Stoot v. Fluor Drilling Services, Inc. United States Court of Appeals, Fifth Circuit, 15 August 1988 851 F.2d 1514

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FACTS: Eloise Porter, an employee of D & D Catering Service, Inc. (D & D) attacked Joseph Stoat, an employee of Fluor Drilling Services Inc., (Fluor) aboard the drilling rig Mr. Dave. Stoat's hand was lacerated in the attack. Stoat then sued Fluor. Fluor which filed a third-party complaint against D & D claiming D & D was obligated to defend and indemnify it under its catering contract. D & D refused to do so asserting that the contract was made under Louisiana's Oilfield Anti-Indemnity Statute, La.Rev.Stat.Ann. §9:2780 (West Supp. 1987), because Louisiana law and not maritime law would govern pursuant to the parties' choice of law clause in the contract.

The district court held this to be a maritime contract governed by federal law.

ISSUE: Whether the parties' choice of law clause stating that Louisiana law governed the contract was enforceable in light of federal maritime law?

ANALYSIS: The Fifth Circuit Court of Appeals reversed the district court's decision. Chief Judge Clark, writing for the court, stated that, "the contract was made under Louisiana's Oilfield Anti-Indemnity Statute, La.Rev.Stat.Ann. §9:2780 (West Supp. 1987), because Louisiana law and not maritime law would govern pursuant to the parties' choice of law clause in the contract.

The district court held this to be a maritime contract governed by federal law.

Where a choice of law clause mandates the application of a state's law and that state has strong public policy favoring the application of its law and a substantial relationship to either the parties or the transaction, that state's law will govern absent a countervailing federal interest. Because Louisiana's Anti-Indemnity Statute does not conflict with any fundamental purpose of maritime law, Louisiana law controls the rights of the parties as they agreed it would.