

Present : Schneider and Garvin JJ.

1927.

DE SILVA *v.* LEVER.

202—D. C. Colombo, 1,217.

Costs—Proceedings under Trade Marks Ordinance—Stamp duty—Civil Procedure Code, Schedule III.

In proceedings under the Trade Marks Ordinance the class in which the costs should be taxed is determined by the value of the subject-matter of the action, and not by the class in which the proceedings are stamped.

THE appellant was the respondent to an application for the registration of a trade mark. After inquiry the application was refused by the District Court and costs were awarded to the respondent. A bill of costs was submitted to the Secretary who taxed the bill upon the basis that the costs should be computed upon the scale fixed by Class I., Schedule III. of the Civil Procedure Code. On application made to the District Judge to revise the taxation, he confirmed the order of the Secretary from which the respondent appealed.

Garvin, for respondent, appellant.

March 16, 1927. SCHNEIDER J.—

The respondent to this appeal applied for the registration of a trade mark. His application was opposed by the appellant; and in accordance with the provisions of the Trade Marks Ordinance, No. 14 of 1888, the matter was brought before the District Court of Colombo. The appellant succeeded there, and was awarded costs. His costs, it is stated, were taxed according to the scale in Class I. in Schedule III. of the Civil Procedure Code, *i.e.*, in the lowest scale of costs for proceedings in District Courts. The appellant being dissatisfied as to the scale adopted by the taxing officer, the question was referred to the District Judge under section 214 of the Procedure Code. He upheld the ruling of his officer. This appeal is from that order of the District Judge. The simple question is, in what class of those classes given in Schedule III. the costs should be taxed in proceedings in Court brought before it under section 11 of the Trade Marks Ordinance. The reason stated for adopting the lowest class is that as the stamp duty on the proceedings were paid in the lowest class, the class for other costs should also be in the lowest class. I am not disposed to take that view. The reason why the minimum stamp duty has been paid is that the Trade Marks Ordinance in sections 32 and 33 contained an express provision

1927.
 SCHEINER
 J.
 De Silva v.
 Lever

that the stamp duties chargeable in the District Court and Supreme Court on proceedings under the Trade Marks Ordinance shall be the minimum chargeable in those Courts in civil proceedings under the provisions of the Ordinance for the time being in force relating to stamps. The decision of the appeal turns upon the question whether that express provision is sufficient indication that the legislature intended that all other costs in such proceedings should be in the lowest class of costs in Schedule III. of the Procedure Code.

I am unable to take that view. The rates or scales of costs and charges in Schedule III. of the Civil Procedure Code, and the tables containing the duties on law proceedings in Schedule B of the Stamp Ordinance, No. 22 of 1909, which is the Ordinance now in force, are not based upon identical monetary limits. One common element there is, that is that the division between class and class in both enactments turns upon a monetary limit, but the classifications of the limits are different. The Stamp Ordinance is silent as to what the sum of money mentioned at the head of each class represents. Obviously it refers to the same thing as the Civil Procedure Code does. The Civil Procedure Code (Schedule III.) says that the sum is the value of "the cause of action, title to land or property," or of the "Estate or subject-matter of the action." Costs do not mean stamp duty alone. That duty in most actions is not even the more considerable part of the costs. In section 208 the Procedure Code enacts that under the denomination of costs are to be "included the whole of the expenses necessarily incurred by either party on account of the action and in enforcing the decree passed therein, such as the expense of stamps, of summoning the defendants and witnesses, and of other processes, or of procuring copies of documents, fees and charges of Advocates and Proctors, charges of witnesses, and expenses of commissioners either in taking evidence or in local investigations, or in investigations into accounts; and all other expenses of procuring and adducing necessary evidence." The costs of an action, other than the expense of stamps, being much the more considerable part, it is not likely that if the Legislature intended to restrict all costs to the lowest class to be found in both enactments, it would not have manifested that intention by expressly saying so. The omission seems rather to favour the inference that it did not desire to make any special provision as regards costs other than the expense of stamps. If the special provision in the Trade Marks Ordinance did not exist, it is apparent that a value would have to be placed upon the subject-matter of the proceedings in Court which is an action as defined in the Code. Ordinarily that value is expressly pleaded by the plaintiff or petitioner seeking relief (section 6, Civil Procedure Code). It is open to the other party to adopt that valuation or challenge it. In the latter case the Court will have to determine that dispute as well. There

appears to be no good reason why the ordinary method of valuing the subject-matter of an action should not be followed in regard to proceedings in Court under the Trade Marks Ordinance. A trade mark is property. It has a commercial value. It is bought and sold. Its value may differ as regards the parties to the proceedings. It may be of greater or less value to the appellant than it is to the respondent. Niceties of law frequently arise in connection with the proceedings in Court. Parties frequently retain leading Counsel to appear for them in Court. The questions involved may be of sufficient importance and value as to give the parties a right of appeal to the Privy Council. It would be a distinct hardship to limit the costs which are awarded to the successful party to the lowest scale in Schedule III., that is, to costs in a case "under Rs. 200." Costs taxed in that class would deprive him of a large part of his actual expenses of the litigation. The Stamp Ordinance, while silent as to the duties chargeable in proceedings under the Trade Marks Ordinance, has special provisions as to the duties chargeable in certain special cases. For instance, it is enacted (Schedule B—Part II.—Miscellaneous) that proceedings under the Patents Ordinance and Matrimonial "Suits" shall be charged "as of the value of Rs. 5,000." The sum mentioned suggests that it was intended not to deprive the parties of the right of appealing to the Privy Council. Even in those cases I would not be disposed to hold that the other costs should not be taxed in a different class than the Rs. 5,000 class. It is worth noticing that, where the intention was to legislate specially as regards all costs, the Legislature has expressly stated that. Wedged in between the provision as regards the duties chargeable in proceedings under the Patents Ordinance, and the provision as regards Matrimonial Suits is a special provision regarding proceedings under the Small Tenements Ordinance. It is there enacted not only that the stamp duty shall be charged as if the action were of the value of Rs. 50, but that "all costs and fees are to be taxed as of suits in that class."

