

necessity leave wide spaces, and who himself paid the nailer, was held to have infringed the patent, though he alleged that his business was that of a card-maker only, and did not include the nailer's work. In giving judgment Fry, J., said: "I have come to the conclusion that the nailer must be deemed to have been the agent, for the purpose of nailing on, of the defendant . . . there is a contract to clothe in the manner prescribed by the particulars given to the defendant, and that contract was carried into effect by a person paid by the defendant—the defendant himself receiving the total amount for which he contracted. The consequence is that in my judgment all the defences fail."

But actions against mere workmen who innocently help in an infringement, and are not the really guilty persons, will not be encouraged (*u*).

Express instructions given by the patentee or on his behalf will negative infringement, if the instructions are specific directions to do that which is claimed in the specification, such directions amounting in effect to a licence. Express instructions as of patentee.

In *Kelly v. Batchelar* (10 R. P. C. 289) the plaintiff's patent was for a telescopic ladder, being two ladders joined together, the inner being raised or lowered by means of an endless cord. The plaintiff, for the purpose of adducing evidence of infringement, instructed an agent to order from the defendant an adjustable ladder with an endless cord. The defendant made a ladder to this order, but without a cord. The agent of the plaintiff said that it would not do, but must have a cord with pulleys, whereupon the defendant added the cord as instructed. In the action for infringement brought against the defendant, North, J., held that the defendant acted upon the express instructions of the plaintiff's agent, who had power and authority to give such instructions, and, consequently, that making this ladder did not amount to an infringement of the plaintiff's patent (*v*).

In *The Dunlop Pneumatic Tyre Co. v. Neal* (16 R. P. C. 247), the agent of the plaintiffs was sent to the defendant to

(*u*) See *Savage v. Brindle*, 13 R. P. C. at p. 267.

(*v*) See also *Henser v. Hardie*, 11 R. P. C. 421.

ask him to repair an old tyre, the subject of the plaintiffs' patent, with a view to ascertaining whether the defendant was infringing the patent by purporting merely to repair tyres. The agent gave no express instructions as to what was to be done to the worn tyres beyond saying that they were to be repaired. It was held that what was done by the defendant amounted to infringement, and that in such a case he could not shelter himself behind the instructions of the plaintiffs' agent.

Making and selling elements of combination.

Where the patent is for a combination there is no infringement in making or selling the separate elements of the combination, even though the manufacturer or vendor knows perfectly well that the separate elements are destined eventually to be combined so as to constitute an infringement.

In *The Dunlop Pneumatic Tyre Co. v. Moseley* (1 Ch. 177; 21 R. P. C. 274) the patent was for a pneumatic tyre cover, held on to the rim of the wheel by wires passed through circumferential pockets in the edges of the cover. The defendants made and sold covers only, fitted with pockets, but without wires, and advertised them as "ready for wires." There was no other evidence to connect the defendants with the persons who purchased the covers and fitted the wires. It was held, following *Townsend v. Haworth* (L. R. 12 Ch. D. 831, n.), and after an elaborate review of the authorities, that this did not constitute infringement.

But where the circumstances were such as to indicate very clearly that the person selling an element which did not infringe was practically in partnership with another person who completed the infringement, and the real object of his business was to aid in the infringement, an injunction was granted (w). And making and selling all the constituent parts of a machine so that they could easily be put together would probably amount to evidence of infringement (x).

Aiding and abetting infringement.

In *Innes v. Short* (15 R. P. C. 450) the plaintiff's patent was

(w) *The Incandescent Gas Light Co. v. New Incandescent Mantle Co.*, 15 R. P. C. 81. L. R. 25 Ch. D. at p. 782; *Dunlop Pneumatic Tyre Co. v. Moseley*, 21 R. P. C. at p. 280.

(x) *United Telephone Co. v. Dale*,

for the use of powdered zinc in boilers to prevent incrustation. The defendant sold bags of powdered zinc with directions for the use of the powder in boilers. Bigham, J., granted an injunction to restrain the sale *in this manner*, and said: "There is no reason whatever why Mr. Short should not sell powdered zinc, and he will not be in the wrong, though he may know or expect that the people who buy it from him are going to use it in such a way as will amount to an infringement of Mr. Innes' patent rights. But he must not ask the people to use it in that way in order to induce them to buy his powdered zinc from him." It is submitted that this decision was erroneous. There cannot be a claim for "an old substance for a new purpose," for a purpose is not a manufacture—properly drafted the claim should be for the "new use of an old substance"—and this is not infringed unless the old substance is actually put to that new use (*y*). Moreover, there is no such tort as "aiding and abetting" infringement (*z*).

The points above considered are of material importance when it is alleged that the patent has been infringed by what amounts to the manufacture of a new article under the guise of repairing an old article which has been made under the patent. The tests by which such cases may be decided were enunciated by Kekewich, J., in *The Dunlop Pneumatic Tyre Co. v. The Holborn Tyre Co.* (13 R. P. C. 226): "There are two tests which might equally well be applied to this question on the evidence. The first test would be this: In the alleged repair, has the workman so employed the patent as that in doing it he has taken an essential part of the patent and infringed it? . . . But there is another test which, but for the existence of the patent, one would employ, and which I think is the real and most satisfactory test to employ now, and that is this: Is it substantially, in common parlance, honestly, a new article, or is it an old article repaired?" (*a*).

(*y*) See Parker, J., in *Adhesive Dry Mounting Co. v. Trapp*, 27 R. P. C. at p. 353, disapproving *Innes v. Short*.

*Anilin und Soda Fabrik v. Johnson & Co.*, 14 R. P. C. at p. 413; and Fry, J., in *Sykes v. Howarth*, L. R. 12 Ch. D. at p. 833.

(*z*) See Lindley, L.J., in *Budische*

(*a*) See also *Dunlop Pneumatic*

Infringement  
by repairing.

In *The United Telephone Co. v. Nelson* (1887, W. N. 192) it was held that the restoration of a broken instrument which had originally been licensed under the patent was an infringement. But the case is not fully reported. It appears to be a question of fact whether an instrument is broken to such an extent as to destroy its identity so as to enable the patentee to say that the repair by its owner amounts in fact to the manufacture of a new article. In *The Sirdar Rubber Co., Ltd. v. Wallington, Weston & Co.* (24 R. P. C. at p. 543) Lord Halsbury said: "The principle is quite clear, although its application is sometimes difficult; you may prolong the life of a licensed article but you must not make a new one under cover of repair."

**Experiments.**

The working and making must be by way of using the invention, as distinguished from experimenting with it, so as to operate as an infringement. In *Jones v. Pearce* (1 W. P. C. at p. 125) Patteson, J., said: "Now, if he did actually make these wheels, his making them would be a sufficient infringement of the patent, unless he merely made them for his own amusement or as a model." In *Frearson v. Loe* (9 C. D. at p. 66) Jessel, M.R., adverting to this branch of the subject, said: "The other point raised was a curious one, and by no means free from difficulty, and what occurred with regard to that was this: That the defendant at various times made screw blanks, as he said, not in all more than 2 lbs., by various contrivances, by which no doubt screw blanks were made according to the plaintiff's patent of 1870, as well as that of 1875; they seem to have been an infringement of both. He said he did this merely by way of experiment; and no doubt if a man makes things merely by way of *bonâ fide* experiment, and not with the intention of selling and making use of the thing so made for the purpose of which a patent has been granted, but with a view of improving upon the invention, the subject of the patent, or with a view of seeing whether an improvement can be made or not, that is not an invasion of the exclusive rights granted by the patent. Patent rights were never granted to

*Tyre Co., Ltd. v. Neal*, 16 R. P. C. *Ltd. v. Excelsior Tyre Co.*, 18  
247; *Dunlop Pneumatic Tyre Co.*, R. P. C. 209.

prevent persons of ingenuity exercising their talents in a fair way. But if there be neither using nor vending of the invention for profit, the mere making for the purpose of experiment and not for a fraudulent purpose ought not to be considered within the meaning of the prohibition, and if it were, it is certainly not the subject for an injunction" (b).

To purchase and use infringing articles for the purpose of instructing pupils and to enable them to pull them to pieces and put them together again is not mere experimental user, and amounts to infringement (c). Use to instruct pupils.

The grant confers the sole right to "make, use, exercise, and vend" the invention, and by the words of the prohibition the subject is commanded to refrain from "making use of or putting into practice" the said invention. There are a number of cases which have been decided upon the meaning of these words, and they are principally concerned with instances where the defendant has certainly derived advantage from the invention, and yet it would be difficult to say that he had been guilty of making or vending.

In the case of a patent for a process the sale, in this country, of goods manufactured by that process is an infringement of the process, even though the manufacture took place abroad. Sale of article made by patented process.  
 In *Wright v. Hitchcock* (L. R. 5 Ex. at p. 47) Kelly, C.B., said: "If the law were otherwise, then when a man has patented an invention, another might, by merely crossing the Channel, and manufacturing abroad and selling in London for far less than the original price, but also at a trifle less than the price charged by the patentee, articles made by the patented process, wholly deprive the patentee of the benefit of his invention. It is therefore impossible to suppose that an exclusive right to vend is not given, and the defendants have therefore infringed the plaintiff's right, and it is immaterial whether it was or was not known to them that Orr's machine was identical with the plaintiff's" (d).

(b) See also *Muntz v. Foster*, 2 W. P. C. at p. 101; *Proctor v. Bayley*, 6 R. P. C. 106; *Pessers and Others, Ltd. v. Newell*, 31 R. P. C. 510.

(c) *United Telephone Co. v. Sharples*, L. R. 29 Ch. D. 164; 2 R. P. C. 28.

(d) See also *Elmslie v. Boursier*,

Onus of proof  
in such cases.

Where the defendant has used and sold articles alleged to have been made by the patented process, the onus of proving that they were in fact made by that process is on the plaintiff; but where such articles were made abroad, and the plaintiffs, in consequence, could not be afforded full opportunity of inspecting the machinery by which they were made, it has been held that it lies with the defendants to rebut a *prima facie* case made out by the plaintiffs (e).

In the various *Saccharin Cases* (e), the plaintiffs were the owners of patents which covered all known processes of making saccharin. They were able to produce evidence to the effect that although it was conceivable that saccharin might be made in some other way, no other processes were then known to the scientific world. The defendants, who imported saccharin, could never give any satisfactory account of the way in which the imported substance was actually made. It was held that infringement had been made out.

The onus of proof in cases of this character is now shifted on to the shoulders of the defendant by sect. 11 of the Act of 1919, which at the end of the new sect. 38A introduced into the principal Act provides as follows: "*Provided that, in an action for infringement of a patent where the invention relates to the production of a new substance, any substance of the same chemical composition and constitution shall in the absence of proof to the contrary be deemed to have been produced by the patented process.*" The process for the production of the new substance may be chemical or mechanical, and the test of the applicability of the section is whether the substance produced has or has not new characteristics. A new substance may be identical in chemical composition with an old substance but may differ from it in physical constitution.

In *The Carlsburn Sugar Refining Co. v. Sharp* (1 R. P. C. 181) the alleged infringement consisted in the sale in England

L. R. 9 Eq. 217; *Von Heyden v. Corporation v. Jackson*, 20 R. P. C. 611; *Neustadt*, 14 C. D. 230; *Neilson v. Corporation v. Mack*, 23 R. P. C. 611; *Neilson v. Helts*, L. R. 5 H. L. at p. 11.

(e) *Saccharin Corporation v. Dawson*, 19 R. P. C. 169; *Saccharin Corporation v. National Saccharin Co.*, 26 R. P. C. 654.

of cube sugar manufactured in America by a machine made in accordance with the specification of the plaintiff's patent. Lord Kinneer, in his judgment, said (at p. 186): "No witness has been examined of sufficient skill as a mechanic to give a detailed description of the machine in question. All that is proved is that it does not correspond in all respects, though in some respects it does correspond, to the description in *Hersey's* patent. It is said that as the manufacture complained of had taken place in America, it was incumbent on the respondents, upon the principle which received effect, in the case of *Neilson v. Betts* (supra), to prove by negative evidence that it was not manufactured according to the specified process. I think no such onus lies upon the respondents in the present case, because there can be no question on the evidence that such articles as were sold by the respondents *may have been* produced by machinery which involved no infringement of the complainer's patent. That being so, it lay upon the complainers to prove their case, and as they took a commission to America for the purpose of proving it, there could have been no difficulty in their obtaining a sufficient description of the machine to which it is alleged they have traced the cubes of sugar sold by the respondents to enable them to establish the infringement, if infringement there was."

In *Gibson and Campbell v. Brand* (4 M. & G. 196 ; 1 W. P. C. 631) it was held that an order given by the defendant for the making of silk by a process which infringed the plaintiff's patent, which order was executed in England, was sufficient to satisfy the allegation that the defendant made, used, and put in practice the plaintiff's invention, though the silk was in fact made through the agency of others. Sir N. C. Tindal, C.J., said: "This is quite sufficient to satisfy an allegation that he made those articles, for he that causes or procures to be made, may well be said to have made them himself."

The delivery, however, must take place in this country to constitute an infringement. In *The Badische Anilin und Soda Fabrik v. The Basle Chemical Works* (1898, A. C. 200 ; 14 R. P. C. 919), a trader in England ordered goods from the defendant in Switzerland to be sent by post to England. The

Contracts for  
delivery in  
United King-  
dom and  
abroad.

defendant addressed the goods to the trader in England, and delivered them to the Swiss Post Office, by whom they were forwarded to England. The goods were manufactured according to an invention protected by the plaintiffs' patent. It was held by the House of Lords that, since the contract of sale was completed by the delivery to the Post Office in Switzerland, and since the Post Office was the agent of the buyer and not of the vendor, the vendor had not made, used, exercised, or vended the invention within the ambit of the patent, and that the patentee had no right of action against the vendor for an infringement of the patent.

In *The Saccharin Corporation v. Reitmeyer & Co.* (1900, 2 Ch. 659; 17 R. P. C. 606) the facts were as follows: The defendant, while in England, contracted with persons in England for the delivery to them at a *foreign* port of goods manufactured on the Continent by a process similar to that protected by the plaintiff's English patent. Cozens-Hardy, J., said: "Now it is plain that a patent is of local force . . . it is admitted that the defendant has not 'made' or 'used,' and I think it is clear that he has not 'vended' within the jurisdiction (see *Badische Anilin Co. v. Basle Chemical Works*, *supra*). It is said, however, that he has 'exercised' the invention within the jurisdiction. It is remarkable that this word, which has been found in letters patent at least since 1621, so far as I am aware, has never been construed. I think, however, that it can only mean 'put in practice.' I do not think it can be taken to cover a transaction such as I have to deal with. The defendant, as a commission agent, contracted for delivery to the purchasers at a German port. He had no interest whatever in the case when delivered at the foreign port to the purchasers. He had no right to control its destination. I assume that he knew or suspected that the greater part of the stuff would find its way into this country, but I cannot regard that as material."

The House of Lords in *The Badische Anilin und Soda Fabrik v. Hickson* (1906, A. C. 419; 23 R. P. C. 433) approved of this decision. Counsel for the plaintiff in this case relied on the argument that inasmuch as the vendor had not set aside the



goods in the foreign country, the property in them had passed, and there was a completed sale. Lord Loreburn said that although there was appropriation to the purchaser and a completed sale, the operation of completing the sale had not taken place in this country, and consequently there had been no infringement; he stated further that he agreed with Lord Davey, who said "the exclusive right of 'vending the invention' must be construed consistently with the language of the Statute of Monopolies, and with regard to the general purpose of the patent to give the inventor the full benefit of his invention in this country. . . . A contract to deliver the goods abroad does not in any way interfere with the patentee's rights to work and utilise his invention in this country. . . . Nor is it material to consider whether or when the property in the goods passed to the purchaser. It is lawful to be the owner of the goods if made and situate abroad, and neither the vendor nor the purchaser in my opinion thereby infringes the patent. The goods may or may not be afterwards brought into this country, and a different question will then arise, but that is no concern of the vendor after he has parted with them. I am of opinion that 'vending the invention' in the common form of patent is confined to selling goods made or brought into this country, and that the respondent in this case has not, directly or indirectly, made, used, or put in practice the appellant's invention within the meaning of the prohibition contained in the patent." Lord Atkinson's judgment is to the same effect. To export under a contract of sale, whether such contract was made here or abroad, is an infringement. In *The British Motor Syndicate v. Taylor* (17 R. P. C. 189, 723) the defendants bought in England twenty-seven infringing articles; they sold seven of them and used another in England. As regards the remaining nineteen, they sent them abroad to their French house in Paris, where they sold them to various foreign firms. The question was whether there had been an infringement in respect of these nineteen. Stirling, J., decided that this was "making use of" the invention, and that the words "make use of" have a wider significance than the words "put in practice." The learned judge said: "In the present

Sending  
abroad.

case the patented articles, when being transported from place to place in this country, were not serving the purpose for which they were patented, and in my opinion the defendants did not, during that transporting, exercise or put in practice the patented invention. What the defendants did was to carry these articles out of the kingdom with a view to selling them; that is, with the object of turning them to profitable account" (*f*).

Purchase,  
transport, and  
possession.

Mere purchase, possession, or transport does not amount to infringement, unless it involves a user of the invention, although it may justify an injunction on the ground that it is strong evidence of a threat to use (*g*).

In the case of *Neilson v. Betts* (L. R. 5 H. L. 1), in the House of Lords, the facts were as follows: Betts, the plaintiff in the suit, was the patentee of an invention for the manufacture of capsules for the purpose of covering bottles of liquid (wine, beer, or otherwise), and protecting them from the action of the atmosphere. Betts' patent did not extend to Scotland. Neilson and his co-appellants, defendants in the suit, were persons who bottled beer in Glasgow for the Indian market. They bottled the beer and covered it with capsules, which were made in Germany in pursuance of Betts' specification. The beer was shipped by the appellants in vessels which called at Liverpool to complete their cargoes; on some occasions the beer was transhipped in England, but no cases of beer were opened, nor was any of the beer sold in this country. Held, by the House of Lords, that, inasmuch as the object of Betts' invention was to make a capsule that would preserve the beer, whilst the beer was in England it was being preserved by the use of Betts' invention, and consequently that there was an infringement of the patent. Lord Chelmsford, in giving judgment in the Court below, said (L. R. 3 Ch. at

(*f*) See also *United Telephone Co. v. Sharples*, L. R. 29 C. D. 164; 2 R. P. C. 28.

(*g*) *Adair v. Young*, 12 C. D. 13; *Pessers and Others v. Newell & Co.*, 31 R. P. C. 510 (disapproving *United Telephone Co. v. London and Glebe*

*Telephone Co.*, L. R. 26 C. D. 766; *British Motor Syndicate v. John Taylor and Sons*, 1 Ch. 122; 17 R. P. C. 723; *British United Shoe Machinery Co. v. Simon Collier, Ltd.*, 26 R. P. C. at pp. 41, 538, and 27 R. P. C. 567.

p. 439): "It is the employment of the machine or article for the purpose for which it was designed which constitutes its active use, and whether the capsules were intended for ornament, or for protection of the contents of the bottles upon which they were placed, the whole time they were in England they may be correctly said to be in active use for the very objects for which they were placed upon the bottles by the vendors. If the beer, after being purchased in Glasgow, had been sent to England, and had been afterwards sold here, there can be no doubt, I suppose, that this would have been an infringement, because it would have been a profitable user of the invention, and I cannot see how it can cease to be a user because England is not the final destination of the beer" (h).

Possession accompanied by exposure for sale is an infringement, as it is a user for one of the purposes for which it was intended that the patentee alone should use it during the fourteen years (i). Exposure for sale.

