” and “procedural” law issues often may lead to familiar domestic law.\textsuperscript{80} Procedural questions are not dealt with by the CISG.\textsuperscript{81} “Validity” has to be interpreted autonomously.\textsuperscript{52} A further field open to homeward trend are questions of “validity” has to be interpreted autonomously.\textsuperscript{82} Recently in this context compensation for legal costs has also been given considerable attention.\textsuperscript{83}

US American scholars Huber/Mullis The CISG – A new textbook for Students and Practitioners (Seller, Munich, 2007) 26 et seq.; Loo- kofsky (fn. 4) 23.


\textsuperscript{73} Viva Viva Import Corp. v. Frances Vini S.r.l. 2000 U. S. Dist. LEXIS 12347 (E. D. PA 2000), CISG-online 675 = IHR 2002, 28; Lookofsky (fn. 4) 25. For further details see Schwenzer/Hachem, 57 Am. J. Comp. L. (2009) 457, 471; Schwenzer (fn. 45) 416, 419 et seq.

\textsuperscript{74} Honnold/Flechtner (fn. 5) Art. 35 para. 240.

\textsuperscript{75} The Application of the CISG in Light of National Law


\textsuperscript{79} See Honnold/Flechtner (fn. 5) Art. 35 para. 225.

\textsuperscript{80} Honnold/Flechtner (fn. 5). Art. 4 para. 70.1; Kröll “Selected Problems Concerning the CISG’s Scope of Application” 25 J. L. & Com. (2005) 39, 47 et seq.; Schwenzer/Hachem in Schlechtiem/Schwenzer (eds) (fn. 5) Commentary, Art. 4 para. 5.

\textsuperscript{81} Honnold/Flechtner (fn. 5) Art. 4 para. 70.1; Schwenzer/Hachem in Schlechtiem/Schwenzer (eds) (fn. 5) Commentary, Art. 4 para. 5; Sieh in Honsell (ed) Kommentar zum UN-Kaufrecht (Springer, Berlin, 1997) Art. 4 para. 29.

\textsuperscript{82} This is a highly debated issue, see CISG-AC Opinion No. 6 (fn. 65), Comment 2. et seq. Scholars in favor of the CISG governing the burden of proof in a standard sense are e.g. Achilles Kommentar zum UN-Kaufrichtsstatut (CISG) (Hornmann) (Berlin, 1997) Art. 4 para. 15; Audit La vente internationale de marchandises, Convention des Nations-Unies du 11 avril 1980 (L.G.D.J.), Paris, 1990) 100; Heuëz (fn. 30) 260; Kroll, 25 J.L. & Com. (2005) 39, 47. Magnus in Staudinger (fn. 54) Art. 4 para. 63; Neumayer/Ming in Dessemontet (ed) Convention de Vienne sur les contrats de vente internationale de marchandises, Commentaire (CEDIDAC, Lausanne, 1993) Art. 4 para. 13; Ferrari in Schlechtiem/Schwenzer (eds) (fn. 4) Commentary, Art. 4 para. 8 et seq.; Schwenzer/Hachem in Schlechtiem/Schwenzer (eds) (fn. 5) Commentary, Art. 4 para. 25 et seq.; Venetian ”Mancansa di conformita delle merci ed onere della prova nella vendita internazionale: un esempio di interpretazione autonoma del diritto uniforme alla luce dei precedenti stranieri” Dir. com. int. (2001) 509, 515 et seq. Also affirming this position Oberlandesgericht Köln, 14 January 2008, CISG-online 1730; Schweizerisches Bundesgericht, 13 November 2003, CISG-online 840 = IHR 2004, 215 et seq. But for criticism, see e.g. Honnold/Flechtner (fn. 5) Art. 4 para. 70.1.

\textsuperscript{83} See para e.g. Honnold/Flechtner (fn. 5) Art. 35 para. 225.
Although the view that national conceptions of drawing the line between procedural and substantive law cannot be decisive is becoming more and more accepted, there are still voices advocating the necessity of relying on this distinction. Modern trends that regard such a distinction as being outdated and unproductive are too often discarded. Leaving questions such as burden and standard of proof to domestic law is nothing more than a clear expression of the homeward trend.

