IN THE SUPREME COURT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

Viacom International Inc.,
1515, Broadway,
New York,
United States of America.
Plaintiff

SC APPEAL NO: SC/CHC/APPEAL/3/2006
CHC CASE NO: HC/Civil/21/98(3)

Vs.

1. The Maharaja Organisation Limited,
   No.146,
   Dawson Street,
   Colombo 02.
2. The Director General of Intellectual Property,
   3rd Floor,
   "Samagam Medura",
   D.R. Wijewardena Mawatha,
   Colombo 10.

Defendants

AND NOW BETWEEN

The Maharaja Organisation Limited,
No.146, Dawson Street,
Colombo 02.
1st Defendant-Appellant

Vs.

1. Viacom International Inc.,
   1515, Broadway,
   New York,
   United States of America.
   Plaintiff-1st Respondent
2. The Director General of Intellectual Property,
   3rd Floor,
   "Samagam Medura",
   D.R. Wijewardena Mawatha,
   Colombo 10.
   2nd Defendant-Respondent

Before: P. Padman Surasena, J.
E.A.G.R. Amarasekara, J.
Mahinda Samayawardhena, J.

Counsel: Romesh De Silva, P.C., with Rudrani Balasubramaniam, Sugath Caldera and Shanaka Cooray for the 1st Defendant-Appellant.

Dr. K. Kanag-Isvaran, P.C., with Dr. Harsha Cabral, P.C., and Kushan Illangatillake for the Plaintiff-1st Respondent.

Suren Gnanaraj, S.S.C., for the 2nd Defendant-Respondent.

Argued on: 19.02.2021

Written submissions:

The 1st Defendant-Appellant and the Plaintiff-1st Respondent on 16.03.2021.

Decided on: 30.06.2021

Mahinda Samayawardhena, J.

The Plaintiff-1st Respondent, Viacom International Inc. (Plaintiff), filed an appeal by way of a plaint dated 11.08.1998 before the Commercial High Court in terms of section 182 of the Code of Intellectual Property Act, No. 52 of 1979, against the order of the Director of Intellectual Property dated 30.06.1998, made after an inquiry held under section 107(13) of the Code. By this order, the Director of Intellectual Property decided to register Mark No. 61332 of the 1st Defendant-Appellant, The Maharaja Organisation Limited (1st Defendant), despite opposition by the Plaintiff.

The Commercial High Court issued summons on the 1st Defendant but the 1st Defendant did not respond compelling the Court to take up the appeal *ex parte*. After the *ex parte* inquiry into the merits of the appeal, the Commercial High Court dismissed the Plaintiff's appeal by Judgment dated 13.09.1999. The Plaintiff appealed against that Judgment to the Supreme Court (SC/APPEAL/40/1999). Before the Supreme Court, the Plaintiff objected to the 1st Defendant participating in the appeal

as the proceedings had been taken up *ex parte* against the 1st Defendant in the lower Court. However the parties later agreed before the Supreme Court, as reflected in that Judgment, that the objection to the participation of the 1st Defendant in the appeal be considered "*with the main appeal and that the parties would tender written submissions and further the Court could make its order on the written submissions of the parties*."

Both parties filed written submissions before the Supreme Court and by Judgment dated 28.04.2005, which is now reported as *Viacom International Inc. v. Maharaja Organisation Ltd [2006] 1 Sri LR 140*, the Supreme Court "*set aside the Judgment of the Commercial High Court dated 13th September 1999 and also set aside the order of the 2nd Defendant dated 30th June 1998 allowing the 1st Defendant to register Trade Mark No. 61332*."

Thereafter the 1st Defendant by motion dated 10.06.2005 made an unusual application to the Commercial High Court stating that "*it has now become necessary to proceed with this case in view of the pronouncement of the Supreme Court Judgment in that the Defendant could file papers to set aside the ex parte decree as the Defendant is in law entitled to do*."

The Commercial High Court by order dated 10.11.2005 rejected the said application of the 1st Defendant. It is against this order of the Commercial High Court dated 10.11.2005 that the 1st Defendant has filed this final appeal.

At the argument before this Court, learned President's Counsel for both parties invited the Court to decide the matter on written submissions.

Learned President's Counsel for the Plaintiff, drawing attention to the Full Bench decision of this Court in *Chettiar v. Chettiar [2011] BLR 25, [2011] 2 Sri LR 70,* submits that this appeal of the 1st Defendant from the order of the Commercial High Court dated 10.11.2005 shall be dismissed *in limine* as it is misconceived in law in that the 1st Defendant should have come before this Court against the order of the Commercial High Court not by way of a final appeal under section 754(1) read with section 754(5) of the Civil Procedure Code and sections 5 and 6 of the High Court of the Provinces (Special Provisions) Act, No. 10 of 1996, but with the leave of this Court first had and obtained, i.e. by way of a leave to appeal application made under section 754(2) read with section 754(5) of the Civil Procedure Code and sections 5 and 6 of the High Court of the Provinces (Special Provisions) Act, No. 10 of 1996.

