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UNIVERSITY**

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FACULTY OF JURIDICAL SCIENCES

E- CONTENT

COURSE: LLB-Vth Sem

SUBJECT: EQUITY AND TRUST

SUBJECT CODE: LL.B. 502

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Lecture-19





LECTURE-19

SATISFACTION:

Now we will consider the doctrine of satisfaction. Equitable doctrine of satisfaction is said to be founded on the maxim that equity imputes an intention to fulfill an obligation. That may be so, but there are one or two heads of satisfaction whose operation can, in addition, be explained on the basis of one or two other maxims.

For example, the heads of satisfaction which operate in the narrow area of relationship of father and child or one in *locoparentis* and a child may also be explained on the basis of the rule that equity leans against double portions or equality is equity. As Lord Cranworth observed in *Chichester v.*

Conventry (1867) L.R. 2 H.L. 71, the rule against double portions is a useful rule which carried into effect the intention of parents and others in loco-parentis, making provisions for those for whom they are bound to provide.

Definition of satisfaction:

Satisfaction is the gift or donation of a thing with the intention that it shall be taken either wholly or partly in extinguishment of some prior claim of the donee. Thus, the doctrine becomes relevant where X, who had been under a certain obligation to give something to Z, donates a thing (which is not directly connected with the discharge of his obligation) to Z; such a donation, subject to the fulfillment of some other attendant requirements, raises a presumption that the intention of X in making the donation is to satisfy or discharge his prior obligation to Z.

Before a presumption of satisfaction can be raised, two basic requirements must be met: first the donation must

have been made in such circumstances that an intention on the part of the donor to satisfy an obligation can be presumed since the essence of the equitable doctrine of satisfaction is to carry into effect the presumed intention of the donor. See *Cranmer's case* (1702) 2 Salk 508; 91 E.R. 434. In *Goldsmid v. Goldsmid* (1818) 1 Wils. Ch. 140, 149, Plumer M.R. said "where there is a question of satisfaction, there must be a reference to the intention. Satisfaction is a substitution of one thing for another; and the question in cases of that kind is whether the substituted thing was given for the thing proposed." 37 E.R. 63.

Second, there must be some prior and existing claim of the donee; cases of genuine equitable satisfaction presuppose an existing obligation which the donor is presumed to have intended to satisfy. See *Re Fletcher* (1888) 38 Ch. D. 373. While all heads of satisfaction must necessarily satisfy the former requirement, as will be seen below, not all satisfy the latter requirement. For this reason it may not be all

that correct to classify as cases of equitable satisfaction those heads of satisfaction that cannot meet the two requirements.

Satisfaction of Debt by Legacy:

Where a testator gives a legacy to his creditor without any reference to the debt, such legacy, (subject to the fulfillment of the requirements discussed below), will be presumed to be a satisfaction of the testator's indebtedness to the donee. In other words, the intention of the testator, in that circumstance, is presumed to be that his creditor/donee shall not have both the debt and the legacy, and if the presumption is sustained, the legacy discharges the testator's prior obligation to pay the debt.

The rule was stated by Sir J. Trevor M.R in **Talbott v. Duke of Shrewsbury** (1714) Prec. Ch. 394 at 395; 24 E.R. 177. 'If one, being indebted to another in a sum of money, does by his will give him a sum of money as great as, or greater than,

the debt, without taking any notice at all of the debt, this shall, nevertheless, be in satisfaction of the debt, so that he shall not have both the debt and the legacy. The rule may be said to have been founded on the maxim '*debitor non praesumitur donare*', a debtor is not presumed to give; he is presumed to intend to be just before being generous. As stated above, the rule is a mere presumption and can, therefore, be rebutted.

Satisfaction of Portion debts by legacies or by subsequent portions:

- Satisfaction (or Ademption) of Legacies by Portions;
- Satisfaction of Portion-debt by Legacy;
- Satisfaction of Portion-Debts by Subsequent Portions;
- Satisfaction (or Ademption) of Legacy by Portion;

MCQs

1. **Equitable doctrine of satisfaction is said to be founded on the maxim that equity imputes an intention to fulfill an obligation.**
 - i. True
 - ii. False
 - iii. Cannot say
 - iv. None of these

2. **Where a testator gives a legacy to his creditor without any reference to the debt, such legacy, (subject to the fulfillment of the requirements discussed below), will be presumed to be a satisfaction of the testator's indebtedness to the donee.**
 - i. True
 - ii. False
 - iii. Cannot say
 - iv. None of these

3. **"Where there is a question of satisfaction, there must be a reference to the intention. Satisfaction is a substitution of one thing for another; and the question in cases of that kind is whether the substituted thing was given for the thing proposed."**
 - i. True
 - ii. False
 - iii. Cannot say

iv. None of these

4. The maxim '*debitor non praesumitur donare*', means a debtor is not presumed to give; he is presumed to intend to be just before being generous.

i. True

ii. False

iii. Cannot say

iv. None of these

5. Satisfaction is the gift or donation of a thing with the intention that it shall be taken either wholly or partly in extinguishment of some prior claim of the donee.

i. True

ii. False

iii. Cannot say

iv. None of these