III. Reasons for the homeward trend

Why are courts prone to fall back on their own domestic law? What are the reasons that impede the uniform interpretation of the CISG that is called for in its Art. 7(1)?

1. Lack of knowledge

The first and probably the most important reason for the deplorable application of the CISG by national courts seems to be sheer lack of knowledge. Although the CISG itself should by now be commonly known to exist, the degree of familiarity with the CISG is still very low. This seems to be reinforced by prejudices being nourished especially by US scholars. There are numerous articles in many different American law journals that blame the CISG for being unpredictable, imprecise, not being suited for the needs of (American) international trade, in short; being clearly inferior to the Uniform Commercial Code.

And it is not only a lack of knowledge of the CISG. It is even worse; it is a lack of knowledge that there can ever be another dogmatic solution to a legal problem than the one that oneself has learned and practiced for a long time. Can many Common law lawyers imagine that a legal system can do without the doctrine of consideration? How difficult is it for a German lawyer to acknowledge that special abstract rules for legal acts apart from those for contracts may be unnecessary and simply stem from historical whimsicalities? Will a French lawyer easily find a substitute concept for that of "one has learned and practiced for a long time"? Thus, simply speaking, for many lawyers, counsel and judges alike, there is just no legal world elsewhere. Having this in mind it is perfectly understandable why – if the CISG is applied at all – this is mostly done through domestic lenses. Many of those applying the CISG just do not have any other lenses.

2. Language barriers

A truly international application and interpretation is still frustrated by language barriers. This applies despite the fact that nowadays many CISG court decisions and arbitral awards are translated into English and are freely accessible via websites around the globe. More and more scholarly articles are published in English and also made available on websites. The reasons why these materials still are not widely utilized differ for the English speaking legal community on the one side and the rest of the world on the other.

Let me address the latter group first. Although, at least for internationally acting lawyers, English has nowadays become the lingua franca this does not hold true for many if not most domestic judges in French, Germanic and Ibero-American legal systems. Even if English as a language may be widely spoken in these societies – at least in academic circles – the command of legal English is still very low. Only very recently and with a different pace are at least some law classes taught in English. With more classes taught in law schools in English this picture may hopefully change in a couple of years. Furthermore, in many countries judges are working under severe time constraints. When dealing with their daily domestic cases they are used to consulting one or – if at all – certain handbooks and commentaries. They exclusively rely on one – domestic – database that is provided for by the justice admin.
The reasons for the homeward trend inherently show us at vast majority of cases involve amounts well under 100,000 USD; 107 in only one out of the 50 most recent cases the claim possible experiences with CISG cases relatively low is self-evident; parties have the money necessary to employ sophisticated lawyers knowledgeable in international trade. This is a vicious circle from which escape seems hardly possible.

IV. Homeward trend – how can it be changed?

The reasons for the homeward trend inherently show us at least some ways to turn it around.

1. Comparative research

First, there must be a quest for truly comparative research in the field of the law of sales in general.109 This has to be emphasized despite the fact that the literature on the CISG by now is abundant. The international sales law bibliography counts more than 8000 references.110 However, a closer look reveals that many – too many – publications circle around questions of scope of applicability, gap filling, uniform interpretation and methodology in general often culminating in the lamentation that the uniformity that has been so desperately hoped for has not been achieved or is again jeopardized.

For a detailed analysis of the commonness of application of the CISG in international commercial arbitration see Mistelis “CISG and Arbitration” in Janssen/Meyer (eds) (n. 1) 375, 388.10


Landgericht Bamberg, 23 October 2006, CISG-online 1400 = IHR 2007, 113 et seq.


Oberster Gerichtshof, 8 May 2008, CISG-online 1784.

Oberlandesgericht Brandenburg, 18 November 2008, CISG-online 1734 = IHR 2009, 105 et seq.

Rechtbank Rotterdam, 5 November 2008, CISG-online 1817.


Oberlandesgericht Düsseldorf, 21 April 2004, CISG-online 913.

Costa Supreme Chire, 22 September 2008, CISG-online 1787.


Brown & Root Services Corp. v. Aerotech Herman Nelson Inc. 2002 MBQB 229 [Court of Queen’s Bench of Manitoba], CISG-online 1327.


