

On Statutory and Contractual Provisions with the Effect of Extinguishing Legal Rights

On 24 April 2025, the Supreme Court delivered its judgment in case T 9030-23, concerning whether a provision in a standard agreement implied that the aggrieved party – in order to preserve its right to damages – was required to submit its claim in writing within the time limit specified in the provision. In the case, the claimant, a housing cooperative, brought an action seeking damages in the amount of approximately SEK 55 million. The defendant, in turn, argued that the claimant had forfeited its right to damages by submitting the written claim too late.

The Supreme Court initially notes that the agreement entered into by the parties refers to the standard-form contract ABFF 04 (General Conditions for Contracts in Property Management and Business-Related Services). When interpreting standard-form agreements, particular emphasis is placed on the wording of the provisions, with support drawn from the structure and other clauses of the contract. Interpretation may also be based on what, from a substantive perspective, appears to be a reasonable and sensible arrangement between the parties. Which interpretive factors are to be given precedence in the specific case must be determined through an overall assessment.

The Supreme Court further holds that statutory and contractual provisions that extinguish legal rights should be interpreted restrictively and should not be applied by analogy. A supplementary interpretation of a contractual prescription clause should therefore be accepted only where there are clear grounds for doing so.

The Supreme Court states that the disputed clause does not specify the legal consequence of failing to submit a claim within three months. According to the Supreme Court, the standard-form agreement to some extent suggests that the relevant clause should be interpreted as resulting in the forfeiture of the right to damages if the time limit is not observed, since there is a notification rule in another clause of the contract. However, the Supreme Court ultimately concludes that there are no clear indications in the parties' agreement supporting the view that the parties have agreed upon a consequence extinguishing the right due to failure to comply with the time limit.

The following conclusions may be drawn from the judgement:

1. A restrictive approach should be applied when interpreting statutory and contractual provisions that regulate how, and within what time, claims must be submitted, but do not specify any legal consequence for non-compliance.
2. Analogous interpretation of such statutory and contractual provisions should be avoided.
3. Supplementary interpretation of an agreed prescription clause should only be undertaken if there are clear grounds for doing so.

It should be noted that Justice Jonas Malmberg delivered a dissenting opinion. He took the view that the claimant, in order to avoid losing the right to damages, was required to submit the claim in writing within the time limit specified in the provision. Justice Malmberg acknowledged that there are provisions in the contract supporting an interpretation that no legal consequence should be attached to the disputed provision but observed, in contrast to the majority, that such an interpretation would render the provision effectively meaningless and thus could be regarded as a mere procedural formality.