I therefore conclude that there is no express enactment limiting the costs, other than stamp duty, to any particular class in Schedule III. in proceedings under the Trade Marks Ordinance, and there is no reason for inferring that such a limitation is to be gathered by implication from the special provision regarding stamp duties in the Trade Marks Ordinance. I hold that proceedings under the Trade Marks Ordinance should be valued as in ordinary actions, and the class of costs determined upon such valuation. In the special circumstances of this case I direct that the appellant should first place a value upon the registration of the trade mark applied for by the respondent, and if the respondent does not accept that value, that the Court shall determine, upon evidence if necessary, what value should be placed upon the subject-matter of the litigation.

1927.

SCHNEIDER

J.

*De Silva v.
Lever*

1927.

SCHNEIDER
J.*De Silva v.
Lever*

I set aside the order of the District Judge regarding the taxation of costs, and remit the record for proceedings as indicated above. The appellant will have his costs of this appeal, and of the proceedings which resulted in the appeal.

GARVIN J.—

This appeal raises a question as to the basis upon which costs awarded in a proceeding under section 11 of the Trade Marks Ordinance, No. 14 of 1888, should be assessed.

The appellant was the respondent to an application for registration of a trade mark. After inquiry the application was refused and costs awarded to the respondent. A bill of costs was duly submitted to the Secretary who has taxed the bill upon the basis that these costs should be computed upon the scale fixed by class I., Schedule III., of the Civil Procedure Code. On application made to the District Judge to revise the taxation he confirmed the taxation made by the Secretary. The principal ground upon which this order is founded is that in the District Judge's view the provisions of section 32 of the Trade Marks Ordinance indicate that it was the intention of the Legislature that the costs of such an application should be in the lowest class. Now section 32 provides that in proceedings in Court taken under the provisions of the Trade Marks Ordinance the minimum stamp duty chargeable in civil proceedings in the District Court, under the Ordinance for the time being in force relating to stamps, shall be charged. It does not say anything in regard to the basis upon which costs in the case of such application should be taxed. The Judge, however, arrived at his conclusion by the application of a rule which he states as follows:—"That stamps and costs are all of the same class." By this presumably the District Judge means that the class of Schedule B, Part II., of the Stamp Ordinance within which an action falls for the purpose of assessment of stamp duty determines the class of Schedule III. of the Civil Procedure Code on the scale of which the costs of such an action are to be computed. That this is not invariably the case is evident from a comparison of Part II. of the schedule to the Stamp Ordinance relating to duties on law proceedings in the District Court and Schedule III. of the Civil Procedure Code which specifies the scale of costs and charges payable in District Court cases. In each case the classes are fixed with reference to the value of the subject-matter of the action but the several classes into which the respective schedules are divided are not determined on exactly the same basis. Class I. of the Stamp Ordinance relates to actions where the subject-matter is Rs. 300 and under. Class I. in the schedule of the Civil Procedure Code referred to relates to actions in which the claim is under Rs. 200 and similar differences exist throughout the whole classification. To take a concrete case an action where the subject-matter is of the value of Rs. 650 falls for purposes of stamp duty

within Class III. and for purpose of computation of costs within Class II. of the schedule. The mere fact therefore that the Legislature has thought fit to limit the stamp duty payable in these proceedings to the duties chargeable in Class I. of Part II. of the Stamp Ordinance is not of itself a sufficient reason for holding that the Legislature intended that the costs awarded in such a proceeding must be calculated in accordance with the scale in Class I. of Schedule III. to the Civil Procedure Code. The question must be determined with reference to Chapter II. of the Civil Procedure Code. Section 214 provides that all bills of costs shall be taxed according to the scale specified in Schedule III. A reference to Schedule III. makes it quite clear that the particular scale upon which the costs in a given case must be computed depends upon the value of the subject-matter of the action. The test therefore for determining the basis upon which costs are to be computed is not the class of action as determined for the purpose of the stamp duties chargeable but the class of Schedule III. into which the action falls by reason of the value of the subject-matter. The right asserted in these proceedings is the right to register a certain trade mark and the value of that right must be decisive of the scale upon which the costs in such a proceeding are to be computed. The applicant has not set out in his petition the value of the right claimed by him nor is there any statement by the opponent as to the value he sets upon the right claimed. This is doubtless due to the circumstance that for purposes of stamp duty all these proceedings are treated as coming within the lowest class. It is necessary that this right should be valued and the case must be remitted to the Court below for this purpose.

Since the above was written I have had the advantage of seeing the judgment proposed by my brother with which I agree.

Appeal allowed.

1927.

GARVIN J.

*De Silva v.
Lever*