



Gold Bullion Battle Reignites: SocGen Fights to Move Clifford Chance Dispute to France

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SocGen Appeals Court Jurisdiction Ruling in Clifford Chance Dispute

London, October 2024 — French banking giant Société Générale (SocGen) has appealed a recent English High Court decision that permits the law firm Clifford Chance (CC) to keep their ongoing dispute in London, despite framework agreements indicating French jurisdiction. SocGen is now contesting this decision, seeking to have the case moved to France.

Background and the Initial Gold Case

The roots of this dispute date back to a high-profile “Goldust dispute” case in 2008. SocGen hired Clifford Chance to represent them in a lawsuit over gold bullion against Turkish jewelry

company Goldas. SocGen later alleged that Clifford Chance mishandled the case, leading to significant financial losses. Years later, SocGen filed a negligence suit, arguing that Clifford Chance didn't properly fulfill its professional obligations during the initial gold case.

Framework Agreements and Jurisdictional Conflict

During their relationship, SocGen and Clifford Chance Europe (CC Europe), part of the broader Clifford Chance network, signed framework agreements in 2012 and 2015. These agreements included a "jurisdiction clause," which indicated that any disputes between them would be resolved in French courts. SocGen argues this clause should apply to the entire Clifford Chance network, including the main entity in London, Clifford Chance LLP (CCLP). They argue that CC Europe had the authority to sign these agreements "on behalf of" the entire firm, including CCLP, and that CCLP's compliance with specific terms (such as billing rates and reporting obligations) confirms it was bound by the agreements.

The High Court Decision and SocGen's Appeal

In an initial ruling, the English High Court sided with Clifford Chance, stating that SocGen hadn't provided a "good arguable case" that CCLP was bound by the French jurisdiction clause. This decision was largely based on testimony from Clifford Chance partner Mr. Perrin, who stated that CC Europe didn't have the authority to bind CCLP. According to Mr. Perrin, binding agreements within Clifford Chance require specific internal approvals, which weren't followed for the 2012 and 2015 agreements.

SocGen's recent appeal in October 2024 argues two key points: first, that the judge misinterpreted the framework agreement and failed to recognize that it applied to CCLP. Second, SocGen argues the judge should have stayed the case in England due to the French jurisdiction clause. They emphasize the "inherent probabilities" of the situation, suggesting it's unlikely that CC Europe would have acted alone without CCLP's authorization. In response, Clifford Chance contends that SocGen's challenge relies heavily on contesting the judge's factual conclusions rather than raising new evidence, pointing to the judge's thorough review of Mr. Perrin's testimony and SocGen's lack of concrete proof of CCLP's binding.

What's Next?

The Court of Appeal has reserved judgment, promising a draft in the near future. This ruling will determine whether the case proceeds in England or France, potentially shaping how courts interpret jurisdictional agreements, the concept of agency (acting on behalf of another), and evidence requirements for proving authority within international legal networks.

Sources

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