IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[2022] SGHC 135

Originating Summons No 302 of 2022

In the matter of Sections 120 and 122 of the Legal Profession Act 1966

Between

Loganathan Ravishankar

... Plaintiff

And

ACIES Law Corporation

... Defendant

JUDGMENT

[Legal Profession — bill of costs — taxation]

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Loganathan Ravishankar v ACIES Law Corp

[2022] SGHC 135

General Division of the High Court — Originating Summons No 302 2022 Choo Han Teck J 26 May 2022

8 June 2022

Judgment reserved.

Choo Han Teck J:

- The plaintiff and a company controlled by the plaintiff, MyJet Asia Pte Ltd ("MyJet"), were clients of the defendant law firm. The defendant issued three invoices to the plaintiff in relation to work done for the pre-action stage and the discovery stage in HC/S 731/2019. The first invoice, for \$82,389.60 ("the 1st Invoice"), is dated 23 July 2019; the second invoice, for \$156,812.76 ("the 2nd Invoice"), is dated 7 July 2020; and the third invoice, for \$426,347.92 ("the 3rd Invoice"), is dated 1 July 2021.
- The 1st and 2nd Invoices have been paid by MyJet. MyJet is currently under liquidation, and the liquidator of MyJet is not challenging the payments on those invoices. In relation to the 3rd Invoice, the defendant sued the plaintiff in HC/S 670/2021 ("S 670") for payment, but discontinued the suit subsequently because the parties entered into a settlement agreement ("the Settlement Agreement"). Following the Settlement Agreement, MyJet made partial

payments on the 3rd Invoice by issuing five post-dated cheques to the defendant. The plaintiff now seeks to have the three invoices taxed. The relevant provisions in the Legal Profession Act 1996 (2020 Rev Ed) ("LPA") governing the taxation of a solicitor's bill of costs are set out below:

120(1) — An order for the assessment of a bill of costs delivered by any solicitor may be obtained on an application made by original application or, where there is a pending action, by summons by the party chargeable therewith, or by any person liable to pay the bill either to the party chargeable or to the solicitor, at any time within 12 months from the delivery of the bill, or, by the solicitor, after the expiry of one calendar month and within 12 months from the delivery of the bill.

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- 122 After the expiry of 12 months from the delivery of the bill of costs, or after payment of the bill, no order is to be made for assessment of a solicitor's bill of costs, except upon notice to the solicitor and under special circumstances to be proved to the satisfaction of the court.
- In relation to the 1st and 2nd Invoices, the defendant says that the plaintiff has no *locus standi* to seek taxation because MyJet is under liquidation and the plaintiff has no right to speak on behalf of MyJet. The defendant further says that since the 1st and 2nd Invoices had been fully paid and were issued more than 12 months ago, the plaintiff has to satisfy the court that there are special circumstances to justify taxation.
- Dealing first with the issue of *locus standi*, s 120(1) of the LPA provides that any party chargeable with the bill of costs or any person liable to pay the bill would be entitled to apply for taxation. In the present case, both the plaintiff and MyJet are parties to the Letter of Engagement ("LOE") issued by the defendant. The LOE expressly provides that the defendant is acting for both the plaintiff and MyJet and that both of them will be "personally responsible" for the payment of the defendant's legal fees. This suggests that the plaintiff and MyJet are intended to be jointly and severally liable for the payment of the

defendant's fees. This intention is further supported by the defendant commencing S 670 against both the plaintiff and MyJet for the non-payment of the 3rd Invoice. Since the plaintiff is personally liable to pay the defendant's bills, I am of the opinion that the plaintiff himself was intended to be "a party liable to pay the bill" under s 120 of the LPA. Therefore, notwithstanding the fact that MyJet is under liquidation, the plaintiff has *locus standi* to apply for taxation under s 120 of the LPA in his personal capacity.