In the case of *Adair v. Young* (12 C. D. 13), certain pumps, which were an infringement of the plaintiff's patent, were fitted on board a British ship. There was no evidence of their having been used. Held, by the Court of Appeal, that there had been no infringement, but as there was evidence of an intention to use the pumps, an injunction would be granted against the use of the pumps.

By sect. 48 of the Act of 1907, corresponding to sect. 43 of the Act of 1883,

(1) "*A patent shall not prevent the use of an invention for the purposes of the navigation of a foreign vessel within the jurisdiction of any of His Majesty's Courts in the United Kingdom, or Isle of Man, or the use of an invention in a foreign vessel within that jurisdiction, provided it is not used therein for or in connection with the manufacture or preparation of anything intended to be sold in or exported from the United Kingdom or Isle of Man.*

(h) See also *Nobel's Explosives Co. v. Jones, Scott & Co.*, 17 C. D. 721; *The Universities of Oxford and Cambridge v. Richardson*, 6 Ves. 689; *The Dunlop Pneumatic Tyre Co. v. British and Colonial Motor Car Co.*, 18 R. P. C. 313.  
 (i) Alverstone, L.C.J., in *British Motor Syndicate, Ltd. v. John Taylor and Sons, Ltd.*, 17 R. P. C. s' p. 729.

(2) "This section shall not extend to vessels of any foreign state of which the laws do not confer corresponding rights with respect to the use of inventions in British vessels while in the ports of that state, or in the waters within the jurisdiction of its courts."

A patent is not infringed by the use of the invention on board an English vessel abroad (*j*).

Custom House agents.

In the case of *Nobel's Explosives Co. v. Jones and Scott* (L. R. 17 C. D. 721) the Court of Appeal reversed the decision of Vice-Chancellor Bacon, on the grounds that the defendants had not infringed the plaintiffs' patent, they having merely acted as Custom House agents for the transshipment of the dynamite, and their functions being confined to obtaining papers necessary for such transshipment, and that they never had any ownership in or exercised any control over the dynamite.

Carriers.

An action may properly be brought against innocent carriers of infringing articles for an injunction to restrain them from dealing with or disposing of such articles in any way (*k*).

Lending.

Lending is not selling and is not an infringement (*l*).

Effect of sale by patentee.

A patentee by himself or by his agent selling the patented article without limitation sells with it the right of free disposition as to that article, and if he sells the article abroad, the purchaser may import and sell it in England. Lord Hatherley, in *Betts v. Willmott* (L. R. 6 Ch. at p. 245), said: "Unless it can be shown, not that there is some clear injunction to his agents, but that there is some clear communication to the party to whom the article is sold, I apprehend that inasmuch as he has the right of vending the goods in France, or Belgium, or England, or in any other quarter of the globe, he transfers with the goods necessarily the licence to use them wherever the purchaser pleases. When a man has purchased an article he expects to have the control of it, and there must be some clear and explicit agreement to the contrary to justify the vendor in saying that he has not given the purchaser his

(*j*) *Newall v. Elliot*, 10 Jur. N.S. 954.

(*k*) *Washburn and Moen Manufacturing Co. v. Cunard Steamship*

*Co.*, 6 R. P. C. at p. 403; see also *Upmann v. Elkan*, L. R. 7 Ch. 130.

(*l*) *United Telephone Co. v. Henry*, 2 R. P. C. 11; Griff. P. C. 228.

licence to sell the article, or to use it wherever he pleases *as against himself.*"

Where the defendants, being owners of patents in Belgium and England for an invention for making glass lamp globes, by a deed executed in Belgium, granted a licence to the plaintiffs to manufacture under their invention in Belgium but not elsewhere, and the plaintiffs under this licence manufactured articles in Belgium and sold them in England, it was held by the Court of Appeal, affirming Pearson, J., that the grant of the licence to use the patent in Belgium did not imply permission to sell the manufactured article in England in violation of the defendants' English patent (*m*).

Conversely, if the patentee had assigned his patent rights in England, he could not manufacture in France and sell in England, and the sale of an article in France would carry with it no implied right to import into or sell in England. But if the rights under the patent are vested in one and the same person for both France and England, or if there are no monopoly rights in France, but only in England, the patentee could not make and sell in France and restrain the purchaser from selling or using the article in England, unless, indeed, there was a special agreement for that purpose; and then such agreement could not be held to attach to the article so as to prevent any person in whose hands it might come from importing it (*n*).

The question of infringement by the breach of a limited licence will be dealt with in Chap. XI. **Limited licence.**

In *Monforts v. Marsden* (12 R. P. C. 266) it was decided that the sale of an article does not imply any warranty within sect. 12 of the Sale of Goods Act, 1893, that the article sold is not an infringement of an existing patent, and in that case it was not contended that there was any implied warranty apart from the section. **No warranty under sale of Goods Act.**

It will be remembered that prior to the Act of 1883 letters patent did not operate as against the Crown; questions

(*m*) *Société Anonyme des Manufactures de Glaces v. Tilghman's Patent Sand Blast Co.*, L. R. 25 Ch. D. 1.  
 (*n*) *Betts v. Willmott*, L. R. 6 Ch. 239.

sometimes arose as to whether persons acting in the service of the Crown might manufacture a patented article or use a patented process.

When the persons using the invention were servants of the Crown, and acting in pursuance of their duty as servants, they were protected; but if they were contractors contracting with the Crown, they were not protected, but stood in exactly the same position as other subjects (o).

Sect. 27 of the Act of 1883 (re-enacted as sect. 29 of the Act of 1907 and amended by the Act of 1919) provided that a patent should bind the Crown, but that the Crown might use the invention "by agents or *contractors*" on terms to be before or after the use agreed upon (see Chap. XVII.).

(o) *Dixon v. The London Small Arms Co.*, L. R. 10 Q. B. 130, and L. R. 1 App. Cas. 632, reversing decision of the Court of Appeal, L. R. 1 Q. B. D. 384; also *Feather v. R.*, 6 B. & S. 257.

## CHAPTER VIII.

## APPLICATION FOR LETTERS PATENT AND RESTORATION.

By sect. 1, sub-sect. 2, of the Act of 1907 "*The application must be made in the prescribed form, and must be left at, or sent by post to the Patent Office in the prescribed manner.*"

The practice is regulated by the Patents Rules, 1919, which came into force on April 1st, 1920. The Patent Office publishes a very complete and practical set of "Instructions to Applicants for Patents."

The rules provide forms applicable to all circumstances. Form 1 is for the use of an "inventor" in the ordinary sense of the word or for joint applicants, one of whom must be the inventor. It would also appear (see p. 16, ante) that when an invention is partly original and partly communicated from abroad Form 1 may be used, and in any case the patent will not be invalid if this course is taken, as the applicant in such circumstances is the "true and first inventor" in law. In the case of a corporation alone, however, Form 1 will not be acceptable for the reason that a corporation cannot be said to invent in the ordinary sense (a).

In the case of an application in respect of a "communication from abroad," the applicant must be resident in the United Kingdom (b), and a corporation may apply in this way.

Under sect. 91, which gives effect to the International and Colonial arrangements, a person, or the legal representative or assignee of a person who has made application for protection in a country or British possession which is a party to the International Convention may apply for a patent in this country and have his patent dated as of the date of his first foreign or Colonial application provided that (A) the application is made

(a) *Carez's Application*, 6 R. P. C. *du Temple*, 13 R. P. C. 54.  
552; *Société Anonyme du Générateur* (b) See p. 17, ante.

within twelve months of the application for protection in the foreign state, and (B) that the applicant shall not be entitled to recover damages in respect of infringements committed prior to the date when his specification filed on his application in this country is accepted by the Comptroller. Form 1B is used by such an applicant, but if the applicant is the legal representative or assignee of the person who first made application in the foreign state (c) he will use Form 1B<sup>x</sup>. The Comptroller has the right to inquire of an applicant under this section who applies on Form 1B whether he has assigned his rights so that the rights of assignees may be protected (d). Corporations may also apply under this section.

The election to take the benefit of this procedure must be taken before the expiry of the twelve months from the date of the first foreign application (e), and the Comptroller may not give any other date than that of the first foreign application (f). Where the application was based on a foreign application which had succeeded after several abortive applications in the foreign country, the British application was given the date of the successful foreign application (g). The practice is regulated by rules 15-18, which prescribe the documents to be left with such applications. If the specification filed on an application under sect. 91 is not accepted within twelve months from the date of the foreign application it becomes open for public inspection (h). The subject-matter of the application must be limited to what is protected by the foreign application, and in cases of doubt as to the effect of the foreign patent law the applicant must supply some *prima facie* evidence as to the extent of the protection acquired in the foreign state (27 R. P. C., Ruling B).

Applications for patents of addition are made according to circumstances on Forms 1C, 1C<sup>x</sup>, 1C<sup>xx</sup>, or 1C<sup>xxx</sup>.

(c) See amendment in sect. 91, effected by the Act of 1914.

(d) *Eisler's Application*, 34 R. P. C. 69.

(e) *Acetene Illuminating Co. v. United Alkali Co.*, 20 R. P. C. 161.

(f) *Scott's Application*, 27 R. P. C. 298.

(g) *Van der Poole's Patent*, 7 R. P. C. 69.

(h) Sect. 91, sub-sect. 3 (a).



Applications for secret patents under sect. 30 (i) are made on Form 1D.

The applicant must himself sign the application, and certain other specified formal documents, but for many matters he may employ an agent. Such agent need not be a "patent agent," but he must be an agent duly authorised to the satisfaction of the Comptroller (j), and must be resident or have a place of business in the United Kingdom (k).

The Comptroller refuses to be satisfied with the authorisation of irresponsible foreigners, who, although resident in this country, are the nominees of foreign patent agents.

In the case of an application by two or more persons, the application must be signed by all those persons.

The case of a dispute between joint applicants in the course of proceedings is provided for by the proviso to sect. 12 (1) of the Act of 1907 which was added by the Act of 1919. It runs as follows:—

" . . . where—

- (a) *An applicant has agreed in writing to assign a patent when granted to another party or a joint applicant and refuses to proceed with the application; or*
- (b) *disputes arise between joint applicants as to proceeding with an application;*

*the comptroller on proof of such agreement to his satisfaction, or if satisfied that one or more of such joint applicants ought to be allowed to proceed alone, may allow such other party or joint applicant to proceed with the application and may grant a patent to him, so however that all parties interested shall be entitled to be heard before the comptroller, and an appeal shall be from the decision of the comptroller under this proviso to the law officer."*

The words "*writing to assign a patent when granted*" means only an agreement having reference to a specific application already made at the date of the agreement and signed by the applicant as true and first inventor. This provision remedies a

(i) See p. 169, post.

R. P. C. 164.

(j) See *Graham v. Fanta*, 9

(k) See Rule 9.

difficulty which had existed under the old law, and renders proceedings in the Courts unnecessary (*l*).

Deceased  
inventor.

If a person possessed of an invention dies without having made an application for a patent, application may be made by, and a patent for the invention granted to, his legal representative, and such an application must contain a declaration by the legal representative that he believes the deceased to have been the true and first inventor (*m*).

Posting  
documents.

A document may be sent to the Patent Office by post (*n*), and by sect. 26 of the Interpretation Act, 1889, is deemed to have been left at the time when the letter containing the same would be delivered in the ordinary course of post, and it is sufficient to prove that the letter was properly addressed and posted. Nevertheless, Sir S. Evans, S.-G., in *Mathews and Strange's Application* (27 R. P. C. 288), decided that if an application were delivered by post at the Patent Office after office hours the patent must be dated as of the following day. (Under rule 12 applications are opened and *numbered* in the order in which the letters containing the same are delivered in the ordinary course of post.) The Solicitors-General's attention does not seem (from the report) to have been directed to the effect of the Interpretation Act.

The declara-  
tion.

Sect. 1, sub-sect. 3, enacts: "*The application must contain a declaration to the effect that the applicant is in possession of an invention, whereof he, or in the case of a joint application, one at least of the applicants, claims to be the true and first inventor, and for which he desires to obtain a patent, and must be accompanied by either a provisional or complete specification.*

(4) "*The declaration may be either a statutory declaration or not, as may be prescribed.*"

When  
inventor  
incapable.

The prescribed form of declaration is incorporated in the form of application in each case, and is not a statutory declaration. Where the inventor is incapable, by reason of infancy, lunacy, or other inability, of making any declaration or doing anything required or permitted by the Act, such declarations

(*l*) See, e.g., *A. and B.'s Application*, 28 R. P. C. 454.

(*m*) Sect. 43.

(*n*) Sect. 81.

may be made and such things may be done on his behalf by the guardian or committee of such incapable person, or by any person appointed by the Court (o).

Statutory declarations made in conformity with this Act are exempt from the stamp duty of two shillings and sixpence charged on a statutory declaration made under the Statutory Declarations Act, 1835, by the Revenue Act, 1884 (p).

By sect. 3, sub-sect. 1, "*The Comptroller-General of Patents, Designs and Trade Marks (hereinafter referred to as the Comptroller)* shall refer every application to an examiner." Reference to examiner.

The duty of the examiner is to ascertain that the application and specification have been prepared in accordance with the rules, and whether the invention is contrary to law or morality, and whether it is a "manufacture" within the meaning of the Statute of Monopolies (q). In the case of an application under sect. 91 the greatest care will be exercised to see that in preparing his specification, the applicant has not gone farther than the subject-matter on which his foreign application was founded in view of the fact that his patent when granted will be dated as of the date of such foreign application (r).

The following points upon the preparation of the specification require special notice:—

One invention only must be described.

One invention only to be described.

Rule 13 commences thus: "(1) When a specification comprises several distinct matters, they shall not be deemed to constitute one invention by reason only that they are all applicable to or may form parts of an existing machine, apparatus or process."

No general rule can be laid down as to what constitutes "one invention," and the Comptroller's discretion will not be interfered with unless he is clearly wrong (s). But it may be stated generally that where the attainment of a new object is described several methods of attaining that object may be

(o) Sect. 83.

application, 30 R. P. C. 319.

(p) 47 & 48 Vict. c. 62, s. 9.

(s) "Z.'s" Application, 27 R. P. C. 285.

(q) See ante, p. 31.

(r) See *Austin Motor Co.'s Ap-*

included in one specification. Sect. 38A (t) prohibits bare claims for chemical substances and food products, but claims will be admitted in a single specification for a method or process and also for a machine for carrying out the process, and for the product produced by the claimed method or process.

Rule 13 continues thus: "Where a person making application for a patent has included in his specification more than one invention, the Comptroller may require or allow him to amend such application and specification and drawings, or any of them so as to apply to one invention only, and the applicant may make application for a separate patent for any invention excluded by such amendment.

"Every such last-mentioned application may, if the Comptroller at any time so direct, bear the date of the original application, or such date between the date of the original application and the date of the application in question, as the Comptroller may direct, and shall otherwise be proceeded with as a substantive application in the manner prescribed by the Act, and by these rules.

"Where the Comptroller has required or allowed any application, specifications or drawings to be amended as aforesaid, such application shall, if the Comptroller at any time so direct, bear such date subsequent to the original date of the application and not later than the date when the amendment was made, as the Comptroller shall consider reasonably necessary to give sufficient time for the subsequent procedure relating to such application" (u).

By sect. 16 of the Act of 1907, as amended by the Act of 1919, the following provision was introduced into the practice of the Office:—

**Provision  
for cognate  
inventions.**

*"Where the same applicant has put in two or more provisional specifications for inventions which are cognate or modifications one of the other, and has obtained thereby concurrent provisional protection for the same, and the Comptroller is of opinion that the whole of such inventions are such as to constitute a single invention and may properly be included in one patent, he may*

(t) Introduced by sect. 11 of the Act of 1919. See p. 35, ante.

(u) Paragraph 2 of rule 13 will be dealt with on p. 159.

*accept one complete specification in respect of the whole of such applications and grant a single patent thereon.*

*(2) "Such patent shall bear the date of the earliest of such applications, but in considering the validity of the same (and for the purpose of the provisions of this Act with respect to oppositions to the grant of patents), and in determining other questions under this Act the Court or the Comptroller, as the case may be, shall have regard to the respective dates of the provisional specifications relating to the several matters claimed therein."*

It must not be forgotten that, if the applicant avails himself of this arrangement, he runs the risk (subject to the effect of sect. 32A) of the whole patent being declared invalid on account of the want of novelty in a part of the complete specification which is founded on one only of the provisional specifications.

Paragraph 2 of rule 13, dealing with this practice, is as follows: "Where the same applicant has put in two or more provisional specifications for inventions which he believes to be cognate or modifications one of the other, and the Comptroller is of opinion that such inventions are not cognate or modifications one of the other, the applicant may divide the complete specification left in connection with his application into such number of complete specifications as may be necessary to enable the application to be proceeded with as two or more separate applications for patents for different inventions."

The rule that a patent may only be granted for one invention is merely one of practice, and if a patent be actually granted it cannot afterwards be impugned on the ground that it was granted for more than one invention (sect. 14, sub-sect. 2).

The title of the invention must sufficiently indicate the subject-matter of the invention (see p. 86, ante).

### **The Complete Specification.**

By sect. 5 it is prescribed that a complete specification must be filed within nine months of the date of the application, the Comptroller on payment of the prescribed fee must grant an extension of this time not exceeding one month, and if the complete specification be not so filed the application is to be deemed abandoned.

**Time for  
lodging.**

Time for  
acceptance.

By sect. 6, unless the complete specification is accepted within fifteen months from the date of application, the application shall (except where an appeal has been lodged) become void. The Comptroller must on payment of the prescribed fee grant an extension of this period not exceeding three months.

The months allowed by these sections are calendar months (*v*), and are reckoned exclusive of the day of the application (*w*), and in the event of the last day falling on a Saturday or on a day when the office is not open, the specification may be filed on the day succeeding such excluded day or days (*x*).

Chemical  
samples.

By sect. 2, sub-sect. 5, in the case of a chemical invention, the Comptroller, before accepting the complete specification, has power to demand typical samples and specimens. The procedure for lodging such samples is prescribed by rule 38. The object of this enactment is to prevent the lodging of applications for the mere purpose of blocking future industrial development and to ensure that a person who professes to have solved a chemical problem has really done so. In *T. Y. J.'s Application* (28 R. P. C. 625) Sir J. Simon, S.-G., dealt with the principle of this requirement, and said (at p. 627): "An inventor may have discovered a reaction which depends on the existence of a certain feature in the structure of one of the reacting bodies, that body may belong to a very large class of bodies, all of which are characterised by possessing this feature though in other respects their constitution may be different. In a true case of class reaction a chemist may, I presume, be warranted in believing that all the members of the class will alike give the same reaction, and if he is the first to have discovered it, he is certainly entitled to claim its application not only to one member of that class but to the whole. But although this may be conceded as a principle, it is clear that care must be exercised in permitting so wide a monopoly. . . . Possibly the inventor has erroneously supposed his discovery to be a class reaction, whereas it is an individual peculiarity of

(*v*) 13 & 14 Vict. c. 21, s. 4.

28 Beav. 93; 5 Jur. N. S. 696.

(*w*) *Russell v. Ledson*, 14 M. & W. 574, 582; *Williams v. Nash*,

(*x*) Sect. 82 and rule 113.

the particular substance with which he has experimented. . . . No doubt the Comptroller cannot in all cases secure the due limitation of claims, but the legislature has conferred upon him a discretion in proper cases to challenge the reality of a chemical invention by requiring typical samples and specimens as a condition of the acceptance of the complete specification. By choosing a few typical samples or specimens judiciously, an expert may be able practically to ascertain whether the width of the claim is justified. I should be very slow to interfere with the responsible action of the office in a technical matter of this kind unless the requisitions made were plainly unreasonable in extent, or were wrong in principle. . . . The object of the provision in the Act is to protect the public from the mischief of unwarrantably wide claims based on theoretic reasoning when the actual reaction has not been sufficiently tested . . . the Comptroller's powers must be exercised with caution in order not unduly to thwart the claims representing the application of a scientific deduction to a wide field, and his demands must be for samples that are typical, not for samples that are exhaustive." It is suggested that in an action for infringement or a petition for revocation the Court might order the production and analysis of samples so deposited if the utility or sufficiency of the specification were in issue. The samples have to be supplied in sealed bottles, and it is difficult to see under what rule the Patent Office officials can examine or analyse the samples to see if they are genuine.