One of the rare cases where the amount in dispute exceeded 100,000 USD is Schweizerisches Bundesgericht, 16 December 2008, CISG-online 1800.

Appellationsgericht Basel-Stadt, 26 September 2008, CISG-online 1732.

The challenge of producing a comprehensive work on sales law encompassing all legal systems and taking into account present day problems has recently been resumed by the Global Sales Law Project, see http://www.globalsaleslaw.org (last accessed 15 March 2010).

This bibliography contains most of the references to scholarly writings related to the CISG and is available at http://www.cisg.law.pace.edu/cisg/biblio/biblio.html (15 March 2010).
Truly thorough comparative research of genuine sales law issues is lacking to a great extent. In saying so, I mean research applying the functional approach and embracing more than just one or two legal systems and comparing it to the CISG. Since the times of Rabel's seminal work on Das Recht des Warenkaufs, the two volume book on sale of goods that established the basis for all sales law unification more than 50 years ago there has been no such endeavor any more. We just do not know how sales law functions on a global level. But exactly this is needed desperately. The requirement established by Art. 7(1) CISG that solutions are to be found which are acceptable in different legal systems with different legal traditions requires carving out common grounds in the field of international trade. This has recently become particularly visible with regard to the general understanding of the law of damages where the principles underlying this area of the law have moved to the center of academic debate around the world and new solutions to new challenges have been developed. Let me give you some further examples. In order to solve the respective issues under the CISG we need detailed research on the substantive-procedure divide in the different legal systems involved; questions of validity of unfair contract terms may easily be decided under the CISG once we have a clear overview of the different approaches by domestic legal systems in controlling contract terms.

Lean back and arguing that it was not the intention of the drafters of the CISG to cover certain issues and that therefore we should leave the question to be decided by domestic law in the long run dooms the CISG to insignificance.

2. Language

The next step must be to address the problem of language barriers. Although certainly this basic comparative research has to carried out in English in order to be accessible for the whole interested CISG community there must be a transfer into other languages. The best way to do this seems via comprehensive Commentaries that discuss the relevant CISG provision from a comparative perspective thus enabling the domestic practitioner to understand how to reconcile its domestic perspective with the uniform solution. Only few of the Commentaries currently available on the market are living up to these high standards. For example, most of the very numerous German Commentaries more or less content themselves with references to other German sources. The same applies to the existing French and US Commentaries.

3. CISG as genuine contract law

Furthermore, the CISG has yet to arrive at the core of contract law. Although it has been pointed out that for example some textbooks on contract law in the US nowadays refer to the CISG in one way or the other it is obvious that there are not many leading contract scholars in their respective countries who are dedicated to the CISG. In many countries the CISG is left to lecturers or scholars engaged in other exotic (and possibly optional) subjects such as International Business Transactions or Conflicts of Laws. Frequently these academics are excellent scholars but the relative importance of the subjects they teach does not provide them with the profiles they deserve. On the other side, when teaching Contracts many eminent scholars still focus on the hardcore dogmatic domestic issues such as contract formation, consideration and mistake not ever even touching upon the domestic law of remedies.

4. CISG in education and legal practice

This leads us directly to the role of the CISG in legal education. Whether a substantive number of students study the CISG exclusively depends upon whether it is part of a final exam – if such a final exam exists at all. Setting the CISG as a subject for a bar exam has proven to be very effective. At this stage of their careers young lawyers are firstly able to acknowledge the considerable advantages of the CISG over their domestic sales law and secondly, close enough to real world practice such that they will not forget those advantages and actually make use of them. Bar associations must be persuaded to support the dissemination of knowledge of the CISG in this way. Still, it will certainly take quite a while until genuine familiarity with the CISG will be achieved with young lawyers in a significant number of countries.

Thus, it is important to make the CISG a subject of continuing education of lawyers, too. Much dread among practitioners could be removed by teaching them contract drafting and litigating especially under the CISG. Furthermore, they should be told that not considering the CISG in advising a client either in contracting or in litigating may easily lead to a case of professional liability. If nothing else, at least the threatening liability issue might spur some further interest in the CISG.

V. Conclusion

The homeward trend certainly is a phenomenon that has to be taken seriously in jeopardizing uniformity in international sales law. Although some countries are more prone to the homeward trend than others it can be found among all member states of the CISG.