- 5 Given that 12 months have elapsed from the delivery of the 1st and 2nd Invoices and the two invoices had already been fully paid, s 122 of the LPA would be applicable and the plaintiff needs to satisfy the court that there are special circumstances that warrant the taxation of the bill of costs. The determination of what amounts to special circumstances is a fact-sensitive inquiry. In Kosui Singapore Pte Ltd v Thangavelu [2015] 5 SLR 722 ("Kosui"), Justice Vinodh Coomaraswamy held that an example of special circumstances would be if the bill of costs fails to provide sufficient information to enable the client to make an informed decision on whether or not to seek taxation (at [61]). In Wee Harry Lee v Haw Par Brothers International Ltd [1979–1980] SLR(R) 603 ("Wee Harry Lee"), the bills of costs were not itemized but set out in narration form the professional services rendered in the matters and ended with the lump sum figures. The Court of Appeal held that "the presentation of a final lump sum figure to represent the costs of all the items without attributing individual costs to each particular item ... [amounted to] special circumstances justifying the Court to order taxation" (at [13]).
- In the present case, the 1st and 2nd Invoices show a similar format as the bills in *Wee Harry Lee*. They provide itemizations of the work done and lump sum figures at the end of the bills to represent the total costs of all the items, with no details on the costs of each individual item. Although the invoices stated

the total hours each lawyer spent and their respective hourly rates, I am of the view that this does not provide the client with sufficient information to understand how the legal services were charged. Furthermore, the defendant charged the client \$715,161.31 in professional charges for work done in the preaction stage and part of the discovery process, and \$11,536.09 in disbursements for printing, photocopying, and postage charges. Considering the quantum of the bills and the nature of the work done, I am of the view that, unless explained, the bills appear excessive. Therefore, I find that these are special circumstances justifying the taxation of the 1st and 2nd Invoices under s 122 of the LPA.

- As for the 3rd Invoice, the defendant says that there is an effective and binding compromise between the parties under the Settlement Agreement and the plaintiff is no longer entitled to seek taxation of the 3rd Invoice. The defendant cites an Australian case, *Connolly Suthers v Geoffrey Ellis Frost* [1994] QCA 285 ("*Connolly*"), in support of its position. In *Connolly*, the law firm billed the client for \$70,289.41 for work done but the parties subsequently entered into a deed of compromise and agreed to a settlement sum of \$57,000.00. The law firm subsequently sued the client on the deed of compromise and the client sought to tax the bills. The Supreme Court of Queensland held that once there is an effective and binding compromise between the parties, the claim is no longer on the invoice for legal fees but on the deed of compromise which was not susceptible to taxation. I agree with the rationale in *Connolly*.
- The plaintiff says that there is no valid settlement agreement because the parties did not agree on a settlement sum. The evidence shows otherwise. The parties' correspondences shows that the plaintiff had agreed to pay the defendant the amount claimed in S 670 (\$426,347.92), in exchange for the defendant filing the Notice of Continuance for S 670 on 30 August 2021. This

was acknowledged by the plaintiff himself in his first affidavit. Accordingly, I find that there is a valid and enforceable settlement agreement between the parties to compromise S 670.

- By entering into the Settlement Agreement, the plaintiff agreed to subsume all claims and disputes concerning the 3rd Invoice, including disputes over the quantum of the bill, into a contract with the defendant. Unless the Settlement Agreement is set aside, the plaintiff must now comply with the terms of the Settlement Agreement. As in *Connolly*, by entering into the Settlement Agreement, the plaintiff's obligation to pay the defendant \$426,347.92 arises from the plaintiff's promise to compromise an action and no longer bears the character of payment for the defendant's legal services. Consequently, the plaintiff is not entitled under s 120 of the LPA to tax the 3rd Invoice.
- For the aforementioned reasons, I allow the plaintiff's application to tax the 1st and 2nd Invoices but dismiss the application to tax the 3rd Invoice. I will hear the question of costs at a later date.

- Sgd -Choo Han Teck Judge of the High Court

Arivanantham s/o Krishnan and Lam Yiting Joelle (AGP Law LLC) for plaintiff;
Devinder Kumar s/o Ram Sakal Rai and Leong Wen Jia Nicholas
(ACIES Law Corporation) for defendant.

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