The complete specification and the provisional must describe substantially the same invention, and the titles must correspond.

By sect. 3, sub-sects. 2, 3 and 4 : (2) "*If the examiner reports that the nature of the invention is not fairly described, or that the application, specification, or drawings have not been prepared in the prescribed manner, or that the title does not sufficiently indicate the subject-matter of the invention, the Comptroller may refuse to accept the application or require that the application, specification, or drawings be amended before he proceeds with the application; and in the latter case the application shall, if the Comptroller so directs, bear date as from the time when the requirement is complied with.*"

**Power of  
Comptroller  
to refuse at  
this stage.**

Claims must  
be succinct.

The claims must be succinct as well as separate and distinct from the body of the specification. It must be remembered that the object of the claim is to give a perfectly clear statement of the invention claimed. Of late years a superstition has arisen that a patent is more valid and has a greater hold over infringements if every possible permutation and combination of the elements entering into the invention is separately claimed, and it has become a practice to file claims which are copies of those used in American specifications. American claims may be very useful in dealing with American law, but in English law such prolixity does not help a Court which, whether in considering subject-matter novelty or infringement, invariably seeks to obtain an answer to the broad question, "What has this man invented?"

The matter came before both law officers of the Crown on the interpretation of rule 4 of the Patents Rules, 1905 (rule 14, 1920), in the case of *Bancroft's Application* (23 R. P. C. 89). The Attorney-General pointed out that certain kinds of inventions might be such as to justify a large number of claims. "So long as the statement of each claim is in itself clear and succinct, and so long as there is an absence of repetition in the separate claims, we do not think that there is necessarily any infringement of this rule. . . . But in the present case we think that the decision of the Chief Examiner was right. . . . An attempt is made to deal with every possible contingency. . . . I must say that I deprecate very much the multiplication of claims by the system, which seems to have prevailed in America, of attempting to deal with every possible contingency. I do not think it results in clearness. I think that the system of claims with which we are more familiar in this country is really clearer in the result, and that those who have American patents and who desire protection in this country, in bringing forward their claims, must endeavour to conform to the practice which has prevailed in this country."

Examiner's  
report not  
binding on  
Comptroller.

The report of the examiner is not to bind the judgment of the Comptroller, but merely to assist him in making his decision as to whether the application and specifications fulfil the



requirements of the Act (y). It is difficult to define exactly what is the meaning of the words "whether the nature of the invention has been fairly described," and there is no direct decision on the point, but it is to be presumed that the duty of the Comptroller and examiner does not extend to a minute criticism of specifications. It is clear, however, that the invention must be sufficiently described to enable the inquiry as to novelty to proceed. As a matter of practice, the examiners always require ambiguous descriptions to be made clear, and this is distinctly advantageous to applicants.

(3) "*Where the Comptroller refuses to accept an application or requires an amendment, the applicant may appeal from his decision to the law officer, who shall, if required, hear the applicant and the Comptroller, and may make an order determining whether and subject to what conditions (if any) the application shall be accepted.*"

(4) "*The Comptroller shall, when an application has been accepted, give notice thereof to the applicant.*"

The procedure on appeals to the law officer will be dealt in the consideration of "Oppositions."

By sect. 6, sub-sects. 1, 2 and 3: (1) "*Where a complete specification is left after a provisional specification, the Comptroller shall refer both specifications to an examiner.*"

(2) "*If the examiner reports that the complete specification has not been prepared in the prescribed manner, the Comptroller may refuse to accept the complete specification until it has been amended to his satisfaction.*"

(3) "*If the examiner reports that the invention particularly described in the complete specification is not substantially the same as that which is described in the provisional specification the Comptroller may—*" As to discon-  
formity.

(a) *refuse to accept the complete specification until it has been amended to his satisfaction; or*

(b) *(with the consent of the applicant) cancel the provisional specification and treat the application as having been made on the date at which the complete specification was left, and the application shall have effect as if made on that date:*

(y) *C's Application, 7 R. P. O. 250.*

*“ Provided that where the complete specification includes an invention not included in the provisional specification, the Comptroller may allow the original application to proceed so far as the invention included both in the provisional and in the complete specification is concerned, and allow an application for the additional invention included in the complete specification to be made and treated as an application for that invention made on the date at which the complete specification was left.”*

If the original application covers the main principle of the invention, and the subsequent additional matter is in the nature of improvement, it is better to take out a further patent or patent of addition, and so secure the earlier date for the main invention, than to use the procedure created by clause (b).

#### The Examination for Novelty.

Examination  
for novelty.

The complete specification is next examined with reference to the novelty of the invention so far as British specifications published within fifty years from the date of application are concerned. This is provided for by sect. 7 (see Appendix). If anticipations are found the Comptroller may require the specification to be amended to his satisfaction, *“ and (by subsect. 4) unless the objection is removed by amending the specification to the satisfaction of the Comptroller, determine whether a reference to any, and if so what, prior specifications ought to be made in the specification by way of notice to the public.*

Power to  
refuse patent.

*“ Provided that the Comptroller, if satisfied that the invention claimed has been wholly and specifically claimed in any specification to which the investigation has extended, may, in lieu of requiring references to be made in the applicant's specification as aforesaid, refuse to grant a patent.”*

It is to be noted that the investigation under this section extends to prior claims and descriptions, but the proviso limits the power of the Comptroller in refusing a grant to a case in which prior *claim* is established.

The search extends to specifications open for public inspection under sect. 91, sub-sect. 3 (a) which are held to be published within the meaning of sect. 7 (z).

(z) *Parsons and Stoney's Application*, 27 R. P. C. 491.

An appeal to the law officer from any decision by the Comptroller under this section is given by sub-sect. 5.

Rule 32 is as follows: "When under sub-sect. 4 the Comptroller determines that a reference to a prior specification ought to be made by way of notice to the public, the form of reference shall be as follows, and shall be inserted after the claims:—'*Reference has been directed in pursuance of sect. 7, sub-sect. 4, of the Patents and Designs Acts, 1907 and 1919, to specification No.        of        .*' Where the reference is inserted as the result of a provisional report under rule 29, a statement to that effect shall be added to the reference." It will be noticed that the prescribed form of reference is very clear and explicit, and is intended to warn the public that the invention has been actually claimed in a prior specification.

The specific reference.

The applicant, if he has any invention at all, should usually succeed in removing the objection by amendment of the specification without the prescribed form of reference. Sometimes a general reference to the state of the art will suffice; sometimes a specific reference to a prior patent is acceptable in another form. The nature of and circumstances in which specific references are directed will be discussed at length under the law relating to Oppositions.

Before the Act of 1907 the search on novelty only extended to complete specifications filed pursuant to prior applications and published before the date of the application. By sect. 8 it was extended further to the claims of specifications filed in pursuance of prior applications and published after the application under investigation. Now specifications until accepted and thrown open to public inspection are secret documents, and the Patent Office may not disclose their contents, so that such specifications as are filed in pursuance of prior applications may only be shown to the applicant as they are accepted. The officials, however, who are acquainted with the prior applications already, know where to find the specification when filed, and after its acceptance they may bring it to the attention of the applicant. Sect. 8 as, amended by the Act of 1919, is as follows: (1) "*In addition to the investigation under the last*

The additional search under sect. 8.

preceding section, the examiner shall make an investigation for the purpose of ascertaining whether {the invention claimed has been wholly or in part claimed in any specification published on or after the date of the application and deposited pursuant to a prior application.

(2) "Where on such further investigation it appears that the invention claimed has been wholly or in part claimed in any such specification, the applicant shall, whether or not his specification has been accepted or a patent granted to him, be afforded such facilities as may be prescribed for amending his specification, and in the event of his failing to do so the Comptroller shall, in accordance with such procedure as may be prescribed, determine what reference, if any, to other specifications ought to be made in his specification by way of notice to the public.

(3) "For the purposes of this section an application shall be deemed to be prior to another application if the patent applied for when granted would be of prior date to the patent granted pursuant to that other application."

Reference may therefore be directed to specifications actually filed after that of the applicant but given a prior date under the International Convention (see 30 R. P. C., Ruling A). The procedure is regulated by rules 33—36, and in cases where a specific reference is directed the form of such reference is prescribed and is similar to that used under sect. 7. But the reference is made conditional upon a patent being granted on the earlier application (27 R. P. C., Ruling G).<sup>1</sup> The Comptroller has power under the rules to extend times. By sect. 68, as amended by the Act of 1919, "Reports of examiners made under this Act shall not in any case be published or be open to public inspection, and shall not be liable to production or inspection in any legal proceeding, unless the court or officer having power to order discovery in such legal proceeding certifies that such production or inspection is desirable in the interests of justice, and ought to be allowed. Provided that, on an application being made by any person in the prescribed form, the comptroller may disclose the result of a search made under section seven or eight of . . . at on any particular application for the grant of a patent."

Under the proviso application is made under rule 37 on Form

No. 9, and a list of the specifications, if any, found in the search will be supplied.

Sect. 9 enacts: "*On the acceptance of the complete specification the Comptroller shall advertise the acceptance; and the application and specifications with the drawings (if any) shall be open to public inspection.*" **Acceptance to be advertised.**

The advertisements are published in the *Illustrated Official Journal*.

In the event of an application being abandoned, the specifications and drawings which were left in connection with the application are not published, nor are they at any time open to public inspection (b), except in the case of an abandoned application under sect. 91 (c).

A new kind of patent was introduced by the Act of 1907. **Patents of addition.** By sect. 19, sub-sect. 1: "*Where a patent for an invention has been applied for or granted, and the applicant or the patentee, as the case may be, applies for a further patent in respect of any improvement in or modification of the invention, he may, if he thinks fit, in his application for the further patent, request that the term limited in that patent for the duration thereof be the same as that of the original patent or so much of that term as is unexpired.*"

(2) "*Where an application containing such a request is made, a patent (hereinafter referred to as a patent of addition) may be granted for such term as aforesaid.*"

(3) "*A patent of addition shall remain in force so long as the patent for the original invention remains in force, but no longer, and in respect of a patent of addition no fees shall be payable for renewal.*"

"*Provided that, if the patent for the original invention is revoked, then the patent of addition shall, if the court or comptroller so orders, become an independent patent, and the fee payable, and the dates when they become payable shall be determined by its date, but its duration shall not exceed the unexpired term of the patent for the original invention.*"

The proviso was introduced by the Act of 1919, and it would appear that if the Court or the Comptroller orders the revocation

(b) Sect. 69.

(c) Sect. 91, sub-sect. 3 (a).

of a patent upon which depends a patent of addition the application for the establishment of the patent of addition as an independent patent should be made before the order for revocation becomes effective, otherwise the patent of addition would cease to exist from the moment of revocation of the principal patent, and there are no provisions for calling it into existence again. The Court and the Comptroller would appear to have a discretion in the matter, and the circumstances which they should take into consideration are not defined. The fees payable are to be determined by the date of the patent for addition. The meaning of this may be illustrated by the following hypothetical case. A. obtains the grant of a patent dated Jan. 1st, 1919, and he obtains a patent of addition thereon dated Jan. 1st, 1921. On Jan. 1st, 1930, the principal patent is revoked, and an order is made establishing the patent of addition as an independent patent. It is suggested that the independent patent will have no *arrears* of fees to pay, but will be treated as a patent whose ninth year renewal fee has then become due. The analogy of a secret patent which has ceased to be such is important on this point (see below).

(4) “*The grant of a patent of addition shall be conclusive evidence that the invention is a proper subject for a patent of addition, and the validity of the patent shall not be questioned on the ground that the invention ought to have been the subject of an independent patent.*”

For remarks on the subject-matter of a valid Patent of Addition, see Chap. III., p. 56.

The subject-matter of a patent of addition is limited to improvements on the subject-matter of the principal patent. Therefore where the specification filed on application for a patent of addition referred to two earlier patents in addition to the principal patent, a patent of addition was refused (*d*). But when a patent of addition has been granted, a second patent of addition may be granted in respect of an improvement upon the original invention as improved by the subject-matter of the first patent of addition, and application Form 1c<sup>xxx</sup> was designed for this purpose, and to give effect to the decision of

(*d*) *H. S. J.'s Application*, 31 R. P. C. 47.

Sir J. Simon, S.G., in *McFeeley's Application* (29 R. P. C. 386).

Sect. 30 provides for the assignment by an inventor of all the **Secret patents.** benefit of an invention to the Secretary of State for War or to the Admiralty. And in such a case the Secretary of State or the Admiralty may certify that the application for a patent and the specifications be kept secret. The Secretary of State may waive his rights and re-assign at any time, and thereafter the documents are kept in the ordinary way, and the patentee must if the patent is to be kept in force pay the fees that would have thereafter been payable if it had not been a secret patent. A secret patent cannot be revoked. The procedure is regulated by rules 98—100.

By sect. 4: "*Where an application for a patent in respect of an invention has been accepted, the invention may during the period between the date of the application and the date of sealing such patent be used and published without prejudice to the patent to be granted for the invention; and such protection from the consequences of use and publication is in this Act referred to as provisional protection.*" **Provisional protection.**

Provisional protection exists for the purpose of enabling an inventor to work at and improve his invention without thereby avoiding the patent subsequently granted to him on the ground of want of novelty; it does not afford him the perfect rights which he obtains when his patent is sealed, since he cannot institute an action in respect of any infringement until his patent is sealed (e), nor may he claim in respect of infringements committed before the acceptance of his complete specification (f), and further, he may not style the invention which is provisionally protected as "patent," (g) but he may make use of such words as "patent applied for." **Use of word "patent."**

Sect. 10 enacts:—

"*After the acceptance of a complete specification, and until the date of sealing a patent in respect thereof, or the expiration of the time for sealing, the applicant shall have the like privileges*" **Rights given by acceptance of complete specification.**

(e) Sect. 10.

R. P. C. 1; *R. v. Crampton*, 3

(f) Sect. 13.

R. P. C. 367.

(g) Sect. 89; see *R. v. Wallis*, 3

*and rights as if a patent for the invention had been sealed on the date of the acceptance of the complete specification: Provided that an applicant shall not be entitled to institute any proceeding for infringement unless and until a patent for the invention has been granted to him."*

It is no offence, therefore, to describe an article as "patented" after the complete specification has been accepted but before the patent is sealed (*h*).

The mere fact that the article has at one time been the subject of a patent now expired will not entitle the patentee to mark it as "patented," as the word implies that there is an existing patent (*i*).

The effect of sects. 4 and 10 is that no proceedings for infringement may be taken before the patent is sealed, after which time proceedings can only be taken with reference to infringements committed after the acceptance and publication of the complete specification.

#### RESTORATION.

#### Restoration of lapsed patents.

By sect. 20 of the Act of 1907 a remedy is provided for the relief of inventors whose patents have lapsed from non-payment of fees where such non-payment has been due to circumstances concerning which no blame is attributable to the patentee. Formerly, if the agent of the patentee fraudulently misappropriated the moneys entrusted to him for payment of renewal fees, or if the renewal fees were left unpaid through accident or inadvertence, the unfortunate patentee had no remedy but to apply for a private Act of Parliament.

The section is as follows:—

(1) "*Where any patent has become void owing to the failure of the patentee to pay any prescribed fee within the prescribed time, the patentee may apply to the Comptroller in the prescribed manner for an order for the restoration of the patent.*

(2) "*Every such application shall contain a statement of the circumstances which have led to the omission of the payment of the prescribed fee.*

(*h*) *R. v. Townsend*, 13 R. P. C. 265.

(*i*) See *Cheavin v. Walker*, L. R. 5 Ch. D. 850.



(3) *“If it appears from such statement that the omission was unintentional and that no undue delay has occurred in the making of the application, the Comptroller shall advertise the application in the prescribed manner, and within such time as may be prescribed any person may give notice of opposition at the Patent Office.*

(4) *“Where such notice is given the Comptroller shall notify the applicant thereof.*

(5) *“After the expiration of the prescribed period the Comptroller shall hear the case and, subject to an appeal to the Court, issue an order either restoring the patent or dismissing the application: Provided that in every order under this section restoring a patent such provisions as may be prescribed shall be inserted for the protection of persons who may have availed themselves of the subject-matter of the patent after the patent had been announced as void in the illustrated official journal.*

(6) *“An appeal shall lie from the decision of the Comptroller under this section to the Court.”*

The practice is regulated by rules 58—63.

A patentee is obliged to show a clear case of hardship, and mere inadvertence will not be sufficient to justify restoration.

Nor will a mistaken view of the law avail the patentee. In one case a patentee decided not to pay the fee or keep the patent alive because he was applying for a further patent for improvements on his invention, and was under the impression that a patent for such improvements would cover and protect the original invention. He only discovered his mistake when the office cited his earlier patent as an anticipation of the invention the subject of his new application. Restoration was refused (*j*).

Delay in taking proceedings for restoration after knowledge of the lapse of the patent has come to the patentee will in general be fatal to an application for restoration (*k*).

The application is advertised, and opposition may be entered to the proposed restoration.

The requirement for advertisement of the application is for **Advertisements.** the purpose of enabling persons whose interests may be injured

(*j*) 27 R. P. C., Ruling I.

(*k*) 30 R. P. C., Ruling D.

by the restoration to enter an opposition, when terms may be imposed for their protection.

**Conditions.** The nature of the conditions which are imposed are set forth in rule 62.

The procedure on appeal is regulated by rules 4, 5 and 6 of Order LIIIA. For a discussion on the effects of the war on Applications and the Restoration of Patents which lapsed during the war, see Chap. XVIII. under "Extension of Time."

## CHAPTER IX.

OPPOSITION TO THE GRANT, AND REVOCATION UNDER  
SECTION 26.

By sect. 11 of the Act of 1907, as amended by the Act of 1919, it is enacted as follows:—

(1) “ Any person may at any time within two months from the date of the advertisement of the acceptance of a complete specification give notice at the Patent Office of opposition to the grant of the patent on any of the following grounds:—

(a) “ that the applicant obtained the invention from him, or from **First ground.**  
a person of whom he is the legal representative; or

(b) “ that the invention has been published in any complete **Second**  
specification, or in any provisional specification, followed **ground.**  
by a complete specification deposited pursuant to any application made in the United Kingdom within fifty years next before the date of the application for the patent, the grant of which is being opposed, or has been made available to the public by publication in any document (other than a British specification) published in the United Kingdom prior to the application; or

(bb) “ that the invention has been claimed in any complete **Third**  
specification for a British patent which though not **ground.**  
published at the date of the application for a patent the grant of which is opposed was deposited pursuant to an application for a patent which is or will be of prior date to such patent; or

(c) “ that the nature of the invention or the manner in which it **Fourth**  
is to be performed is not sufficiently or fairly described **ground.**  
and ascertained in the complete specification; or

(d) “ that the complete specification describes or claims an **Fifth ground.**  
invention other than that described in the provisional

*specification, and that such other invention forms the subject of an application made by the opponent in the interval between the leaving of the provisional specification and the leaving of the complete specification ; or*

Sixth  
ground.