Although learned President's Counsel for the Plaintiff has stressed this point in his written submissions filed both before and after the argument, learned President's Counsel for the 1st Defendant has refrained from addressing this matter in his written submissions.

Let me first reproduce sections 754(1), (2) and (5) of the Civil Procedure Code and sections 5 and 6 of the High Court of the Provinces (Special Provisions) Act, No. 10 of 1996:

> *754 (1) Any person who shall be dissatisfied with any judgment, pronounced by any original court in any civil action, proceeding or matter to which he is a party may prefer an appeal to the Court of Appeal against such judgment for any error in fact or in law.*

(2) Any person who shall be dissatisfied with any order made by any original court in the course of any civil action, proceeding or matter to which he is, or seeks to be a party, may prefer an appeal to the Court of Appeal against such order for the correction of any error in fact or in law, with the leave of the Court of Appeal first had and obtained.

(5) Notwithstanding anything to the contrary in this Ordinance, for the purposes of this chapter—

Judgment means any judgment or order having the effect of a final judgment made by any civil court; and

Order means the final expression of any decision in any civil action, proceeding or matter, which is not a judgment.

Sections 5 and 6 of Act No. 10 of 1996 whereby the Commercial High Court was established read as follows:

(5) (1) Any person who is dissatisfied with any judgement pronounced by a High Court established by Article 154P of the Constitution, in the exercise of its jurisdiction under section 2, in any action, proceeding or matter to which such person is a party may prefer an appeal to the Supreme Court against such judgement, for any error in fact or in law.

(2) Any person who is dissatisfied with any order made by a High Court established by Article 154P of the Constitution, in the exercise of its jurisdiction under section 2, in the course of any action, proceeding or matter to which such person is, or seeks to be, a party, may prefer an appeal to the Supreme Court against such order for the

correction of any error in fact or in law, with the leave of the Supreme Court first had and obtained.

(3) In this section, the expressions "judgement" and "order" shall have the same meanings respectively, as in section 754(5) of the Civil Procedure Code (Chapter 101).

(6) Every appeal to the Supreme Court, and every application for leave to appeal under section 5 shall be made as nearly as may be in accordance with the procedure prescribed by Chapter LVIII of the Civil Procedure Code (Chapter 101).

The question whether an appeal or a leave to appeal lies against an order of the District Court or Commercial High Court was a subject of much controversy for a long period of time. There were two approaches: "the order approach" and "the application approach".

In the Supreme Court case of *Siriwardena v. Air Ceylon Ltd [1984] 1 Sri LR 286*, Sharvananda J. (later C.J.) followed the order approach adopted by Lord Alverstone C.J. in *Bozson v. Altrincham Urban District Council [1903] 1 KB 547*.

Conversely, in the Supreme Court case of *Ranjit v. Kusumawathie [1998] 3 Sri LR 232*, Dheeraratne J. followed the application approach adopted by Lord Esher M.R. in *Salaman v. Warner [1891] 1 QB 734* and Lord Denning M.R. in *Salter Rex & Co. v. Ghosh [1971] 2 QB 597*.

The order approach contemplates only the nature of the order. When taken in isolation, if the order finally disposes of the matter and the parties' rights in litigation without leaving the

suit alive, the order is final and a direct/final appeal is the proper remedy against such order.

The application approach contemplates only the nature of the application made to Court, not the order delivered *per se*. In accordance with this approach, if the order given in one way will finally dispose of the matter in litigation, but if given in the other way will allow the action to continue, the order is not final but interlocutory, in which event, leave to appeal is the proper remedy. In other words, according to the application approach, if the order, whichever way it is given, will, if it stands, finally determine the matter in litigation, the order is final.

The Full Bench of the Supreme Court (comprising five Justices) was called upon to decide on this vexed question in *Chettiar v. Chettiar [2011] 2 Sri LR 70* and *[2011] BLR 25*. The Court, having discussed both approaches stemming from English decisions, unanimously decided that the application approach (as opposed to the order approach) shall be the criterion in deciding whether appeal or leave to appeal is the proper remedy against an order of the District Court or Commercial High Court.

This Full Bench decision of the Supreme Court was consistently followed in later Supreme Court decisions. *(Yogendra v. Tharmaratnam (SC/Appeal/87/2009, Supreme Court Minutes of 06.07.2011), Ranasinghe v. Madilin Nona (SC/Appeal/03/2009, Supreme Court Minutes of 16.03.2012), Prof. I.K. Perera v. Prof. Dayananda Somasundara (SC/Appeal/152/2010, Supreme Court Minutes of 17.03.2011)*

However, notwithstanding this was a Full Bench decision of the Supreme Court, there were lingering doubts about the

correctness of the decision. Therefore, in *Priyanthi Senanayake v. Chamika Jayantha [2017] BLR 74*, a Fuller Bench of the Supreme Court (comprising seven Justices) revisited the decision in *Chettiar*'s case. Eventually, the Fuller Bench also reached the same conclusion, i.e. the test to be applied is the application approach and not the order approach.