The reasons for the homeward trend are manifold. Lack of knowledge, language barriers and the fact that the big cases go

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to arbitration instead of domestic courts are just the most important ones.

Overcoming the homeward trend necessitates genuine comparative research with corresponding translations in different languages and most of all the CISG needs to be taken seriously by leading scholars in contracts as well as in university teaching as well as in continuing education.

**Maritime Law Problems under a Sale Contract Overseas**

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As known, commercial men follow the customs of their trade, which must be observed also in their legal relations. These are the so-called trade terms. Since they may in certain respects differ from one country to another, the International Chamber of Commerce, years ago, has introduced internationally unified trade terms, called INCOTERMS, which from time to time are amended according to the development of the trade, the last time in 2000. In addition to them, parties very often agree in their sale contracts on what they are used to call “Maritime Terms” or “Marine Terms”.

The transaction considered in this paper – the international sale contract – covers two aspects, sale and transportation. Thus, two contracts usually exist, the sale contract and the transportation contract. When a small cargo needs being carried, the latter contract usually is evidenced by a Bill of Lading. The Hamburg Waren-Verein arbitration deals with disputes arising there under (with 114 arbitration cases within the last three years, ending with 2008). Bigger quantities of cargo usually are carried under a voyage charter party, as for instance in a recent Cairo arbitration, where 150,000 tons were sold and subsequently transported by 9 vessels, and where dispute had arisen under a contract CIF about which party to the sale contract owed discharging port demurrage to its contractual partner, and how much. What is being considered in this paper are transports under a charter party.

As seen, two contracts regulate the commercial relations between three parties. In principle, these two contracts are, legally speaking, independent of each other. Usually, no divergence of views exists on that on the legal field. Practice, however, shows that, when the sale contract is concluded, the contract of carriage has not been agreed upon yet. No wonder, since it is the sale contract which provides as to who, seller or buyer, has to take care of the transportation. The sale contract, e.g., by the CIF INCOTERMS, states that the buyer is obliged to bear the discharging port demurrage. But it does not (because usually it cannot) specify the demurrage rate, and it also does not provide as to how the discharging time is calculated. Here help can be brought by what the practice is used to call “Maritime Terms” or “Marine Terms”. These terms, sometimes, are rather short. Big trading houses, however, often agree with their partners on very detailed such terms.

Nevertheless, despite INCOTERMS and despite “maritime terms”, often disputes arise. In this paper, numerous court decisions and arbitration awards are being discussed from various countries.

Before coming to such disputed issues, some examples of “maritime terms” may be mentioned:

“Demurrage as per charter-party” without any further maritime details.

“Demurrage as per charter-party” together with further details concerning the calculation of demurrage.

“All maritime terms as by governing charter-party including demurrage. Demurrage calculation to be presented and settled within 60 days after completion of discharging”.

Let us now consider some of the cases where disputes were decided regarding maritime terms!

In the recent Cairo award, just mentioned, the maritime terms read, inter alia: “Demurrage”, followed by a colon and, after that, by a free space in the contract document. The tribunal hinted to the fact that nine vessels had to carry the sold merchandise and that that merchandise had been sold before the vessels were fixed, so that, consequently, the demurrage rates were still unknown when the contracts of carriage were agreed upon. Thus, the tribunal held the quoted term to mean that the demurrage rates did apply mentioned in the various charter parties.

If in the sale contract a certain demurrage rate is specified, dispute may arise over the fact that this rate is higher than the one later found in the charter-party. Since, as seen, sale contract and contract of carriage are independent of each other, it follows that the demurrage rate of the sale contract may indeed be higher than the charter rate. This was held in the English Houlder case (1908): 7

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1 This topic is in detail dealt with by Haage, Das Abladegeschäft, 4th edition, 1958.
3 www.waren-verein.de.
5 For instance Chambre Arbitrale Maritime de Paris awards Nos. 439 and 440, DMF 1982, 630; and The Devon (2004) 2 Loyds Rep. 284 (C.A.). The English courts in most cases deal with GAFTA awards. Under German law, as may be submitted, the situation is alike.
6 See fn. 4.
7 Houlder Bros. v. Commissioner of Public Works (1908) A.C. 276.