(e) *“ that in the case of an application under section ninety-one of this Act a specification describes or claims an invention other than that for which protection has been applied for in a foreign state or British possession, and that such other invention forms the subject of an application made by the opponent in the interval between the leaving of the application in the foreign state or British possession and the leaving of the application in the United Kingdom, but on no other ground.*

(2) *“ Where such notice is given the Comptroller shall give notice of the opposition to the applicant, and shall, on the expiration of those two months, after hearing the applicant and the opponent, if desirous of being heard, decide on the case.*

(3) *“ The decision of the Comptroller shall be subject to appeal to the law officer, who shall, if required, hear the applicant and the opponent, if the opponent is, in his opinion, a person entitled to be heard in opposition to the grant of the patent, and shall decide the case ; and the law officer may, if he thinks fit, obtain the assistance of an expert, who shall be paid such remuneration as the law officer with the consent of the Treasury may determine.”*

The second and sixth grounds have been added by the Act of 1919. The second ground is a very great extension of the right of opposition. The practice is regulated by rules 42—49.

Sect. 26 gives what is in effect an extended right of opposition after the patent has been granted on the same grounds as it might have been opposed, and limited to the same class of “opponent,” or rather “applicant,” as the attacking party is called in these circumstances. Its provisions will be dealt with at p. 190.

**The Opponent.** The Opponent.—The wording of sub-sect. 3 limits the interpretation which might otherwise be placed upon the words “any person.” Under the Act of 1907 before amendment, the Comptroller required the opponent to show either an interest in the prior patent under which he alleged that the applicant’s

invention had been claimed, *or* if he had no interest in such prior patent he had at least to show a manufacturing interest to give him a right to oppose. Now that the second ground of opposition—prior publication—has been added it would appear that the opponent need only establish a manufacturing or trading interest, and the cases which were decided on the interest in prior patents are no longer strictly applicable. It can hardly be reasoned that an opponent who relies on prior publication in a specification must show an interest in the patent, in respect of which it was filed, whereas he may rely on a prior publication in a technical journal in which, of course, he could not have an interest. We propose, therefore, to deal with those cases which define interests of the other character. In *Meyer's Application* (16 R. P. C. at p. 527) Sir R. Webster, A.-G., said: "I lay down the rule that if there has been a bonâ fide attempt to carry out the invention sought to be protected by the person who desires to be heard in opposition, and proof that he may be damnified or affected by the application which he desires to oppose he is entitled to be heard. I do not pretend to say that those particulars or limitations are exhaustive, though they will indicate the class of case in which I think the Comptroller ought to hear an opponent." In *Application by New Things, Ltd.* (31 R. C. P. 45) the opponent possessed a cinematograph screen, covered by the patent applied for, which he was exhibiting to persons whom he desired to assist him in the formation of a company to manufacture it, otherwise he had not used it for any mercantile purpose. Sir S. O. Buckmaster, S.-G., refused to admit his opposition and said: "Having considered all the cases to which my attention has been called, I am not prepared to limit the interest which an opponent must show in order to bring himself within the class of persons qualified to give notice of opposition under sect. 11, to what is called a manufacturing interest. I think that is a mistake. A trading interest would also be sufficient, but the interest must be a real, definite, and substantial interest, and must not arise from something that the opponent proposes to do. So far as the present interest of the present opponent is concerned it is nothing but the possession and use in the manner which I have mentioned

of this particular screen. The rest of his interest arises from something which he intends to do in the future, and which he may or may not accomplish ; it appears to me that that intention gives him no more right to oppose than a man saying that he intended in the future to make a patented article would give him the right to be heard. I have therefore to consider whether the use of the screen, as he at present possesses and uses it, is a definite and substantial interest entitling him to oppose. I am unable to find that it is. It appears to me that it is no more than the ordinary possession and use of a particular article said to be covered by the patent applied for, and I do not think that the mere fact that a man is in possession of such an article gives him the right to appear and oppose under sect. 11. For example, if a man were using a golf ball which it is said would infringe a patent for which an application was made in respect of golf balls, I do not think that would entitle him to come in and oppose, because it is obvious that when once the area of the class within which opposition is permitted is extended so as to include all people who use—as opposed to those who make or trade in—a particular article, there would be no check on oppositions which might be of a fictitious or unreal character.” This decision overruled the decision of the Comptroller in the same case (*a*).

It is submitted that the possession of an article and the use of it in the course of the opponent's trade or occupation would give him a right to oppose.

The Comptroller has decided (*b*) that the fact that the opponent has himself applied for patents in respect of similar subject-matter is enough to give him a locus even when the opponent's application was filed subsequently to the notice of opposition (*c*).

A disparaging reference to the opponent's apparatus or invention in the body of the applicant's specification would appear to be a grievance entitling him to oppose (*d*).

(*a*) Reported as Comptroller's Ruling, 30 R. P. C., B.

(*b*) 29 R. P. C., Ruling B; 29 R. P. C., Ruling C.

(*c*) 29 R. P. C., Ruling C.

(*d*) *Wadhams's Application*, 27

R. P. C. 172.

Possibly, also, the use of the opponent's trade mark as a descriptive term for a substance would give the opponent a locus, apart from its being a specific objection based on the fourth ground (e).

It was decided before the Act of 1907 that an opponent who had established a locus on one ground of opposition could also rely on others upon which had he relied upon them alone he would not have been able to establish his right to be heard (f), and it is submitted that the same reasoning applies to the present law.

In a case where an opposition had been entered, and it was shown that the opposition was collusive and had been entered for the purpose of obtaining an extension of time for sealing, the law officer refused to allow a patent to be sealed (g). In *Kempton and Mollan's Application* (22 R. P. C. 573) the opposition was successful before the Comptroller, and a patent was refused. The applicant appealed, and prior to the hearing before the law officer, came to an arrangement with the opponent to the effect that the opposition should be withdrawn. Sir E. Carson decided that the appeal could not be allowed by consent, since the Comptroller in refusing the seal was acting in a public capacity, and that the case must be decided on its merits alone, and he refused to allow the patent to be sealed.

Result of collusive opposition.

Public nature of Comptroller's functions.

**The Grounds of Opposition.**—Prior to the passing of the Act of 1883 any ground was available for the purpose of opposition which would have been available for the purpose of destroying the validity of the patent. Prior user was a frequent ground of opposition (*In re Samuda*, Hindmarch, p. 534), so also was an alleged dedication to the public by the inventor himself (*In re Adamson's Patent*, 1856, 6 De G. M. & G. 420; 25 L. J. Ch. 456; 4 W. R. 473); but it was always considered necessary that the ground of the opposition should be proved beyond the shadow of a doubt (*In re Tolhausen's Patent*, 14 W. R. 551, and also *In re Vincent's Patent*, 1867, L. R. 2 Ch. 341). If there was any doubt it was considered that the patent ought

The grounds of opposition before 1883.

(e) See 31 R. P. C., Ruling (A). (g) *A. B.'s Application*, 19

(f) *Stewart's Application*, 13 R. P. C. 403, 556.

R. P. C. 627.

to be sealed, so as to give the inventor the benefit of an exhaustive trial.

Under the Act of 1883.

The Act of 1883, however, reduced the grounds of opposition to three in number, corresponding to the first, the third (with a slight difference), and the fifth grounds provided by the Act of 1907 as amended by the Act of 1919.

Under the Act of 1907.

By the Act of 1907 the present fourth ground was introduced, and a modification of the third ground was effected.

By the Act of 1919 the present second and sixth grounds were introduced, and the third ground was modified to its present form.

The grounds of opposition will now be considered *seriatim*.

The first ground (a).

The first ground of opposition as defined by the Act is that the applicant has obtained the invention from the opposing party, or from one of whom he is the legal representative. This question involves the credibility of witnesses. Before the Act of 1907 the Comptroller had no power to examine witnesses, although he might request the voluntary attendance for explanation of any one who had made a declaration; and if a conflict was shown in the declarations, the usual practice was that the Comptroller formally decided that the patent should be sealed, and the opponent appealed to the law officer, who was able to take evidence on oath. By sect. 77 the Comptroller was empowered to take evidence upon oath, in addition to receiving statutory declarations in any case in which he thinks it right to do so. The practice will be further dealt with at p. 192.

Patent stopped in clear cases only.

But the law officer would not and will not decide a case of this kind against the applicant unless there is very little doubt on the facts, since the opponent always has an opportunity of having the question tried in open court on a petition to revoke the patent under sect. 25, sub-sect. 3.

In *Edmund's Patent* (Griff. P. C. 283), Sir R. Webster, A.-G., said: "I am clearly of opinion that, under the circumstances, the Comptroller-General was right in declining to stop the patent in the present case. Had he done so, or if I were now to do so, there would be no means of reviewing our decision, whereas, if the patent is sealed, the question can be raised either in the proceedings to which I have already referred, or it



may be in proceedings for revocation, should the parties be advised to institute any such proceedings."

In *Stuart's Application* (9 R. P. C. 452), Sir E. Clarke, S.-G., said: "I think that the law officer is only entitled to stop the issue of a patent, having examined all the evidence given on one side or the other, if he is so clearly of opinion that the opponent has made out his case that he would, if a jury were to find in favour of the applicant, refuse to accept it and overrule the decision on the ground that it was perverse and contrary to the obvious weight and effect of the evidence."

In the case of an opposition upon the first ground, it frequently happens that the law officer is of opinion that both the applicant and the opponent contributed materially to the invention. In such case terms will be imposed giving both parties an interest in the patent (*h*).

The words "obtained the invention" do not necessarily imply that the person from whom the invention had been obtained had taken out or even intended to take out a patent for it; it refers to the identity of the invention, not the right of the person from whom it was obtained to be regarded as the first and true inventor (*i*). On the other hand, if the invention said to have been "obtained" be a matter of mere common knowledge or has been published in such a way as to deprive the opponent of any rights in it, then although the information may have come to the knowledge of the applicant through the medium of the opponent, the latter cannot oppose on the ground that the inventor has obtained the invention from him within the meaning of the section, and he has no personal rights under this section (*j*) or sect. 15 (set forth at p. 181).

If, however, the opponent can show that he made a confidential communication of a design, drawing, plan or the like to the applicant it does not lie in the mouth of applicant to prove by reference to prior publications that the subject-matter of the

(*h*) *Russell's Patent*, 2 De G. M. & J. 130; Good. P. C. 589; *Luke's Patent*, Griff. P. C. 294; *Eadie's Patent*, Griff. P. C. 279; *Evans and Otway's Patent*, Griff. P. C. 279;

*Garthwaite's Patent*, Griff. P. C. 284.

(*i*) *Thwaite's Application*, 9 R. P. C. 515.

(*j*) *Ashton and Knowles' Application*, 27 R. P. C. 181.

communication was not patentable, and that therefore he had a right to appropriate it for the purposes of his application. In such circumstances he would be held to have "obtained" the invention from the opponent (*k*).

It is not necessary for an opponent under this section to prove that the applicant has acted fraudulently, although in circumstances it is part of his case, but the opponent must clearly show that the invention in question was obtained from him, either directly or through his agent; or he must bring the applicant by evidence of notice or otherwise into some known legal relationship with himself. It will not be sufficient to show that the invention has been handed on from A. to B. through numerous intermediate parties, and that B. has received it in entire innocence of the fact that it owed its origin to A. There must be some connection, known and recognised by the law, between A. and B., and not merely a casual connection in which no proof of knowledge or notice is brought against B. and no agency is proved (*l*).

Inasmuch as the appeal to the law officer is in the nature of a re-hearing fresh evidence will be heard by him if he thinks it desirable (*m*).

Where it appeared that a part of the subject of the application had been obtained from the opponent, the law officer struck out that portion and allowed the remainder to go on (*n*).

Legal representative.

In *Edmunds' Patent* (Griff. P. C. 281) the Comptroller was of opinion that the words "legal representative" meant the executor or administrator of a deceased person and would not include a person holding a power of attorney (*o*).

No inquiry into fraud abroad.

In the case of inventions communicated from abroad neither the Comptroller nor the law officer will inquire into what happened outside the United Kingdom; the importer is the true and first inventor, and the means by which he may have obtained the invention are of no importance and will not be

(*k*) *Ashton and Knowles' Application*, 27 R. P. C. 181.

R. P. C. 416.

(*l*) Per C. G. Ruling (A), 27 R. P. C.

(*n*) *Thwaite's Application*, 9

R. P. C. 515.

(*m*) *Chambers' Application*, 32

(*o*) See also *Adolph Spiel's Patent*, 5 R. P. C. 281.

considered, since the merit of the invention consists in its importation into this country (*p*). This is the case even when the opponent has made an application under sect. 91 in respect of the same invention subsequent to the applicant's application, but which by reason of the International Convention will have a date prior to the applicant's application (*q*). It also holds good in a case where the applicant has applied under sect. 91 and has claimed the date of a foreign application, it being alleged that the foreign application was made in fraud of the rights of the opponent (*r*). In such a case opposition proceedings in the foreign country might result in the foreign application being cancelled, but the rights of the applicant in this country would probably not be affected, and he could still claim the foreign date.

Where fraud has been committed in this country, true and first inventors who have been the victims of fraudulent applications are specially protected by sect. 15 of the Act of 1907 as amended by the Act of 1919, which runs as follows:—

(1) "*A patent granted to the true and first inventor shall not be invalidated by an application in fraud of him, or by provisional protection obtained thereon, or by any use or publication of the invention subsequent to that fraudulent application during the period of provisional protection (s).*

(2) "*Where a patent has been revoked by the Court on the ground that it has been obtained in fraud of the true and first inventor or where the grant has been refused by the Comptroller under the provisions of paragraph (a) of sub-section (1) of section eleven of this Act or revoked on the same ground under the provisions of section twenty-six of this Act, the Comptroller may, on the application of the true inventor made in accordance with the provisions of this Act, grant to him a patent for the whole or any part of the invention in lieu of and bearing the same date as the patent*

(*p*) *Application by McNeil and the Pearson Fire Alarm Co.*, 24 R. P. C. 680; *Edmund's Patent*, Griff. P. C. 281.

(*q*) *Meurs-Gerkin's Application*, 27 R. P. C. 565.

(*r*) *Curwen's Application*, 30 R. P. C. 128. See also *Halsey's Application*, 31 R. P. C. 101.

(*s*) See also sect. 41, sub-sect. (2),

and p. 66, ante.

*so revoked or as would have been borne by the patent if the grant thereof had not been refused: Provided that no action shall be brought for any infringement of the patent so granted committed before the actual date when such patent was granted."*

Second  
ground (b).

The second ground of opposition was added to the Act of 1907 by the amendments made by the Act of 1919. Before these amendments an opponent who relied on prior specifications had to show that the invention had been *claimed* therein. He may now rely upon prior publication in a specification or any other document whatever, and the ordinary law of prior publication would seem to apply (t). The words "made available to the public" were expressly inserted, however, at the instance of Lord Moulton, so as to exclude semi-private communications which, although not publications in the popular sense, might have been held to invalidate the patent for want of novelty (u).

Consideration  
of subject-  
matter.

It is suggested that the Comptroller will refuse the grant only in very clear cases, and that if no clear anticipation is brought to his notice he will not readily refuse the application on the ground of want of subject-matter but will leave this question to be decided by the Courts. The effect of an opposition on this ground will in most cases be to effect a revision of the applicant's specification and claims and their limitation to the precise invention shown to be novel. The Comptroller has power to refuse an application in respect of an "invention" which cannot be considered as a "manufacture" within the meaning of the Statute of Monopolies (v). And in some cases patents have been refused when no invention whatever was disclosed, and the idea which it was sought to protect was obvious.

In *Smith's Application* (13 R. P. C. 200) Sir R. Webster said in refusing a patent: "It is only in cases in which the law officer is satisfied that there is no difference which can be regarded as amounting to invention that the later patent can be stopped. . . . I desire to say that it is quite incorrect to suppose that, in giving judgment in *Stubbs' Case*, I ever intended to suggest that the law officer ought not to consider mechanical equivalents as bearing upon the question of identity

(t) See Chap. IV., "Novelty." 104, p. 656.

(u) See Hansard, vol. 37, No. (v) See p. 31, ante.

of invention. I entirely agree with the judgment of my then colleague, Sir E. Clarke, in *Haythornthwaite's Case*; and on many occasions when I had to deal with the matter previously, I did consider the question of mechanical equivalents as bearing upon the question of identity."

And where it appeared that all the elements of the combination claimed by the applicant had been previously patented, and there was no invention in combining them, a patent was refused. (*Bridge's Application*, 18 R. P. C. 257) (*w*).

In *Hodgkins' Application* (23 R. P. C. 527), the alleged invention was a new process for making golf balls. The opponent proved that the greater part of the process had been the subject of a prior grant. The applicant offered to limit his claim to the additional part only, but having been allowed to file evidence relating to the additional part, he failed to convince the law officer that such additional part produced any material advantage in fact, and a patent was refused. The Comptroller will not ordinarily enter into a discussion or evidence as to the practical utility of the applicant's alleged invention. In 27 R. P. C., Ruling D, he said that any experiments directed to this issue should be carried out in the presence of both parties, and added: "It is, however, in any case, a highly inconvenient procedure, and I do not think that the Comptroller should, except in very exceptional instances, ask for experimental proof of the utility of any claimed invention or combination, and then only when no proper protection can be given by means of disclaimer or reference or by other amendment of the specification. Where it is shown on the face of the specification, or where in the light of ordinary knowledge, it is doubtful whether a claimed invention is capable of utility or of practical use, I think experiments may possibly be required, but I think this course should be confined to clear cases, and where the documents themselves disclose some ground for such suspicion."

Consideration  
of utility.

(*w*) See also *Haythornthwaite's Application*, 7 R. P. C. 70; *Wylie and Morton's Application*, 13 R. P. C. 97; *Deutsche Gasglicht Aktien-gesellschaft's Application*, 26 R. P. C. 101; *Van Wye's Application*, 26 R. P. C. 490; *Bosch's Application*, 26 R. P. C. 710.

Amendment  
of notice of  
opposition.

The Comptroller will (subject to an order as to costs) allow an amendment of the notice of opposition to include a specification or other document which has been omitted provided that the notice of opposition relies on the general ground, even though such application to amend is made after the lapse of two months from the acceptance of the complete specification opposed (x).

The Comptroller may refuse an application on the ground that the invention has been disclosed in a 'prior specification' which has not been referred to in the notice of opposition, inasmuch as he must protect the public (y). And in one case (29 R. P. C., Ruling E) the Comptroller ruled that where the applicant had admitted that he had published the invention in circumstances that would render any patent therefor invalid, he had, under his general jurisdiction, power to refuse a grant. This view was approved by the law officer in *Barracrough's Application* (37 R. P. C. 105).

References  
enforced.

Where it appears to the Comptroller-General or law officer that the applicant's specification is too general and calculated to deceive the public, or appears to overlap the invention of the opponent, the patent will only be granted on condition of the insertion of a "reference"; such reference may be general or special, that is, either a general reference to common knowledge or a specific reference to the opponent's specification.

General dis-  
claimer and  
special  
reference.

The effect of a general reference or disclaimer is somewhat different from that of a special reference. The former is inserted for the purpose of preventing the later patentee from alleging that his invention is wider than that which he is entitled to claim, both in his own interests, in order that his specification may not be considered too wide, and in the interests of the public, on the ground that the public are entitled to know what a subsequent patentee may claim, and to have a fair description of the existing state of knowledge.

The specific reference, however, is intended as a warning to the public and to indicate the relationship between patents, and will only be directed with reluctance.

(x) 27 R. P. C., Ruling C.

*Application*, 27 R. P. C. 281.

