

PAX MOOT 2026

Tosca Mobili

1. Tosca Mobili s.r.l. (hereafter: 'Tosca'), domiciled in Milan (Italy), is a manufacturer of high-end furniture with an impeccable reputation for providing Italian quality with a modern touch. The company has a design team but also makes furniture on the basis of designs provided by the customer. The company imports the materials used from all over the world, mainly from Ghana, Brazil and Thailand.

Royal Furniture

2. Royal Furniture OOD (hereafter: 'Royal'), domiciled in Sofia (Bulgaria) is a designer of furniture for numerous luxurious yachts in mainly Europe and the Middle East. Royal is often instructed by yacht builders and owners of yachts.

The relationship between the parties

3. Ivan of Royal reached out to Maria of Tosca in an e-mail on 20 May 2025:

"Dear Maria,

It was a pleasure meeting you at the International Sustainable Furniture Fair in Milan last week. A couple of my clients, builders of exclusive yachts, wish to furnish some of their yachts with custom made furniture. Please find attached my tailor made designs for the furniture for these yachts. Could you please let me know whether it would be possible for you to manufacture these 6 tables and 6 cabinets? It would inter alia require the use of teak and other exclusive materials. Could you please provide me with an indication of the costs involved?

In addition, I noticed at the fair that you sell very stylish and sophisticated chairs and sofas. Would it be possible to order 14 of the chairs and 6 of the sofas you showed me during the fair? Could you provide me with a separate offer for these chairs and sofas?

I wish to stress one aspect which is very important. As my firm is specialised in sustainable and eco-friendly furniture, it is salient that the furniture complies with the highest sustainable and ethical standards.

I look forward to hearing from you.

*Best regards,
Ivan Medvedov
CEO*



Royal Furniture OOD is a company incorporated under the laws of Bulgaria. We are THE supplier of sustainable and eco-friendly wooden furniture in Europe and the Middle East. Our terms and conditions apply and may be downloaded from our website via [this hyperlink](#). Bulgarian national law applies exclusively to all transactions and the court of Sofia has jurisdiction."

4. Maria received the above e-mail and opened the hyperlink referred to in the footer in order to check the website of Royal. The hyperlink did not immediately lead to the terms and conditions, but the terms and conditions including the choice of law and jurisdiction clause

were accessible via the website. It was possible to download the terms and conditions which contained the following choice of law and jurisdiction clause:

“Bulgarian national law, with the exclusion of the CISG (Vienna Sales Convention 1980), applies to all transactions and the court of Sofia has jurisdiction.”

5. Maria responded to the e-mail of Ivan on 23 May 2025:

“Dear Ivan,

Thank you very much for your kind e-mail. We would be happy to manufacture your beautifully designed tables and cabinets, and we have the required materials available. However, the manufacturing will take significant time as it is an intense and time-consuming process. We will in any case comply with the highest standards in the production of the furniture.

We may offer you the following:

Price:

<i>6 tables</i>	<i>6 x EUR 12.000 = EUR 72.000</i>
<i>6 cabinets</i>	<i>6 x EUR 16.000 = EUR 96.000</i>

Total: EUR 168.000 including VAT – DAP Sofia, Bulgaria

Delivery: between 15 July and 15 August.

Payment: via a letter of credit for 80% of EUR 168.000. L/C to be issued subject to the UCP 600. The remaining price will be paid within 8 days after receipt of the goods. Please let me know whether the above offer is acceptable to you for the tables and cabinets.

With respect to the chairs and sofas, we do not have them available at our branch office in Italy, but there are 14 chairs and 6 sofas available at our warehouse in Rotterdam. If you pay the purchase price you may collect the chairs and sofas in Rotterdam. We will instruct the warehouse accordingly after receipt of payment.

Price:

<i>14 chairs</i>	<i>14 x EUR 6.000 = EUR 84.000</i>
<i>6 sofas</i>	<i>6 x EUR 18.000 = EUR 108.000</i>

Total: EUR 192.000 including VAT – EXW Rotterdam

Payment: 100% prior to delivery

In addition, the court at the place of performance or the court in Milan shall have jurisdiction. The terms and conditions of Tosca are applicable and may be found via [this](#) hyperlink.

*Ciao,
Maria Claro
Chief Commercial Officer*



Tosca Mobili is a company incorporated under the laws of Italy. Payment within 30 days of the receipt of an invoice. Italian law is exclusively applicable.”

6. Although Ivan did not check the website of Tosca, it would have been possible to read the terms and conditions which were accessible via the hyperlink in the e-mail. The terms and conditions did not contain a forum selection clause but contained a choice of law clause which read: 'Italian law is exclusively applicable'.
7. Ivan instructed Royal Furniture's bank, the Bulgarian Trade Bank, to issue a Letter of Credit for the amount of EUR 134.400 on 24 May 2025 for the tables and cabinets, paid EUR 192.000 for the chairs and sofas and sent the following e-mail on 26 May 2025:

"Dear Maria,

*We accept your offer of price, payment and delivery terms under our terms and conditions.
Please proceed and please let me know when the furniture will be ready for carriage.*

Best,

Ivan Medvedov

CEO



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The tables and cabinets

8. On 25 July 2025 Maria informed Ivan as follows:

"Dear Ivan,

The consignment of tables and cabinets is ready and will be picked up by the carrier on 30 July 2025 to be delivered in Sofia the following day.