Chief Justice Dep (with the concurrence of the other six Justices of the Supreme Court) held:

> *In order to decide whether an order is a final judgment or not, it is my considered view that the proper approach is the approach adopted by Lord Esher in Salamam v. Warner [1891] 1 QB 734, which was cited with approval by Lord Denning in Salter Rex & Co. v. Ghosh [1971] 2 QB 597. It stated: "If their decision, whichever way it is given, will, if it stands, finally dispose of the matter in dispute, I think that for that purpose of these Rules it is final. On the other hand, if their decision, if given in one way, will finally dispose of the matter in dispute, but, if given in the other, will allow the action to go on, then I think it is not final, but interlocutory."*

It is abundantly clear that an appeal does not lie against the impugned order of the Commercial High Court whereby the Commercial High Court only rejected the application of the 1st Defendant made by way of a motion to allow the 1st Defendant to file papers to set aside the *ex parte* decree. There is no necessity to apply the decision in *Chettiar's* case to this case. The order of the Commercial High Court is *prima facie* interlocutory and not final.

At the time of the impugned order, the Supreme Court had already delivered the final Judgment on the merits of the case. But let us assume that the rights of the parties had not been decided by the Supreme Court at that time. Then, if the Commercial High Court allowed the application of the 1st Defendant to file papers to set aside the *ex parte* decree, the case would not have ended there but would have continued. When applying the application approach, it is crystal clear that there is no right of appeal against the impugned order and hence the final appeal filed by the Petitioner is misconceived in law.

The Petitioner should have come before this Court against the order of the Commercial High Court not by way of a final appeal made under section 754(1) read with section 754(5) of the Civil Procedure Code and sections 5 and 6 of the High Court of the Provinces (Special Provisions) Act, No. 10 of 1996, but by way of a leave to appeal application made under section 754(2) of the Civil Procedure Code read with section 754(5) of the Civil Procedure Code and sections 5 and 6 of the High Court of the Provinces (Special Provisions) Act, No. 10 of 1996.

Although no submission was made on behalf of the 1st Defendant on the applicability of *Chettiar's* Judgment to the facts of this case, perhaps for obvious reasons, let me add the following to clear any doubt.

Chettiar's case was decided on 10.06.2010. There was a doubt about the applicability of this Judgment to final appeals filed against orders of the District Court and Commercial High Court pronounced prior to 10.06.2010. This matter, i.e. whether *Chettiar's* Judgment had retrospective effect, was specifically raised as a question of law when the decision in *Chettiar's* case

was revisited by the Seven Judge Bench of this Court in *Priyanthi Senanayake v. Chamika Jayantha [2017] BLR 74*. However, the Seven Judge Bench of the Supreme Court did not even think it fit to grant leave on this question. The Court only granted leave to appeal to revisit the Five Judge Bench decision in *Chettiar's* case. Two appeals were amalgamated before the Seven Judge Bench. In both appeals, the Plaintiffs' cases had been dismissed by the Trial Courts (one by the District Court and the other by the Commercial High Court) on preliminary objections taken up by the Defendants. In both appeals, the impugned orders had been made and final appeals filed long before *Chettiar's* case was decided. Despite submissions on this point before the Seven Judge Bench of the Supreme Court, the Court dismissed the appeals on the basis that the Plaintiffs should have filed leave to appeal applications and not final appeals against the impugned orders.

I must state that this is not an application of *Chettiar's* Judgment retrospectively. By *Chettiar's* Judgment, the Supreme Court did not make new law. It only declared what has always been the law. The task of the Court is *jus dicere* (to say what the law is) and not *jus dare* (to make the law). The doctrine of separation of powers is in harmony with this view. This is sometimes known as the declaratory theory of law: that judges do not make the law but only declare what it has always been. Because the law pre-exists the decision, the question of retrospective or retroactive application does not arise.

Let me add one more point in connection with *Chettiar's* Judgment. It was held by a Fuller Bench of the Supreme Court (comprising seven Justices) in *Iranganie De Silva v. Indralatha*

[2017] BLR 68 that when the language of a statute is clear and the right of appeal is given in express terms, such as in section 88(2) of the Civil Procedure Code, which enacts "*The order setting aside or refusing to set aside the judgment entered upon default shall be accompanied by a judgment adjudicating upon the facts and specifying the grounds upon which it is made, and shall be liable to an appeal to the Court of Appeal*", the decision in *Chettiar's* case has no application.

The preliminary objection raised by the Plaintiff in the instant appeal cannot be disregarded as a mere technicality. It goes to the root of the 1st Defendant's appeal. I uphold the preliminary objection and dismiss the appeal with costs.

Judge of the Supreme Court

P. Padman Surasena, J.
I agree.

Judge of the Supreme Court

E.A.G.R. Amarasekara, J.
I agree.

Judge of the Supreme Court