(y) *Hughes and Kennaugh's Ap-*

Before the system of searching to test the novelty of the invention was instituted at the Patent Office the Comptroller could do little to cut down the applicant's claims to what he had really invented, nor could he effectually alter the description, and a special reference was often a necessity in the interests of the public and of the patentee. Under existing circumstances the aim of the office is to secure as far as possible that specifications shall be framed properly and thus obviate the necessity for inserting references and disclaimers, which in many instances were only used as a rough and unscientific method of defining the real scope of the invention, and its relation to former invention and discovery (z). The general principle is that a reference is not for the purpose of advertising a prior patentee, but to guide the public, to define the true scope of an invention, and to bring into clear light the relationship and importance of one patent to another. "I think that the real underlying principle which should govern the insertion of specific references is this, 'Is the governing idea, or basic principle of an invention sought to be protected, claimed or protected by a specific earlier patent?'" There are two classes of cases: (1) Where a "master patent" is involved; and in **Master patent.** this case a specific reference is rightly inserted if the new invention is merely an improvement or amendment on the "master patent." But in such a case the opponent must give notice of the contention and file evidence that the specification relied on is of this kind. Such a patent is one which has broad claims, which in view of the importance of the principle involved stand alone (a). (2) "In the cases where there is no proper "master patent" involved, I think the same general principle in regard to specific references applies; but the conditions are stricter and more severe. I think that in such cases a specific reference should only be allowed where the following conditions are present, viz. :—(a) The patent to which reference is asked should be clear and distinct in its own field,

(z) See the Comptroller in *Hopkin's Patent*, 27 R. P. C. 72, for a discussion of the principle on which references are enforced. The

passages quoted or condensed are from his decision.

(a) See *Southwell and Head's Application*, 16 R. P. C. 361.

and as far as can be gathered, free from anticipation. (b) The invention claimed therein must be clearly and unequivocally claimed or included in the later specification. (c) It must be claimed or included substantially as a whole and not merely in part. (d) The improvement or addition claimed by the applicant must be small, and the governing principle, so to speak, must come from the prior patent" (b). In *Walker and Peck's Application* (32 R. P. C. 199) Sir S. O. Buckmaster, S.-G., said: "A specific reference is not intended for the protection of an opponent who desires to have his patent referred to in an applicant's specification; it is intended for a perfectly different purpose; it is introduced in order that the specification may be made clear and definite, and that a member of the public who desires to use the invention for which the applicant is seeking letters patent may not be misled into thinking that an invention is involved or included in the specification, which is in fact the subject of protection by prior letters patent, of which no warning has been given" (c).

It is a matter of doubt whether the applicant may refer to a specification prior in date to the opponent's specification but published after it with a view to showing that the latter is not entitled to the description of Master Patent (d).

It was decided by the law officer in *Barraclough's Application* (37 R. P. C. 105) that the opponent's right to a specific reference is not defeated by evidence of a prior user before the date of the opponent's patent, inasmuch as the question of prior user is not suitable for trial before the Comptroller or the law officer.

It frequently happens that the applicant's invention is shown to be anticipated to a great extent, and the question then arises as to the extent to which he may be allowed to amend his specification and claims so as to cut away the invalid part. This depends on the circumstances of the case (e), and is by no

Amendment  
of applicant's  
specification.

(b) See also *Sachse's Application*, 18 R. P. C. 221.

(c) See also *Welch's Patent*, 8 R. P. C. 443; *Brockie's Application*, 25 R. P. C. 813; *Woollbridge and*

*Fox's Patent*, 37 R. P. C. 114.

(d) See *Lanchester's Application*, 30 R. P. C. 130.

(e) *Harrild and Parkins' Application*, 17 R. P. C. 617.



means permitted as a matter of course (*f*). Having regard to the modern procedure for searching it may be taken that proposals for amendment are more readily acceded to than was formerly the case (*g*). But the applicant should not wait to affect these amendments until his case arrives before the law officer on appeal. The true principle to be applied is to be found in the question, "Does the amended specification indicate an invention substantially different from that at first described?" Where this is so, even though the specification before amendment contained the elements of what is now set forward as the invention to be protected, the patent will be refused (*h*), and the invention ultimately claimed must in any case have been within the provisional specification (*i*).

The third ground of opposition is for the purpose of dealing with possible prior grants for the same invention, and the same considerations apply as in the case of the extended search under sect. 8. The same considerations also affect the enforcement of specific references and refusal of the grant, save that in the case of a specific reference the order will be conditional upon a patent being granted upon the earlier application (*j*). And as to refusal, in 29 R. P. C., Ruling D, the Comptroller said: "I have come to the conclusion that the concurrency of two applications cannot be urged in any case as necessarily forming a bar to the refusal of the grant of patent rights on the later application. I think the only way in which the fact of concurrency can legitimately be used is in urging on the tribunal greater care and greater accuracy in determining the existence of identity between the two inventions. If there is any reasonable doubt as to the differences between the two inventions, or as to the clearness of the language in which the prior invention is described, the grant, in my opinion, ought not to be refused."

(*f*) *Thomas and Prevost's Application*, 16 R. C. P. 69; *Crist's Application*, 20 R. P. C. 475.

(*g*) See the remarks of the Comptroller in *Hopkins' Patent*, 27 R. P. C. 72, referred to above.

(*h*) *Mills' Application*, 18 R. P. C. 322.

(*i*) *Lancaster's Application*, 20 R. P. C. 366.

(*j*) 27 R. P. C., Ruling G.

Third ground  
(*bb*).

It would appear that an opponent who bases his opposition on this ground may rely upon a specification filed pursuant to an application under the Convention which though lodged at the office after the date of the applicant's application is given a prior date by reason of the Convention. This was decided by the Comptroller in Ruling C, 30 R. P. C., and by the law officer in *Hulsey's Application* (31 R. P. C. 101) construing the wording of sect. 11 (1) (b) of the Act of 1907 before amendment ("which is or will be of prior date"), which in all material particulars is the same as the present third ground defined in sub-sect. (1) (bb). On the other hand, as will be seen later, in objecting on the fifth ground (d) an ante-dated specification may not be relied on (*k*). The decisions under the Act of 1883 on this point are no longer applicable, as the wording of the sub-sections has been materially changed (*l*).

Fourth  
ground (c).

This ground was introduced by the Act of 1907. It is commonly relied on in the sense that the ambit of the monopoly is not clearly defined, in order to effect a cutting down of the applicant's claims (*m*), and in conjunction with opposition on the second and third grounds. Used in the sense that the directions in the specification are not sufficient to ensure practical success it is seldom used, although it was probably designed to ensure sufficiency in this respect, and for the same reason that samples are required on application for a patent in respect of a chemical invention.

In a case where the applicant stated that his invention related to the treatment of a substance named "Permutit," and this word was the opponent's registered trade mark the Comptroller held that this fact entitled them to oppose on this ground, because it might cause a secondary meaning to become attached to the word, whereas the opponents had the right to retain the word while varying the composition of the substance sold under it (*n*).

An opponent was held entitled to rely on this ground when

(*k*) 30 R. P. C., Ruling A.

(*l*) See, e.g., *Johnson's Application*,  
24 R. P. C. 694; *Everitt's Patent*,  
Griff. L. O. C. 28.

(*m*) See *Wadham's Application*,  
27 R. P. C. 172.

(*n*) 31 R. P. C., Ruling A.

his invention was described in the body of the applicant's specification though not included in the claims, and the description of it was irrelevant to the invention which the applicant had really made (*o*).

It was decided by the Comptroller in *Screx's Application* (29 R. P. C. 284) that an opponent relying on this ground and opposing an application under the International Convention, could not allege that the invention claimed was not the same as that in the specification originally filed abroad. Nor could he allege that the specification as originally filed had been improperly amended into the form in which it was ultimately accepted in an ordinary case not under the Convention (*p*).

The fifth ground of opposition was introduced by sect. 4 of the Act of 1888, for the purpose of preventing an applicant from claiming in his complete specification an improvement on his invention, which was contained in the provisional of the opponent filed after the date of the applicant's provisional specification and thereby depriving the opponent of the benefit of his invention; but an applicant is not thereby deprived of his old right to include fair developments of his patent in his complete specification (*q*).

An opponent will not be allowed to rely on an application filed after the date of the applicant's complete specification but dated by reason of the International Convention between the applicant's provisional and complete specifications (*r*).

The sixth ground was introduced by the Amending Act of 1919. It partly remedies the decision in *Screx's Application* (29 R. P. C. 284) on the fourth ground, but the opponent must show not only that the specification accepted describes or claims an invention other than that for which he has applied for protection abroad, but that he has himself made the excess matter the subject of an application in the interval between the applicant's foreign and British applications.

(*o*) *Francis' Application*, 27 R. P. C. 461; *Millar's Application*, R. P. C. 86. 15 R. P. C. 718; *Ross' Application*,

(*p*) See effect of sixth ground, 30 R. P. C. 722. however.

(*r*) 30 R. P. C., Ruling A.

(*q*) *Edwards' Application*, 11

**Practice.**

The Practice in oppositions is regulated by rules 42—49 and appeals to the law officer by the Law Officers' Rules. (See sect. 40 of the Act of 1907.) In these will be found all the rules relating to evidence and notices.

REVOCATION BY THE COMPTROLLER UNDER SECT. 26.

Sub-sect. 1 of sect. 26 is as follows :—

*“ Any person who would have been entitled to oppose the grant of a patent, or is the successor in interest of a person who was so entitled, may, within two years from the date of the patent, in the prescribed manner apply to the Comptroller for an order revoking the patent on any one or more of the grounds on which the grant of the patent might have been opposed.*

*“ Provided that when an action for infringement or proceedings for the revocation of the patent are pending in any court, an application under this section shall not be made except with the leave of the Court.”*

The result of this enactment is merely to extend the time within which an opposition may be lodged subject to the effect of the latter part of sub-sect. (2): *“ The Comptroller shall give notice of the application to the patentee, and after hearing the parties, if desirous of being heard, may make an order revoking the patent or requiring the specification relating thereto to be amended by disclaimer, correction, or explanation, or dismissing the application; but the Comptroller shall not make an order revoking the patent unless the circumstances are such as would have justified him in refusing to grant the patent had the proceedings been proceedings in an opposition to the grant of a patent.”*

Sub-sect. (3) provides for the surrender of a patent at the instance of the patentee. This has been dealt with in the preceding chapter; and by sub-sect. (4), *“ Any decision of the Comptroller under this section shall be subject to appeal to the Court.”*

The words *“ successor in interest ”* in sub-sect. (1) mean as regards a person who would have been entitled to oppose on the first ground, his legal representatives only, and as regards other grounds, interests based on the possession of patent rights, and

includes assignees of such patent rights, and it also includes as regards the *locus standi* of the opponent, the assignee of the "manufacturing interest," the possession of which would have given the assignor a right to be heard (s).

The procedure is regulated by the same rules as oppositions, together with rules 76 and 77.

The notice of opposition (or application for revocation, the practice is the same) must state the grounds upon which the opponent intends to oppose the grant, and must be signed by him. A copy of such notice is delivered by the Comptroller to the applicant. If the opponent does not desire that the patent should be refused, but merely that the specification should be amended by disclaimer or limitation, the notice should state the relief to which the opponent considers himself entitled. Either party must give notice to the other of any specification or other publications to which he intends to refer at the hearing.

If the applicant desires to contest the opposition he must within fourteen days of the notice of opposition file a counter-statement setting out fully the grounds upon which the opposition is contested and deliver a copy to the opponent, and within fourteen days of receipt of such copy the opponent may file statutory declarations in support of his opposition, and must deliver to the applicant copies thereof. If he intends to rely on the first ground, he must file declarations. If he intends to rely on the fourth ground, he must state in writing the deficiencies of the specification. Within fourteen days from the delivery of such copies the applicant may leave statutory declarations in reply, copies of which must be sent to the opponent. The opponent may leave further declarations at the Patent Office, copies of which must be delivered to the applicant; such last-mentioned declarations must be confined to matters strictly in reply. No further evidence may be left on either side except by leave of the Comptroller. Foreign documents must be accompanied by attested translations.

The parties, if they so wish, are entitled to a hearing. In oppositions or applications for revocation, unless they be based

(s) *Gascoine's Patent*, 27 R. P. C. 78.

on the first ground, the applicant for a patent or the patentee as the case may be has the right to begin (*t*).

The Comptroller or the officer sitting on his behalf usually reserves his decision and sends it to the parties in writing. If the opponent dies before the day fixed for hearing the opposition, the notice of opposition may be amended by inserting the name of another opponent (*u*).

By sect. 77 of the Act of 1907 the Comptroller is empowered to receive vivâ voce evidence. The section is as follows:—

Oral evidence.

(1) “*Subject to rules under this Act in any proceeding under this Act before the Comptroller the evidence shall be given by statutory declaration in the absence of directions to the contrary; but in any case in which the Comptroller thinks it right so to do, he may take evidence vivâ voce in lieu of or in addition to evidence by declaration or allow any declarant to be cross-examined on his declaration. Any such statutory declaration may in the case of appeal be used before the Court in lieu of evidence by affidavit, but if so used shall have all the incidents and consequences of evidence by affidavit.*”

(2) “*In case any part of the evidence is taken vivâ voce, the Comptroller shall, in respect of requiring the attendance of witnesses and taking evidence on oath, and discovery and production of documents, be in the same position in all respects as an official referee of the Supreme Court.*”

The usual practice is for the parties to request the Comptroller to give notice to the witnesses on the other side to attend for cross-examination. They are asked at the hearing by way of examination-in-chief whether their statutory declarations are true, and are then cross-examined by the other side, and finally re-examined. There is nothing, however, to prevent witnesses being called who have not made declarations.

The attendance of witnesses may be enforced by *subpœna* under Order XXXVI., rules 49 and 50 of the Rules of the Supreme Court.

By sect. 40—

“*The law officer may examine witnesses on oath and administer*

(*t*) 27 R. P. C., Ruling (F).

L. O. C. 35.

(*u*) *Lake's Application*, Griff

Appeals to  
law officer.

*oaths for that purpose, and may make rules regulating references and appeals to the law officer and the practice and procedure before him under this Part of this Act; and in any proceeding before the law officer under this Part of this Act, the law officer may order costs to be paid by either party, and any such order may be made a rule of the Court."*

An appeal from the Comptroller to the law officer is not an appeal in the sense that the law officer must assume that the Comptroller's decision is right until the appellant shows that it should be upset. He must form his own judgment upon the matter, and has almost original jurisdiction, and the appeal is in the nature of a re-hearing (*v*), and the law officer will hear fresh evidence if he so chooses (*w*).

By sect. 73A the Comptroller has also power to award costs:—

(1) "*The Comptroller shall, in any proceedings before him under this Act, have power by order to award to any party such costs as he may consider reasonable, and to direct how and by what parties they are to be paid, and any such order may be made a rule of Court.*

(2) "*If any party giving notice of any opposition under this Act, or applying to the Comptroller for the revocation of a patent, or giving notice of appeal from any decision of the Comptroller under this Act, neither resides nor carries on business in the United Kingdom or the Isle of Man, the Comptroller, or in case of appeal to the law officer or the Court, the law officer or the Court may require such party to give security for the costs of the proceedings or appeal, and in default of such security being given may proceed to treat the proceedings or appeal as abandoned."*

It has been said that the opponent should state in his notice of opposition the relief to which he considers himself entitled, but if he does not succeed in obtaining the full amount of relief asked for he will not necessarily be deprived of costs (*x*), although if after having been offered by the applicant substantially all that he is ultimately held entitled to he persists in forcing the matter to a hearing he will get no costs (*y*). The

(*v*) *Ross' Application*, 30 R. P. C. R. P. C. 416.

722.

(*x*) 27 R. P. C., Ruling (H).

(*w*) *Chambers' Application*, 32

(*y*) *Ibid.*

amount awarded by the Comptroller or the law officer is not sufficient to indemnify the successful party, and a specific sum ranging from three to fifty guineas is usually named in the decision. It has been customary for the Comptroller to add to his award of costs a further award of three guineas if an application is made to the Court to make the order a rule of Court, and to direct further that no application is to be made for a rule until the lapse of fourteen days from his own decision. It is doubtful if the Comptroller has any power whatever to deal with costs in the High Court or to direct people not to apply to it. In some cases recently this course has not been followed (probably for the reason stated), and applications have been made to the Court to have the order for costs made a Rule of Court, and for the costs of such application, which applications (to Mr. Justice Sargant) have been successful.

The appeal from a decision of the Comptroller under sect. 26 is to the Court, and by sect. 92, sub-sect. (2), as amended by the Act of 1919 : "*Where by virtue of this Act a decision of the Comptroller is subject to an appeal to the Court, or a petition may be referred or presented to the Court, the appeal shall, except in the case of a petition for the revocation of a patent under section twenty-five of this Act and, subject to and in accordance with rules of the Supreme Court, be made and the petition referred or presented to such judge of the High Court as the Lord Chancellor may select for the purpose. An appeal shall not lie from any decision of such judge except in the case of an order revoking or confirming the revocation of a patent.*"

The practice on appeal to the Court is governed by rules 4, 5 and 6 of Order LIIIA. The petition is set down in the witness list, and the evidence used is that given before the Comptroller unless leave be given to call further evidence.

#### SURRENDER OF PATENT.

Under sub-sect. 3 of sect. 26, "*A Patentee may at any time by giving notice in the prescribed manner to the comptroller offer to surrender his patent, and the comptroller may, if after giving notice of the offer and hearing all parties who desire to be heard he thinks fit, accept the offer, and thereupon make an order for the*



*revocation of the patent.*" Under sub-sect. 4 an appeal lies to the Court from the Comptroller's decision. The Practice is governed by rule 78. The object of the section is to relieve a patentee from the onus of having to submit to an order revoking the patent under sect. 25, in which case even when he consents he usually had to pay the costs. A licensee might object to the invention being thrown open to the trade and would probably appear and oppose the surrender.

## CHAPTER X.

## AMENDMENT OF SPECIFICATIONS.

IN previous chapters we have seen that the specification may be amended before publication as a result of the procedure on application and acceptance or on account of opposition to the grant. We now have to deal with cases in which the applicant or patentee desires to amend the specification after publication. The extent to which this may be done and the procedure are regulated by sects. 21 and 22 of the Acts of 1907—1919, and rules 64—68.

History of  
law.

The history of the law on this matter is, however, instructive. There are several reported cases showing that at common law mere clerical errors in a specification might formerly be amended by the Master of the Rolls or the Lord Chancellor upon petition, but these amendments were strictly limited to verbal or clerical errors arising from mistake or inadvertence (a). In *Gare's Patent* (L. R. 26 C. D. 105), Brett, M.R., allowed amendments of clerical errors in a specification filed under sects. 27 and 28 of the Patents, &c. Act, 1852 (b).

Sect. 70 gives to the Comptroller power to correct any clerical error in or in connection with an application for a patent on payment of the prescribed fee.

We have seen that a patent for a very meritorious invention may be utterly vitiated by the patentee claiming something which is not new; so, also, a patent might be rendered void by reason of innocent misdescription or misrepresentation.

The common law power of amendment being found insufficient for the purposes of justice in such cases, the Act 5 & 6

(a) *Sharp's Patent*, 1 W. P. C. 649; *Johnson's Patent*, L. R. 5 C. D. 503. (b) See also *Berlan's Patent*, L. R. 20 Eq. 346.

Will. IV. c. 83, was passed, enabling "*any person who as grantee, assignee, or otherwise, hath obtained, or shall hereafter obtain, letters patent, &c.,*" with the leave of the law officer, to disclaim any part of the "title of the invention or of the specification, stating the reason for such disclaimer;" or, with such leave as aforesaid, to "enter a memorandum of any alteration in such title or specification (not being such disclaimer or such alteration as shall extend the exclusive right granted by the said letters patent), &c., &c." The case of *Spilsbury v. Clough* (1842, 2 Q. B. 466) having very much limited the meaning of the words of the statute, printed above in italics, the Act 7 & 8 Vict. c. 69, was passed, giving power to the original patentee, or his assignees, or both jointly, in the event of any interest in the patent remaining in the original patentee, to file a disclaimer or memorandum of alteration.