Ciao,

Maria Claro

Chief Commercial Officer



Tosca Mobili is a company incorporated under the laws of Italy. Payment within 30 days of the receipt of an invoice. Italian law is exclusively applicable."

9. On 29 July, in the evening, Ivan of Royal received an e-mail from his contractual counterparty, a Bulgarian yacht builder, who informed Ivan that he made arrangements with the Croatian yacht builder F-LUX and accordingly gave the instruction for the delivery of 3 tables and 3 cabinets to Rijeka (Croatia) instead of the premises of the Bulgarian yacht builder in Sofia.
10. On 30 July early in the morning Ivan gave Maria an urgent phone call and asked her whether it would be possible for the carrier to drop off 3 tables and 3 cabinets at the warehouse of

yacht builder 'F-LUX' in Rijeka (Croatia). Maria confirmed on the phone that delivery of the 3 tables and 3 cabinets in Rijeka instead of Sofia could be arranged.

11. On 31 July, the 3 tables and 3 cabinets were first dropped off at the warehouse in Rijeka and the other 3 tables and 3 cabinets were delivered in Sofia on the same day.
12. About ten days after delivery and after payment had been made from Royal to Tosca, Ivan received an e-mail from the manager of the Bulgarian yacht builder pointing out that it is all over the news that Tosca used unethical wood in the production of all furniture made by the company. Hence, the Bulgarian yacht builder avoided the contract with Royal as he ordered furniture made from sustainable materials in compliance with the highest standards and claimed damages.
13. Ivan informed Maria that the yacht builder avoided the contract and that Royal wishes to do the same and has suffered damages. Tosca received claims from various counterparties and was not willing and able to reimburse Royal. Hence, Royal initiated proceedings before the court of Sofia against Tosca.

The chairs and the sofas

14. The chairs and sofas were not made by Tosca but were imported from suppliers in Asia. These products were made of sustainable wood and in compliance with the highest ethical standards.
15. On 10 July, before Tosca was all over the news, Ivan instructed the Polish carrier 'Swift', with seat in Gdansk, to transport the consignment by road from the warehouse of Tosca in Rotterdam to Sofia. Prior to the carriage Royal provided the explicit instructions to Swift to not leave the consignment unattended at an unsecured parking place. Besides this explicit instruction, the contract between Royal and Swift contained a clause providing for the exclusive jurisdiction of the court in Sofia, Bulgaria 'to decide all disputes arising out of or in connection with this contract'. The contract was signed by both parties.
16. During the carriage on 15 July 2025 the driver of Swift parked the truck with the tarpaulin trailer at an unsecured parking place near Graz (Austria) and left the truck and trailer to have dinner at about 500 meters of the place where the truck and trailer were parked. When he returned from his dinner, he noticed that part of the consignment was stolen, and another part of the consignment was damaged.
17. Upon delivery the following day Royal learned that 4 chairs and 2 sofas were stolen, and 4 chairs were severely damaged. According to the surveyor instructed by Royal also the 4 damaged chairs should be considered a total loss. The weight of the damaged and stolen chairs was $8 \times 9 \text{ kg} = 72 \text{ kg}$ while the value of the damaged and stolen chairs was EUR 48.000. The weight of the stolen sofas was $2 \times 150 \text{ kg} = 300 \text{ kg}$ while the value of the stolen sofas was EUR 36.000.

Negative declaratory proceedings in Rotterdam, the Netherlands

18. On 21 July 2025 Swift initiated negative declaratory proceedings in the Netherlands before the court of Rotterdam against Royal. In these proceedings Swift requested the court of Rotterdam

to decide that (i) Swift is not liable for the damage which allegedly occurred as a consequence of the incident and (ii) even if Swift were liable, the liability of Swift is limited to 8,33 SDR per kilogram as per Article 23 (3) of the CMR Convention. Royal raised the objection of lack of jurisdiction by invoking the prorogation clause in the contract.

The claims before the court of Sofia, Bulgaria

19. On 26 August 2025 Royal initiated proceedings against Tosca and Swift before the court of Sofia as follows:
 - a. Royal filed a claim against Tosca for breach of contract as the tables and cabinets provided were not in conformity with the contract seeking avoidance of the contract and claiming damages for loss of profit
 - b. Royal filed a claim against Swift claiming damages suffered as a consequence of the incident during carriage.
20. After it had filed the suit before the court in Sofia, Royal requested the Rotterdam court to stay the proceedings until the court in Sofia decides on its jurisdiction. By then the court in Rotterdam made no decision on jurisdiction. In turn, Swift raises objection to jurisdiction of the court in Sofia and requests it to stay the proceedings until the court in Rotterdam, as the court seised first, has ruled on its jurisdiction.
21. The parties are asked to submit arguments on the following:
 - a) Does the court in Sofia have international jurisdiction to hear the claims against the two Respondents?
 - b) Must one of the courts seised stay the proceedings, if so, which of the two courts is to stay its proceedings?
 - c) Which law governs the obligations between the parties under the contract between Royal and Tosca? Royal argues that Bulgarian law applies. Tosca alleges that the CISG is applicable.



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