

# Supreme Court appeal in *The Eternal Bliss* settled

In *The “Eternal Bliss”* [2022] 1 Lloyd’s Rep 22, the Court of Appeal held, reversing the first instance decision of Andrew Baker J, that demurrage covers all losses flowing from delay to cargo operations, absent a separate breach of charter. That included a ship owner’s liability to cargo receivers which, on the basis of facts assumed for the purposes of a preliminary determination of law under section 45 of the Arbitration Act 1996, arose as a result of deterioration in a cargo of soybeans as a result of such delay.

The differing judgments of the Judge and the Court of Appeal reflected a long-standing division in academic and textbook commentary, and have been extensively debated in the industry press. In August 2022, the Supreme Court granted permission to owners to appeal on the basis that this issue was one of general public importance. A two-day appeal hearing had been fixed for June 2023 and was set to be one of the most closely followed shipping law appeals of recent times.

The parties have however recently settled the dispute, on confidential terms. That means that, whilst debate may continue as to what the nature of demurrage should be, the decision of the Court of Appeal must – at least for now – be taken as the settled position under English law.

[Alexander Wright KC](#) (led by Christopher Hancock KC of Twenty Essex) acted for the charterers, instructed by Darryl Kennard and Heather Maxwell of Penningtons Manches Cooper LLP.