It will be observed that prior to the Act of 1883 any disclaimer or amendment made by the patentee was entirely at his own peril, and that in any subsequent action involving the validity of the patent objection might be taken to the disclaimer or amendment on the ground that it really extended the patent beyond its original limits.

The provisions of sect. 21 of the Act of 1907 (following <sup>The Act of 1907.</sup> sect. 18 of the Act of 1883 as amended by sect. 5 of the Act of 1886) are as follows:—

Sub-sect. 1 provides—

(1) "*An applicant or a patentee may at any time, by request in writing left at the Patent Office, seek leave to amend his specification, including drawings forming part thereof, by way of disclaimer, correction, or explanation, stating the nature of, and the reasons for, the proposed amendment.*"

When the Comptroller-General has not required an amendment, all amendments by the applicant or patentee from the date of lodging the complete specification (save those made under sect. 22 to be considered hereafter) must be made under sect. 21.

"The patentee," as has been pointed out in a previous chapter, means the person for the time being entered on the

register as the grantee or proprietor of the patent, while "the applicant" means the person whose patent has not yet been sealed, but whose complete specification has been lodged, and includes the legal representative of such a person.

**Amendments after publication under sect. 21.**

Directly the specification is accepted it becomes open to public inspection (see sect. 9), and therefore the application to amend will have to be made under sect. 21. The practice of the Patent Office is to allow amendments under sects. 6, 7 and 8 before acceptance.

**Permissible amendments.**

We will deal firstly with the nature of permissible amendments and refer later to the practice.

**Nature of permissible amendments.**

(6) "*No amendment shall be allowed that would make the specification as amended, claim an invention substantially larger than or substantially different from the invention claimed by the specification as it stood before amendment.*"

It will be observed that the amendments are to be by disclaimer, correction or explanation, provided the amendment does not cause the specification to claim an invention substantially larger or different. The Act of Will. IV., after using the words "disclaimer" and "alteration," provided that no extension should take place in the "exclusive right" granted by the letters patent.

Under the Acts of 1883 and 1907 it is not the exclusive right which must not be extended, but the invention must not be substantially larger or different.

**Cases to illustrate.**

The case of *Dellwik's Patent* (15 R. P. C. 682) is instructive on this point. The inventor had originally described improvements in incandescent mantles for gas lighting, in which he enumerated a long list of metallic oxides which might be used to coat the mantles, and he described an elaborate theory of the behaviour of the mantles so treated, attributing it partly to the relative conducting powers of the mantle and the coating. His claim was: "The herein-described process of treating incandescents which are non-conductors of heat, such as the oxides of calcium, magnesium, aluminium, zirconium, and similar metals of this group, or compounds of these oxides, by covering or saturating them with a coating of refractory oxide of a heavy metal or metals."

The proposed amendments were to cut out all the description of the theory, the words "non-conductor of heat" and "similar metals of this group" in the claim, and to substitute for the words "with a coating of refractory oxide of a heavy metal or metals" the words "with a coating of chromium oxide," chromium oxide being one of the coatings in the list set out in the body of the specification.

Sir Robert Finlay, S.-G., held that the amendments were permissible, since an inventor is not bound to set forth an accurate theory, nor, indeed, any theory of the behaviour of his invention, and said: "It is perfectly true in this case that the patentee desires to throw a very large part of his cargo overboard, but I confess that I think for all that it is a case of disclaimer. It may be a case of disclaiming six-sevenths, or nine-tenths, or ninety-nine hundredths of what was contained in the original patent, but for all that he is not introducing anything new; he is merely retaining one of the elements which formed the subject of the alleged invention contained in the original patent."

But where a claim is for a combination, an alteration of that combination will mean that the claim will be for a different invention. **Nature of combination unalterable.**

The case of *Parkinson's Patent* (13 R. P. C. 509) is an instructive example of a disclaimer which would have made the claim not wider, but different from what it originally was. The claim originally was for the combination of A. and B. to operate on a new principle. It was found that the principle and the combination of A. and B. for effecting it were well known. The proposed amendment was to disclaim the mere combination of A. and B., and to claim A. and B. in combination with the other portions of the apparatus. Sir R. Finlay, S.-G., said: "To my mind the specification as amended, if this application were allowed, would be for something substantially different from what the patent originally claimed . . . the patentee claims the combination of the sieve with the side deposit surfaces, tapering or not tapering. . . . What would be the effect of the patent as amended? It would be really for a new combination: for the combination of the sieve and side

deposit surfaces with the other parts of the apparatus indicated by the words in the proposed amendment: 'Other portions of the apparatus substantially in the manner hereinbefore described, so as practically to free the escaping air from particles of dust.' That may or may not be a good claim, but to my mind it is perfectly impossible to say that it is not substantially different from the naked claim . . . for the combination of the sieve with side deposit surfaces."

Where there are in the original specification two claims for A. and for B. respectively, it is not permissible to amend by substituting for these claims one for A. and B. in combination, since the combination is a different invention. The case of *Kelly v. Heathman* (45 C. D. 256; 7 R. P. C. 343), which seems to have been at one time considered an authority to the contrary, was explained by Sir E. Carson, S.-G., in his decision in *Hattersley and Jackson's Patent* (21 R. P. C. 233). Mr. Justice North had held in the former case that there was no objection in that particular case to the amendment, but he so decided upon the ground that even before amendment there was a claim to a combination, though not happily expressed, and that the amendment amounted to nothing more than a correction or explanation, which is, of course, admissible (c).

The same point is illustrated by the decisions in the case of *The British Thomson-Houston Co.'s Patent* (36 R. P. C. 251) where the claim was "The method of working tungsten, which consists in subjecting the metal in a coherent form to the action of heat while it is being operated on or manipulated." There had been claims for particular methods of obtaining the metal "in a coherent form," which claims had been struck out by a former amendment although the methods were still described in the body of the specification. It had been held by the House of Lords that the claim was meant to cover the treatment under heat of tungsten brought into a coherent form by any method whatsoever, and that it disclosed no invention and was invalid. The patentees sought to amend by inserting before the claims the following passage which they said was a

(c) See also *Goltstein's Application*, 27 R. P. C. 289.

disclaimer: "We desire it to be understood that by the expression 'coherent form' and 'coherent metal' in the claims we exclude any forms of tungsten other than those agglomerated from tungsten powder and rendered very dense and strong by a heat treatment very near the melting point." Mr. Justice Sargant (afterwards supported by the Court of Appeal) said: "As the specification is proposed to be amended, it will be for working under heat coherent tungsten which has previously gone through a process of agglomeration and fierce heat treatment. There is here an obvious addition to that which is claimed as defining or constituting the invention. The invention has an extra element added to it and is correspondingly more specific and more capable of reaching that degree of inventiveness which results in subject-matter. . . . It appears to me that this is not mere disclaimer, and further that, after the alteration, the invention claimed will be substantially different from that claimed by the specification" (d).

In *Johnson's Patent* (13 R. P. C. 659) Sir R. Webster said: "Disclaimer is not to be used solely for the mere purpose of turning an insufficient description into a sufficient description. Of course, it is to be used for the purpose of turning an ambiguous specification into a clear specification, but not for the purpose of turning an insufficient description into a sufficient, especially if the amendment introduces subsequent knowledge."

Not insertion  
of subsequent  
discovery.

In the case of *Beck and Justice's Patent* (Griff. L. O. C. 10), the specification described "improvements in nozzles for the escape of steam or gases under pressure." The proposed amendment included directions for modifying the invention for use in gas engines. Gas engines were not mentioned in the original specification, and it was admitted that the amendment was rendered necessary by the development of them, which had since taken place. The amendment was not allowed.

Sir R. Webster, A.-G., said: "My idea of the function of an explanation within sect. 18 is to explain more clearly what is necessary to understand the meaning of the patentee at the

(d) And see *Rhenische Gummi Xylonite Co.*, 29 R. P. C. 672, also *und Celluloid Fabrik v. British Hennebique's Patent*, 28 R. P. C. 41.

time he patented the invention. I do not think it is intended that he should put in subsequently ascertained knowledge."

Sufficient reason must be given.

Where no reason was shown by the patentee for requiring the amendment, in the case of a specification which on the face of it was sufficient without it, the law officer refused the application (e).

In *Hampton and Facer's Patent* (Griff. L. O. C. 13), the applicants desired to insert a statement in their specification imputing disadvantage to former patents. The Solicitor-General refused the application on the ground that he was not at all satisfied that the faults imputed to those patents did in reality exist.

Re-writing of specification not allowable.

An amendment which in effect amounts practically to the re-writing of the whole specification will not be allowed (f). In *Nairn's Patent* (8 R. P. C. 444) the original specification contained a general description with diagrammatic drawings. It was proposed to add a full description and drawings. This was disallowed. An amendment which abandons the original substantive claim and limits the invention to a subordinate and unimportant alternative will not be allowed (g).

No power to amend title or provisional.

Under this section there is no power either to amend the title or the provisional specification. When a complete specification is filed with a narrower title than the provisional, the proper course for the Comptroller-General to adopt is to amend the title of the provisional (such amendment, however, must be in the nature of excision only) or to give the applicant liberty to insert a disclaiming clause in the complete specification and assimilate the title of the complete to that of the provisional (h).

Reasons for amendment.

Under the Act of Will. IV., when a patentee sought to disclaim, it was necessary that he should give his reasons for the proposed disclaimer, but he was not compelled to state reasons for a proposed alteration. Under the present statute

(e) *Nordenfeld's Patent*, Griff. L. O. C. 18.

(g) *Heath and Frost's Patent*, Griff. P. C. 310; *Crist's Application*,

(f) *Nairn's Patent*, 8 R. P. C. 444; *Garnett's Application*, 16 R. P. C. 154; *Crist's Application*, 20 R. P. C. 475 (see p. 186, ante).

20 R. P. C. 475.

(h) *Dart's Patent*, Griff. P. C. 307.



he must give his reasons for any amendment, whatever the form of the amendment may be. The reasons will, of course, vary with each case—*e.g.*, that the patentee has discovered that parts of the invention claimed are not new, or are useless, or that certain phrases and terms as originally used need explanation, or that parts of the machine or process as described will not work.

The reasons for an amendment form no part of the amendment itself (*i*). And the proceedings on amendment cannot be used subsequently to effect construction of the amended specification (*j*).

If the reasons do not disclose any ground on which the amendment ought to be allowed, the application will be dismissed (*k*); but the amendment will not be refused merely on the ground that the reasons given for it are not conclusively sufficient (*l*).

In *Morley's Patent* (32 R. P. C. 473) the Comptroller had inserted a specific reference owing to the result of the search as to novelty. The applicant amended his specification under sect. 21, and the law officer allowed the reference to be removed as being no longer necessary. Removal of specific reference.

Amended specifications are printed with the amendments shown in erased type, and this is the case even when a reference to a prior specification has been removed as the result of the amendment (*m*). Method of printing amendments.

Prohibition will not lie to the law officer in the exercise of his discretion under this section (*Van Gelder's Patent*, 6 R. P. C. 22). No prohibition to law officer.

By sub-sect. 2 of sect. 21 "*the request, and the nature of such proposed amendment, shall be advertised in the prescribed manner, and at any time within one month from its first advertisement any person may give notice at the Patent Office of opposition to the amendment.*"

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| ( <i>i</i> ) <i>Cannington v. Nuttall</i> , 1871,<br>L. R. 5 H. L. 205, 227, 228.            | L. O. C. 18.  |
| ( <i>j</i> ) <i>Bowden Brake Co. v. Bowden</i><br><i>Wine, Ltd.</i> , 30 R. P. C. at p. 571. | ( <i>l</i> ) <i>Ashworth's Patent</i> , Griff.<br>L. O. C. 6. |
| ( <i>k</i> ) <i>Nordenfelt's Patent</i> , Griff.   | ( <i>m</i> ) <i>Morley's Patent</i> , 32 R. P. C.<br>473.     |

In *Ashworth's Patent* (Griff. L. O. C. 7), Sir H. Davey, S.-G., said: "The section (18 (2) of the Act of 1883) does not in terms say the reasons are to be advertised, but probably the reasons are a part of the request." It is not the practice, however, to advertise the reasons.

**The opponent.** The section says that "any person" may oppose. This is, of course, limited in exactly the same manner as an opposition entered to a grant (see p. 174, ante).

(3) "*Where such a notice is given the Comptroller shall give notice of the opposition to the person making the request, and shall hear and decide the case.*"

**Power of  
Comptroller  
to impose  
conditions.**

The Comptroller exercises the power to impose conditions given in express terms to the law officer under sub-sect. 5 (n).

But in the case of applications for leave to amend patents granted since the Act of 1883 conditions will not be imposed except under special circumstances.

In *Allen's Patent* (Griff. L. O. C. 3), application was made to amend a specification dated 1885. The opponents asked that a condition should be imposed that Allen should not bring any action or bring any proceedings whatever against them or any of their customers, &c., in respect of any articles which had been sold or contracted to be sold prior to the amendment. Sir E. Clarke, S.-G., having consulted Sir R. Webster, A.-G., gave the following decision: "I have carefully considered the question whether, in allowing this amendment, I ought to impose any condition as to the bringing of actions for infringement prior to the date of the amendment. This appears to be the first case in which that question has come up for decision in respect of patents issued since the passing of the Act of 1883. In several cases which came before the law officer shortly after the passing of this Act I find that they imposed, as a condition of the amendment, that no action should be brought for infringements prior to 1st January, 1884. An examination of these cases, as reported in Griffin's P. C., shows that the reason for their so doing, and in each case (whatever its date) referring back to the 1st January, 1884,

(n) *Pietschmann's Patent*, Griff. 9 R. P. C. at p. 168.  
P. C. 314; *Andrew v. Crossley*,

was, that they doubted whether sect. 20 would avail to protect persons who were sued for infringements alleged to have been committed prior to the passing of the Act. No such question arises here. This patent was dated 20th October, 1885, and if after amendment an action is brought for a prior infringement, it is clear that the Court will have to decide whether the matters referred to in sect. 20 (sect. 23 of the Act of 1907) have been established to its satisfaction. I do not think that I am entitled to substitute my own opinion for that of the Court. Again, I do not think that I could in strictness attach this as a condition to the allowance of this amendment. I could only require an undertaking from the applicant, as was required by Sir H. James, A.-G., in the *Westinghouse Case*. If he were to refuse to give such an undertaking, I do not feel myself entitled by that refusal to deprive him of the opportunity of protecting the real invention described in his specification by a disclaimer of that which I am satisfied he does not mean to claim. I therefore do not think I can properly impose this condition" (o).

In *Ashworth's Patent* (Griff. L. O. C. 6), Sir H. Davey, S.-G., said: "If I saw, or if there was any evidence before me, that the patent had been used for the purpose of endeavouring to obtain a monopoly larger than that which the specification as amended claims, I should consider that a special circumstance. If, for example, the patentees had been threatening persons and endeavouring to prevent persons from making or selling wire hardened and tempered in a mode different from that which is claimed, I should consider that a special circumstance, and under those circumstances, as far as I am personally concerned, I should impose the condition that no action should be brought for anything done at any time before the amendment" (p).

The nature of the conditions imposed by the Court will be discussed at p. 210.

The specification is considered to be amended from the moment that leave to amend is given, and the conditions imposed,

(o) Followed in *Pill's Patent*, 18 R. P. C. 478.

(p) And see *Davies' and Davies' Patent*, 28 R. P. C. 50.

if any, agreed to (q); no written undertaking by the applicant is necessary, although it is the practice in the Patent Office to require some such undertaking as conclusive evidence of the agreement (r), since the written assent precludes the patentee from alleging that he did not accept the condition (s).

Evidence and costs.

The Comptroller may take evidence *vivâ voce* in the same manner as on an opposition.

The power of the Comptroller to grant costs is expressly conferred by sect. 73A, that of the law officer by sect. 40.

In *Ashworth's Patent* (Griff. L. O. C. 6), the law officer refused to grant costs to the applicant although successful, on the ground that the specification was so loosely framed, it was natural that rival traders should oppose an application for leave to amend.

In *Lake's Patent* (Griff. L. O. C. 16), which was an unopposed application for leave to amend, the applicants appealed to the law officer against the decision of the Comptroller-General. Sir R. Webster, A.-G., allowed the appeal on the ground that a doubtful amendment ought to be allowed, but refused to give costs against the Comptroller. "In fact," he said, "I may say that I think it would be better, as a matter of practice, that in the absence of very special circumstances the Comptroller-General should neither give nor receive costs."

In *Morgan's Patent* (Griff. L. O. C. 17), which was a successful appeal to the law officer from the decision of the Comptroller-General, application was made for the return of the stamp on the notice of appeal. Sir R. Webster, A.-G., refused this application on the ground that he considered the case to be one in which the Comptroller-General was quite right in declining to allow the amendment in the first instance and to leave it to the law officer.

Leave to amend conclusive.

By sub-sect. 7, "*leave to amend shall be conclusive as to the right of the party to make the amendment allowed, except in case of fraud; and the amendment shall be advertised in the prescribed manner, and shall in all Courts and for all purposes be*

(q) *Andrew v. Crossley*, 9 R. P. C. 165.

(r) *Ibid.*

(s) *Ibid.*; see also *Re Berdan*, L. R. 20 Eq. 346.

*deemed to form part of the specification: Provided that the Court shall be entitled in construing a specification as amended to refer to the specification as accepted and published."*

The result of this enactment is that the amended specification stands in the place of the old specification, and its validity must be determined in the same way and on the same footing as though it were the original specification.

Until the decision of the House of Lords in *Moser v. Marsden* (13 R. P. C. 24) there had been considerable doubt as to the effect of this enactment, and numerous cases had been decided upon the question of whether, when a specification had been amended so as to include in the amended portion something that was itself invalid, the amendment only or the whole patent would be invalid (*t*). These cases are no longer of importance, and until further enactment the law on the point is definitely settled.

Lord Watson said (at p. 31): "In my opinion, the very object of the Act of 1883 was to make an amended claim, when admitted by the proper authorities, a complete substitute, to all effects and purposes, for the claim originally lodged by the patentee. The validity of the amended claim must therefore be determined in the same way, and on the same footing, as if it had formed part of the original specification; and the claim as it stood before amendment cannot be competently referred to, except as an aid in the construction of its language after amendment."

The proviso was added by the Amending Act of 1919, and puts an end to a difficulty which was experienced in such cases as *Hattersley v. Hodgson* (21 R. P. C. at p. 524). Deleted parts referred to for construction.

(8) "*This section shall not apply when and so long as any action for infringement or proceeding before the Court for the revocation of a patent is pending*" (corresponding to sub-sect. 10 of sect. 18 of the Act of 1883). When legal proceedings are pending.

In *Cropper v. Smith* (1 R. P. C. 254; L. R. 28 C. D. 148) the Comptroller having declined leave to amend a specification by reason of the 10th sub-section of sect. 18 on the ground that

(*t*) See *Foxwell v. Bostock*, 4 Patent, 6 R. P. C. 22; *Gaulard and De G. J. & S.* 298; *Van Gelder's Gibbs*, 7 R. P. C. 367.

an appeal was pending to the House of Lords from a decision of the Court of Appeal, declaring the patent in question invalid, and that such appeal was "an action for infringement or other legal proceeding," application was made to the Court under sect. 19 of the Act of 1883 (corresponding to sect. 22 of the present Act). Chitty, J., held that the words "other legal proceedings," applied to a petition for revocation, and that the words "action for infringement" referred to an action before judgment, and consequently that the appeal to the House of Lords did not deprive the Comptroller of the power of amending the specification under sect. 18.

In *Brooks v. Lycett's Saddle and Motor Co.* (21 R. P. C. 651), notice of trial in an action for infringement had been given. An order was obtained for the action to stand over generally, with liberty to either party to restore, in order for a settlement to be arrived at. The negotiations proved abortive, but nothing more was done for two years, when the plaintiffs applied to the Comptroller for leave to amend their specification under sect. 18, which leave was granted. The defendants afterwards applied to restore the infringement action to the list. On the trial of the action it was contended that this amendment was invalid, as the action had been "pending" at the time. Mr. Justice Farwell decided that this was so, and allowed the action to stand over with leave to the defendants to apply, under sect. 19.

In *Codd v. Bratby* (1 R. P. C. 209), liberty to amend under sect. 19 was given upon terms by the Court after a previous refusal by the Comptroller under sect. 18, on the ground that an action was pending, but the applicant was ordered to pay the costs of the application to the Comptroller.

Where the application for leave to amend had been made under sect. 18, it was decided that the subsequent institution of legal proceedings did not suspend the application pending before the Comptroller (*u*), and the amended specification is to be used in the trial of the action even when the action is brought in consequence of an action to restrain threats made on the strength of the unamended specification (*v*).

(*u*) *Woolfe v. The Automatic Picture Gallery Co.*, 20 R. P. C. 177.      (*v*) *Stepney Spare Motor Wheel, Ltd. v. Hull*, 28 R. P. C. 381.

Sect. 22, as amended by the Act of 1919, provides for the case of amendments, pending actions for infringement and petitions for revocation.

*"In any action for infringement of a patent or proceedings before a Court for the revocation of a patent the Court may by order allow the patentee to amend his specification by way of disclaimer, correction or explanation (w) in such manner, and subject to such terms as to costs, advertisement or otherwise, as the Court may think fit :*

**Power of  
Court to  
amend.**

*"Provided that no amendment shall be so allowed that would make the specification, as amended, claim an invention substantially larger than, or substantially different from, the invention claimed by the specification as it stood before the amendment, and where an application for such an order is made to the Court notice of the application shall be given to the Comptroller, and the Comptroller shall have the right to appear and be heard, and shall appear if so directed by the Court."*

This section introduced a new procedure. Under sect. 19 of the Act of 1883 the patentee could apply to the Court for leave to apply at the Patent Office for leave to amend by way of disclaimer. The Court now has power to amend, and the procedure at the Patent Office was abolished.

**Different from  
power under  
Act of 1883.**

The practice under this section is regulated by Order LIII A, rule 23. The application must be advertised, and persons desiring to oppose are entitled to be heard. The Comptroller must be served with notice, and may be heard.

Before the alteration effected by the Act of 1919 an amendment under this section was limited to disclaimer only, and no correction or explanation was allowed (x); the two sections are now made alike in the nature of amendment permissible.

The power to give leave to amend is discretionary. Where the patentees had issued threats broadcast and only took action with reluctance and after delay and the patent was held invalid, it was held that these were circumstances justifying the Court in withholding leave to amend (y). And the Court of

(w) "Correction or explanation," R. P. C. 684; *Owen's Patent*, 15 added by the Act of 1919. R. P. C. 755.

(x) See, e.g., *Alsop's Patent*, 24 L.P. (y) *Klaber's Patent*, 22 R. P. C.

Appeal will refuse to interfere with the exercise of such discretion (z).

Power to  
impose  
conditions.

The section also gives discretion to the Court or judge in imposing conditions upon which leave to amend will be granted, and the Court of Appeal "will not interfere with the exercise of that discretion unless they can clearly come to the opinion that in their view that discretion was exercised absolutely wrongly" (a).

In *Bray v. Gardner* (4 R. P. C. at p. 44), Lord Justice Lindley said: "I do not understand that there is any form of order which is invariably to be followed in all cases when application is made under sect. 19. It appears to me that whenever leave is given to amend under sect. 19 of this Act care ought to be taken that no injustice is done to the defendant by reason of the amendment, if amendment is made, or if leave to apply for it is granted. Adequate protection may be given to the defendant in various cases in various forms."

The order made in *The Gillette Safety Razor Co. v. Luna Safety Razor Co.* (27 R. P. C. at p. 539) is, however, now usually followed (b) where an injunction had been granted in an action for infringement, and the defendants subsequently petitioned for revocation and the patentees applied in the revocation proceedings for leave to amend, the injunction was dissolved as one of the terms of leave being given (c), inasmuch as it would be highly inconvenient to try what might be a new issue on a motion to commit for breach of an injunction obtained before amendment (d).

By sect. 23, as amended by the Act of 1919 :—

at p. 415; *British Thomson-Houston Co.'s Patent*, 36 R. P. C. 251.

(z) *British Thomson-Houston Co.'s Patent*, 36 R. P. C. 251.

(a) Per Lord Esher, M.R., in *Allen v. Douulton*, 4 R. P. C. at p. 383; see also *Lang v. Whitecross Wire and Iron Co.*, 6 R. P. C. at p. 574; 7 R. P. C. 389; *Ludington Cigarette Machine Co. v. Baron Cigarette*

*Machine Co.*, 17 R. P. C. at p. 747.

(b) Appendix; see also *Corrigal v. Armstrong, Whitworth & Co.*, 20 R. P. C. at p. 524; *Geipel's Patent*, 20 R. P. C. at p. 556.

(c) *Kenrick and Jefferson's Patent*, 29 R. P. C. 25.

(d) See *Dudgeon v. Thomson*, L. R. 3 A. C. 34.



“Where an amendment of a specification by way of disclaimer, correction, or explanation, has been allowed under this Act, no damages shall be given in any action in respect of the use of the invention before the date of the decision allowing the amendment, unless the patentee establishes to the satisfaction of the Court that his original claim was framed in good faith and with reasonable skill and knowledge.”

This section should be read with sect. 32A which, in the case of a patent having invalid claims, allows the Court to give relief in respect of such as are valid, “subject to its discretion as to costs and as to the date from which damages should be reckoned, and to such terms as to amendments as it may deem desirable.”

In *Armstrong's Patent* (13 R. P. C. 501), leave to apply to amend was refused on the ground that there would be nothing left to support a patent after the proposed amendment should have been made. The Court of Appeal (14 R. P. C. 747) refused to interfere with the judge's discretion, and, moreover, agreed with his view of the matter.

Liberty to amend under sect. 22 will not be given after judgment (e), since the patentee is then free to act under sect. 21.

In *Hopkinson v. St. James and Pall Mall Electric Light Co.* (10 R. P. C. at p. 62), judgment was given for plaintiff with the usual relief. The defendants referred to sect. 20 of the Act of 1883, and asked that the account of profits should be kept only from the date of the amended specifications. Romer, J., refused the application, and said that he thought it was clear from the evidence which was before him that the plaintiff's original claim was framed in good faith and with reasonable skill and knowledge. But the relief afforded by the Act is seldom granted, and the onus of proof of the circumstances under which the original specification was framed is entirely on the shoulders of the patentee (f).

In *Kane and Pattison v. Boyle* (18 R. P. C. at p. 338),

(e) *Lawrence v. Perry*, 2 R. P. C. *Machinery Co. v. A. Fussel & Co.*,  
at p. 187; *Griff. P. C.* at p. 148. 25 R. P. C. 368.

(f) See *The British United Shoe*

Byrne, J., said: "I think that what the patentee has to establish is that in his original specification he meant and intended to claim that which he had invented, and no more. . . . If the inventor has knowingly sought to include a field of subject-matter beyond that which he knows he has invented, I think he cannot be regarded as having framed his claim in good faith within the meaning of this particular section, and I am of opinion, in the present case, that he meant and intended that which his original specification says, namely, to make a larger claim than that which he knew he was entitled to; and, secondly, I think he has failed to establish, to my satisfaction, that his original claim was framed in good faith and with reasonable skill and knowledge within the meaning of that expression in the section. I believe that the power given by this section of the Act to award further damages has been exercised in one case only in the immense number of cases in which, since the passing of this section, amendments must have been allowed and actions have been brought upon the amended patents."

## CHAPTER XI.

## DEVOLUTION, ASSIGNMENT AND LICENSES.

THE "patentee" is by the Act of 1919 defined as "the person for the time being entered on the register as the grantee or proprietor of the patent." This includes the first inventor or any person or persons in whom the patent may have become vested by operation of law or by assignment, and by sect. 71 of the Act of 1907, as amended, such person *shall* make application to the Comptroller to register his title, and any person who, prior to the Act of 1919, was entitled to be registered as the proprietor of a patent but has omitted to make a request to the Comptroller should now do so without delay.

## DEVOLUTION BY OPERATION OF LAW.

**Devolution.**—The property in a patent passes, by operation of law, when the patentee dies or becomes a bankrupt. Upon the death of a patentee his interest in the property passes to his executors or administrators, as the case may be, in the like manner to the rest of his personal estate. Any step which in the Act is required to be taken by the patentee may be taken by the executor or administrator, and sect. 43 of the Act provides that—"*(1) if the person claiming to be inventor of an invention dies without making application for a patent for the invention, application may be made by, and a patent for the invention granted to, his legal representative.*" This undoubtedly, seeing the terms of the grant itself, means his legal personal representative and not the holder of a power of attorney (a).

Prior to the Act of 1907, if one of two co-grantees died his interest passed to the survivor, unless their relations had been modified by contract, according to the ordinary rules

(a) See *Edmund's Patent*, Griff. P. C, 281.

As to grants  
after  
January,  
1908.

governing joint-tenancies (*b*), but it was not clear whether the surviving joint-tenant held as trustee for the representatives of the deceased joint-tenant. By sect. 37, however, it is provided as regards patents granted to two or more persons jointly after January 1, 1908, that if any such person dies his beneficial interest in the patent shall devolve on his personal representatives as part of his personal estate (*c*). As regards patents granted before the Act the law remains unchanged.

Bankruptcy.

If the patentee becomes bankrupt the property in the patent will pass to his receiver, trustee, or assignee in bankruptcy, and a patent granted to a bankrupt prior to his discharge will vest in the trustee in bankruptcy (*d*). But patents though in the possession, order or disposition of the bankrupt in his trade and business by the consent of the true owner under such circumstances that he is the reputed owner do not pass (*e*). The persons in whom the patent vests by reason of bankruptcy, are, when registered, placed in all respects in the position of the original patentee, and may sue in respect of infringements (*f*).

Dissolution  
of limited  
company.

Where a patentee dies intestate and leaving no heirs, his patent, together with the rest of his property, will vest in the Crown. And the same result may occur if a limited liability company be dissolved without having assigned the patent (*g*). An interesting question arises as to whether in these circumstances merger takes place, the patent franchise being re-absorbed by the Crown (*h*). If this were so the Crown would have no power to enforce a patent, which no longer existed as against third parties, and the monopoly would have come to an end, as is the case where a patent is surrendered under sect. 26, sub-sect. 3 (*i*). In any case, it is most advisable for a

Merger.

(*b*) *National Society for the Distribution of Electricity v. Gibbs*, 1899, 2 Ch. 299; 16 R. P. C. 339.

(*c*) As to the right of each joint grantee to sue for infringement, see p. 220.

(*d*) Bankruptcy Act, 1914, sect. 48 (5); *Hesse v. Stevenson*, 1803, 3 B. & P. 577.

(*e*) Bankruptcy Act, 1914, sect. 38.

(*f*) *Bloxam v. Elsee*, 9 D. & R. 215.

(*g*) *In re Taylor's Agreement Trusts*, 1904, 2 Ch. 737; 21 R. P. C. 713. See also *In re Higginson and Dean*, 1899, 1 Q. B. 325; *In re Mills & Co.*, 1905, W. N. 36.

(*h*) See *In re Taylor's Agreement Trusts*, supra.

(*i*) See p. 194.

purchaser of a patent from a company in liquidation to obtain an assignment from the liquidator before the company is dissolved; unless the Comptroller takes notice of his equitable ownership he will not be able to get on the register. But a patent being a "chose in action" a vesting order will be made under sect. 35 of the Trustee Act, 1893, when the vendor of a patent disappears after the purchase money has been paid but before the patent is assigned (*j*).

The rights conferred by letters patent being of an incorporeal nature, it would appear that the right to use a patented article seized by the sheriff under a writ of *fi. fa.* does not pass with the ownership in the article (*k*), and a receiver will not be appointed where it is not shown that the patentee is in receipt of profits, by way of royalties or otherwise (*l*).

Not seizable  
by sheriff  
under *fi. fa.*

#### DEVOLUTION BY ASSIGNMENT.

**Assignment.**—Patent rights may be transferred by absolute assignment of the whole of the patent, or by absolute assignment of the patent right for a limited area, or by assignment by way of mortgage.

Assignment.

The right of the patentee to assign the exclusive right which has been granted to him is recognised in the patent itself in the recital ". . . the said inventor (hereinafter together with his executors, administrators, and assigns, or any of them, referred to as the said patentee). . . ."

An assignment must be by deed to convey the legal estate (*m*), but a parol agreement to assign will be specifically enforceable in equity. An agreement to assign will depend upon the ordinary rules relating to contract as to specific performance, and consideration, etc. It does not alter the proprietorship of a patent, but it gives the right in equity to have the proprietorship altered in law (*n*); and this is so even when the

Agreement to  
assign.

(*j*) *In re Heath's Patent*, 29 R. P. C. 289.

K. B. 903. (Moulton, L.J., dissenting).

(*k*) See judgment of Farwell, J., in *British Mutoscope and Biograph Co. v. Horner*, 1901, 18 R. P. C. at p. 179.

(*m*) Co. Lit. 9 b, 172 a; *Stewart v. Casey*, 1892, L. R. 1 Ch. 113; 9 R. P. C. 9.

(*l*) *Edwards v. Picard*, 1909, 2

(*n*) Bowen, L.J., in *Stewart v. Casey*, 1892, L. R. 1 Ch. at p. 116.

Equities.

patent was not at the date of the contract actually taken out by the vendor, provided, at least, that he was then entitled to make an application for the same (*o*). The usual conditions of an equitable assignment will apply, and a legal assignee without notice may claim priority (*p*).

The assignment of patent rights to a company is usually preceded by an agreement between the patentee and the promoters, by which the latter agree to procure incorporation of the future company and the execution by the company of a scheduled form of contract with the patentee, by which the patentee shall agree to assign the letters patent to the company. The assignment of the patent to the company usually takes place after the payment of the purchase price.

Where the patent has not been granted at the date of the agreement to assign, a clause is inserted by which the vendor agrees to take all necessary steps to obtain it.

After an assignment by deed has been executed and registered the assignee becomes "the patentee" within the definition of the Act, and his rights against the public, including the assignor unless specially limited by the terms of the assignment, are the same as those which the assignor had, and the latter may be restrained from infringing.

Notice of  
(a) previous  
licenses;

An assignee with notice of previous licenses takes subject to those licenses, otherwise he is not bound by them, and may restrain the persons purporting to manufacture under them. Consequently it is of great importance that licenses should be immediately registered, but a licensee who has an express notice of a prior equitable assignment of the patent may be restrained from using the invention by the assignee even though the registration of the assignment is subsequent to the registration of the license (*q*).

(b) previous  
covenant.

Where an assignee of a patent covenants with the assignor for himself and his assigns that he will work the patent and

(*o*) *Cogent v. Gibson*, 33 Beav. 557.

(*p*) *E.g.*, as in *Wapshare Tube Co., Ltd. v. Hyde Imperial Rubber Co.*, 1901, 18 R. P. C. 374.

(*q*) *Hassall v. Wright*, 1870, L. R. 10 Eq. 509; *The New Ixion Tyre and Cycle Co. v. Spilbury*, 1898, 2 Ch. 484; 15 R. P. C. 380 and 567.

pay certain royalties thereon to the assignor, a subsequent assignee with notice takes the patent subject to those covenants, as was said by Jessel, M.R., in *Werderman v. Société Générale d'Electricité* (1881, 19 C. D. at p. 252): "It is a part of the bargain that the patent shall be worked in a particular way and the profits be disposed of in a particular way, and no one taking with notice of that bargain can avoid the liability." It must be remembered that in such a case there is no privity of contract between the assignor and the second assignee, but the rights of the assignor are analogous to a vendor's lien, and the second assignee cannot hold the rights which he has acquired without also fulfilling the obligations which may be said to attach to those rights, and consequently the terms of the original assignment become a matter of great importance. In *Dansk Rekylriffel Syndikat Aktieselskab v. Snell* (1908, 2 Ch. at p. 136), Neville, J., said: "The obligation to fulfil the terms of the agreement, being with regard to the assignees not personal, but attached to the property which they acquired with notice of the terms upon which it was held by their assignor, disables them from holding the property without fulfilling the terms. It appears to me that such an interest of the vendor, if not properly described as a vendor's lien, is closely analogous to it (r). The question involved is whether, upon the true construction of the original assignment, it was intended that the vendor should retain a charge upon the property, or that he should part with the property completely, looking solely to the personal liability of the purchaser to pay the consideration" (s).

Unless it be specially so provided the assignment does not *per se* cast on either party the obligation of maintaining the patent by paying the fees (t). **Covenants not implied to pay renewal fees.**

And by analogy there is no implied obligation to work the **Nor to work invention.**

(r) But see remarks of Cozens-Hardy, M.R., in *British Association of Glass Bottle Manufacturers v. Foster*, 34 R. P. C. at p. 224. *Co.*, 1902, 1 Ch. at p. 157; 19 R. P. C. 69; *Barker v. Stickney*, 1919, 1 K. B. 121.

(s) See also *Bagot Pneumatic Tyre Co. v. Clipper Pneumatic Tyre* *(t) Re Railway and Electrical Appliance Co.*, 1888, L. R. 38 C. D. 597.

patented invention in this country to an extent necessary to avoid the consequences of an abuse of monopoly rights under sect. 27 of the Act of 1907 as amended. Express covenants should be entered into for this purpose (u).

Assignment  
of part of  
patent.

There may be an assignment of a distinct part of a patent right, but now that patents are not issued for more than one invention this form is seldom required. An assignee of a part is entitled to sue for an infringement without joining the persons who are interested in the remaining part or parts (v).

Mortgagee  
cannot sue.

A mortgagee by assignment, registered as mortgagee, is not entitled to sue infringers. This right remains vested in the mortgagor as the "patentee" who need not join the mortgagee as co-plaintiff (x).

Rights of co-  
patentees  
inter se.

Where a grant of letters patent has been made to two or more persons, or has been assigned by the original patentee to two or more persons, each of the co-grantees or co-assignees has the right to use the invention for his own profit without incurring the liability to account to his co-owners for the profits which he may make. In *Steers v. Rogers* (1893, A. C. at p. 235; 10 R. P. C. at p. 251), Lord Herschell, in delivering the judgment of the House of Lords, said: "Letters patent do not give the patentee any right to use the invention; they do not confer a right to manufacture according to his invention. That is a right which he would have equally effectually if there were no letters patent at all; only in that case all the world would equally have the right. What the letters patent confer is the right to exclude others from manufacturing in a particular way, and using a particular invention. When that is borne in mind it appears to me impossible to hold, under these circumstances, that where there are several patentees, either of them, if he uses the patent, can be called upon by the others to pay to them a portion of the profits which he makes by that manufacture, because they are all of them entitled, or perhaps any of them entitled, to prevent the rest of the world from using it."

(u) See Appendix.

(v) *Dunncliffe v. Mallett*, 1859, 7 C. B. N. S. 209; 29 L. J. C. P. 70.

(x) *Van Gelder, Apsimon & Co. v. Sowerby Bridge Co.*, 7 R. P. C. 208; 44 Ch. D. 374.



The rights of co-owners *inter se* are summed up by Lindley, L.J., in his book on Partnership (a): "In the case of a patent belonging to several persons in common, each co-owner can assign his share, and sue for an infringement (b); and can also work the patent himself; and it is now settled that even if he be a mortgagee of the other share (c) he is entitled to retain for his own benefit whatever profit he may derive from the working. As regards licenses, except where sect. 37 of the Patents and Designs Act, 1907, applies, a co-owner may give licenses to work the patent and sue for royalties payable to him for its use (d), although it is perhaps still open to question whether he is not liable to account for what he receives in respect of the licenses" (e). The mutual obligations of co-grantees as to the grant of licenses have been placed beyond doubt by sect. 37 of the Act of 1907: "*Where, after the commencement of this Act, a patent is granted to two or more persons jointly, they shall, unless otherwise specified in the patent, be treated for the purpose of the devolution of the legal interest therein as joint tenants, but, subject to any contract to the contrary, each of such persons shall be entitled to use the invention for his own profit without accounting to the others, but shall not be entitled to grant a license without their consent, and if any such person dies, his beneficial interest in the patent shall devolve on his personal representatives as part of his personal estate.*"

It is to be noted that sect. 37 only applies to patents granted to co-patentees after January 1st, 1908, and apparently not at all where the patent has become vested in co-owners by assignment.

As regards consent, the same principles which underlie the raising of an equity against a plaintiff or litigant by means of acquiescence are involved when an attempt is made to raise a consent under this section by implication (f).

(a) 8th ed. p. 39.

(b) *Dunncliffe v. Mallett*, 1859, 7 C. B. N. S. 209, and *Walter v. Lavater*, 8 ib. 162; *Dent v. Turpin*, 1861, 2 J. & H. 139; 30 L. J. Ch. 495; *Sheehan v. Great Eastern Railway*, 1881, L. R. 16 Ch. D. 59, 63.

(c) *Steers v. Rogers*, 1892, 2 Ch.

13; 1893, A. C. 232.

(d) *Sheehan v. Great Eastern Railway*, 1881, L. R. 16 Ch. D. 59.

(e) *Mathers v. Green*, 1865, L. R. 1 Ch. 29; *Russell's Patent*, 1857, 2 Do G. & J. 130; *Horsley v. Knighton's Patent*, 8 Eq. 475.

(f) *Whitehead and Poole, Ltd. v.*

**Co-owner may sue.** The grounds upon which one co-owner can sue for infringement of the patent without joining the other co-owners are clearly set out in the judgment of Page-Wood, V.-C., in *Dent v. Turpin* (1861, 30 L. J. Ch. 496). The law as therein expressed is that although the co-owner of a trade mark may sue alone, the Court will not grant a decree for further relief than that which is purely personal to himself, that is to say, he may have an injunction against the infringer, but he will only receive that portion of the damages to which the Court may think he is entitled; this would seem to show that the co-owner of a patent is only entitled to such portion of the damages as bears a relation to his interest in the patent. And it would appear that the other co-owners should be joined if possible in order that an account may be taken of the amount due to all the co-owners, without having recourse to a series of actions (*g*).

In *Smith v. L. & N. W. Ry. Co.* (1853, 2 El. & B. 74), it was decided that the right of co-owners, who were tenants in common by assignment and not joint tenants, to damages for infringement was a joint right, and on the death of one the survivor was entitled to recover the whole.

**Partnership.** Where a sole patentee worked the patent in partnership with another for some years, during which time they were extensively advertised as joint patentees, it was held that the partner of the sole patentee thereby acquired such an interest in the patent as to enable him to work it independently after the partnership had expired (*h*), but this would not be the case if it were a term of the partnership that the patent rights in the invention should belong exclusively to one of them (*i*).

Where a grant is made to more than one person it is usual to divide the interests, as the power which each grantee has to work the invention himself without accounting is highly

*Sir James Farmer and Sons, Ltd.*,  
35 R. P. C. p. 241.

(*g*) See *Bergmann v. Macmillan*,  
1881, 17 Ch. D. 423.

(*h*) *Kenny's Patent Button-Holeing*

*Co. v. Somervell*, 1878, 38 L. T. 878;  
26 W. R. 786.

(*i*) See *Axmann v. Lund*, 1874,  
L. R. 18 Eq. at p. 336.

inconvenient. Provision may thus be made for accounts, granting licenses, survivorship, and many other matters.

A patent may be vested in trustees, who may sue for infringement in their own names, subject to the power of the Court to order the cestuis que trust to be joined (*j*).

Covenants for improvements and in restraint of trade.—An agreement by the vendor of a patent to assign to the purchaser all patent rights that he may subsequently acquire of a like nature to the patent then sold is not contrary to public policy and will be upheld. And a covenant by the vendor not to make or sell the invention at all, nor the product obtained by the invented process, even though obtained in a different manner, is good. As Jessel, M.R., said in *Printing and Numerical Registering Co. v. Sampson* (1875, L. R. 19 Eq. at p. 464), the purchasers are entitled to say: "We cannot buy on any other terms because otherwise we are exposed to the instantaneous, or almost instantaneous, competition with the inventor with the benefit of his previous experience." As in all contracts which involve the restraint of trade, their validity depends upon whether they extend further than is necessary to protect the reasonable rights of the other party under the particular circumstances in question (*k*).

Covenants for improvements and in restraint of trade.

Covenants for the assignment of or payment of royalties on future improvements require to be very carefully drawn. The ambit of the assignee's rights depends entirely upon the construction of the contract (*l*). In some cases it may be that only such improvements as would involve an infringement of the original patent may be intended; in others it may be desired to secure for the assignee any further inventions of the assignor relating to the particular art. In *Linotype and Machinery Co. v. Hopkins* (25 R. P. C. 665), where the licensor covenanted to communicate "every improvement in or addition to the Hopkins machine or mode of applying the same or any discovery useful to the manufacture thereof," the Court of

Should be carefully drawn.

(*j*) R. S. C. Order XVI., rule 8. R. P. C. 194.

(*k*) See *Nordenfelt v. The Maxim Nordenfelt, &c., Co.*, 1894, A. C. 535; *Mouchel v. Cubitt & Co.*, 24

(*l*) *Valveless Gas Engine Co. v. Day*, 16 R. P. C. 97.

Appeal, having regard to these words, would not agree that the improvement of which the company was to have the benefit should necessarily be limited to infringements of the original patent assigned, and in the same case Lord Loreburn (27 R. P. C. at p. 113) said: "I think that any part does constitute an improvement, if it can be adapted to this machine, and it would make it cheaper and more effective or in any way easier or more useful or valuable, or in any other way make it a preferable article in commerce." On the other hand, a separate and distinct invention, although relating to the same general subject-matter, cannot usually be described as an improvement (*m*).

**Estoppel.**

**Estoppel.**—Having assigned a patent, the original patentee cannot manufacture the patented article; should he do so, and an action for infringement be brought against him by his assignee, he may not set up the defence that the patent is invalid; he is estopped by his deed (*n*), that is, by the deed of assignment, but when the assignment is by operation of law there is no such estoppel. In *Cropper v. Smith* (1884, L. R. 26 Ch. D. 700; 2 R. P. C. 17), letters patent for improvements in lace machines were granted to H. in 1873, who in 1877 went into liquidation, and the patent was sold by the trustee to the plaintiffs. H. afterwards entered into partnership with S., and this action was brought against S. and H. to restrain them from infringing the patent; held that H. was not estopped from disputing the validity of the patent either by matter of record, on the ground that the letters patent were of record; or by deed, by reason of the specification being under his seal; or by matter *in pais*, on the ground of the statements in his petition to the Crown, there being nothing to show that the plaintiffs bought on the faith of those statements. (But see Bankruptcy Act, 1914, s. 48, sub-s. 5.) It is probable that there is estoppel by record between the Crown and the grantee of letters patent (*o*), but this would only be against the subject, since no estoppel operates against the Crown.

(*m*) *Davies v. Davies Patent Boiler, Ltd.*, 25 R. P. C. 823. 1889, 6 R. P. C. 69; and see 1 W. P. C. 290—295.

(*n*) *Bowman v. Taylor*, 1834, 2 A. & E. 278; *Hecking v. Hocking*, (o) Per Fry, L.J., L. R. 26 Ch. D. at p. 712.

Upon assignment of a patent without a warranty the assignee may not, in an action upon the contract for the purchase price, set up the invalidity of the patent as a defence, since there is no implied warranty of validity (*p*); so that the question to be decided in each case is: "Did the defendants buy a good and indefeasible patent right, or was the contract merely to place the defendants in the same situation as the plaintiff was in with reference to the alleged patent?" (*q*).

An express covenant for the validity of the patent will, of course, remove the estoppel, and the assignee may rely on this in answer to an action for the purchase-money (*r*). Warranty of validity.

Where the plaintiff purports to assign the exclusive right of selling certain things for the manufacture of which a patent had been obtained, there is in such case an implied warranty that the patent is a valid one, since otherwise it would be impossible to assign such exclusive right (*s*).

It may be here noted that upon the sale of an article there is no implied warranty that it is not an infringement of any existing patent (*t*), and it may from this be inferred that, in an assignment of a patent or a license under a patent, there is no implied warranty that the manufacture or sale of articles made under the patent will not infringe any other patent. On the other hand, if the assignor or licensor concealed the fact, it being within his knowledge, it is possible that the contract might be rescinded on the ground of fraud. No implied warranty against infringement.

An assignment of patent rights in a partnership dissolution deed will estop the retiring partner from subsequently setting up the invalidity of the patent by way of defence to an action brought by his late partners (*u*). But where the

(*p*) *Hall v. Conder*, 1857, 26 L. J. C. P. 138; 2 C. B. N. S. 22; *Smith v. Buckingham*, 1870, 21 L. T. N. S. 819; *Liardet v. Hammond Electric Light Co.*, 1883, 31 W. R. 710.

(*q*) Per Cresswell, J., in *Hall v. Conder*, 1857, 26 L. J. C. P. at p. 143 a.

(*r*) *E.g.*, as in *Nadel v. Martin*, 20 R. P. C. 721; 23 R. P. C. 41;

*Henderson v. Shiels*, 24 R. P. C. 108.

(*s*) *Chanter v. Leese*, 1838, 5 M. & W. 698; *Hall v. Conder*, 1857, 26 L. J. C. P. at p. 143 b.

(*t*) *Montforts v. Marsden*, 1895, 12 R. P. C. 266.

(*u*) *Chambers v. Critchley*, 1864, 33 Beav. 374; *Gonville v. Hay*, 21 R. P. C. 49.

plaintiff and defendant had been partners, and had worked as such the defendant's patent, there being no deed between the plaintiff and defendant which inferred the validity of the patent, it was held that plaintiff was not estopped from denying the validity of the patent (*v*). And where partners are joined as defendants in an action for infringement, and one is assignor of the patent, the other is not debarred from setting up the pleas of invalidity (*x*).

An assignor of a patent cannot be restrained from giving evidence in an action for infringement brought by the assignee against a third party, although such evidence should tend to prove that the patent is in fact bad (*y*). And he is at liberty to show that the ambit of the claims of the patent assigned is not as wide as the assignee alleges (*z*).

#### LICENSES.

##### Licenses.

Licenses differ from assignments, in that the patentee granting a license does not part with his whole interest, nor in fact with any interest or property in the patent, but grants merely a right to use the invention for the whole term or any portion of the whole term, that is merely a right to do that which without a license could not be done except by violating the monopoly granted to and still vested in the licensor (*a*). This principle has been applied to copyright by the Court of Appeal (*b*), but has not been followed in two recent cases in the Scottish Courts (*c*).

##### Licensee cannot sue.

A licensee, whether under a general or an exclusive license, cannot sue infringers (*d*); the person in whom the legal interest in the patent is vested must be joined, and it is usual to insert

(*v*) *Axmann v. Lund*, L. R. 18 Eq. 330; 22 W. R. 789.

(*x*) *Heugh v. Chamberlain*, 1877, 25 W. R. 742.

(*y*) *London and Leicester Hosiery Co. v. Griswold*, 3 R. P. C. 251.

(*z*) *Hocking v. Hocking*, 6 R. P. C. 69.

(*a*) *Heap v. Hartley*, 6 R. P. C. at p. 499.

(*b*) *Nielson v. Horniman*, 26 T. L. R. 188.

(*c*) *Cochrane & Co. v. Martin's (Birmingham), Ltd.*, 28 R. F. C. 284; *Scottish Vacuum Cleaner Co., Ltd. v. Provincial Cinematograph Theatres, Ltd., Drs.*, 32 R. P. C. 353.

(*d*) *Heap v. Hartley*, 6 R. P. C.

495.

covenants by which the licensor agrees to proceed against infringers or to allow his name to be joined. Sub-sect. 1 (d) of sect. 24, and sub-sect. 3 (b) of sect. 27 of the Act of 1907, as amended (see ante), make special provision for enabling a licensee under a license granted by the Comptroller to sue in his own name, as though he were the patentee, by making the patentee a defendant.

Licenses may be voluntarily granted by the patentee, or they may be compulsory under an order of the Comptroller subject to appeal to the Court (e). In this chapter we shall deal with voluntary licenses and licenses of right only.

An exclusive license grants the sole right to put the invention into practice, and the licensor covenants not to grant licenses to any other person during the continuation of the license; and unless he reserves to himself a right to manufacture he may be restrained from so doing by his licensee.

A general license leaves to the licensor the power to grant other licenses in respect of the same invention.

A limited license may contain restrictions as to time, place, or manner of use of the invention.

It would appear from the words of the prohibition contained in the grant—"without the consent, license or agreement of the said patentee in writing under his hand and seal"—that licenses should be under seal; but at the end of the patent occur the words, "but nothing herein contained shall prevent the granting of licenses in such manner and for such consideration as they may by law be granted." Therefore, provided it can be proved that there is an agreement to grant a license, no matter how made, it will be acted upon, and neither party can be excused on the ground that it is not under seal (f).

Form of  
license.

An agreement to grant a license for a fixed term may be specifically enforced (g). But an agreement to grant a license at will could not be enforced.

(e) See Chap. XIII.

*Tweedale v. Howard*, 13 R. P. C.

(f) *Chanter v. Dewhurst*, 12

522.

M. & W. 823; 13 L. J. Ex. 198;

(g) *E.g.*, as in *Brake v. Rader-*

*Crossley v. Dixon*, 10 H. L. C. 293;

*macher*, 20 R. P. C. 631.

**Stamps.**

The question of stamps has assumed an added importance owing to the provisions (post) of the Act of 1919, by which persons becoming entitled by assignment to a patent or entitled to an interest in a patent as mortgagee, licensee or otherwise, are required to register the document of title, and is dealt with in Chap. XVIII.

**Ambit of license : exercising, using, making, vending.**

By the prohibition the public are to refrain from making, using, exercising or vending. These terms require examination, as they have not the same meaning. A license to "use and exercise" conveys the fullest rights, including that of importation (*h*). A license to make does not imply a license to use or vend (*i*). But a license to make and vend will imply a license to the purchaser to use and vend (*j*).

An inventor, by himself or his agent, unreservedly selling the patented article abroad cannot restrain the importation and sale of articles so sold in this country (*k*). But the assignee of the English patent could restrain the importation of articles sold abroad, prior to the assignment, by a person who had been the owner of the English patent (*l*); and a license under a foreign patent to manufacture abroad and sell abroad does not imply a license under the corresponding British patent to import articles so manufactured or sold into this country (*m*). And if the patentee assigned his English patent at a date later than that of the importation of articles sold abroad under the patentee's foreign patent, the assignee could not restrain their continued use, since the sale by the patentee would have implied a license to use and sell as wide as his own right at the date of the sale (*n*).

**Sub-licensing.** Whether a licensee may sub-license or assign depends upon

(*h*) *Dunlop Pneumatic Tyre Co. v. North British Rubber Co.*, 21 R. P. C. 161.

(*i*) *Basset v. Craydon*, 14 R. P. C. 701.

(*j*) *Thomas v. Hunt*, 1864, 17 C. B. N. S. 183; *Baerische Anilin und Soda Fabrik v. Isler*, 1906, 1 Ch. 605; 1906, 2 Ch. 443; 23 R. P. C. 173, 633.

(*k*) *Betts v. Wilmott*, 1871, L. R. 6 Ch. 245.

(*l*) *Ibid.* at p. 244.

(*m*) *Société Anonyme des Manufactures de Glaces v. Tilghmann's Patent Sand Blast Co.*, 25 Ch. D. at p. 9.

(*n*) *Gillette Safety Razor Co., Ltd. v. A. W. Gamage, Ltd.*, 25 R. P. C. 492.



the terms of the contract, but in the absence of such terms the license would appear to be personal only (*o*). Should the patentee accept royalties from the person acting with the authority of the licensee, he will be estopped from denying that the license was assignable (*p*).

It is not an implied term of a license that the patentee will maintain the patent in force by paying the fees; express covenants should be entered into on this point (*q*), and a covenant to pay renewal fees cannot be implied from a covenant for quiet enjoyment (*r*), but can be implied from a covenant to sue infringers (*s*).

No implied covenant to pay fees.

Similarly no covenant can be implied binding the licensee to manufacture in this country to an extent necessary to avoid revocation or the other remedies for the abuse of monopoly rights under sect. 27 of the Act of 1907 (*q.v.*), and express covenants to this effect should be inserted in an exclusive license (*t*).

Nor to work invention.

Licenses usually contain clauses which empower either party to revoke the arrangement after due notice; but, apart from such a clause, the question of the power of revocation by the licensor gives rise to some difficulty. It is quite clear that a mere license without a contract may be revoked at will. It is clear also that revocation of a license granted as the consideration in a contract will give a right to an action for damages for breach of that contract. But will the licensee be restrained from manufacturing after the revocation? It would appear from the judgment of Lindley, L.J., in *Guyot v. Thompson* (L. R., 1894, 3 Ch. at p. 397; 11 R. P. C. at p. 552), that the general intention of the parties must be looked to, and that where there are mutual obligations to be fulfilled, or, in other words, where the granting of the license is part of a contract, the licensor may not revoke. Moreover, it has been noticed

Power to revoke license.

(*o*) *Lawson v. Donald Macpherson & Co.*, 14 R. P. C. 696.

(*p*) *Ibid.*

(*q*) *Mills v. Carson*, 10 R. P. C. 9; see also *Ward v. Livesey*, 5 R. P. C. 102, and Appendix.

(*r*) *In re Railway and Electric Appliances Co.*, 1888, 38 Ch. D. 597.

(*s*) *Lines v. Usher*, 14 R. P. C. 206; *Cummings v. Stewart*, 30 R. P. C. at p. 212.

(*t*) See Appendix.

above (u) that an agreement to grant a license for a fixed term may be specifically enforced, but an agreement to grant a license at will could not be enforced. Where a license has been granted for the term of a patent whose life is extended automatically from fourteen to sixteen years by sect. 6 of the Act of 1919 the section further provides that the license shall be treated as having been granted for the term as so extended if the licensee so desires, and it would therefore appear that if the license has been granted for the term of the patent and any extension thereof the licensee could not so determine.

**Estoppel.**

Unless the licensor has covenanted for the validity of the patent in express terms, the licensee will be estopped from alleging its invalidity in answer to an action for royalties. An express warranty of validity will, of course, negative estoppel (v).

**Express  
warranty of  
validity.**

In *Dowman v. Taylor and Others* (1834, 2 A. & E. 278; 1 W. P. C. 292), the plaintiff sued the defendants for the non-payment of certain royalties due from the defendants to the plaintiff under a license under seal for the use of the plaintiff's patent. The defendants defended on the grounds (1) that the invention was not a new invention; (2) that the plaintiff was not the first and true inventor; (3) that the specification was not sufficient—pleas which in effect endeavoured to put in issue the validity of the plaintiff's title. Upon demurrer, Taunton, J., said (2 A. & E. at p. 291): "The law of estoppel is not so unjust or absurd as it has been too much the custom to represent. The principle is, that where a man has entered into a solemn engagement by deed under his hand and seal as to certain facts, he shall not be permitted to deny any matter which he has so asserted. The question here is, whether there is a matter so asserted by the defendant under his hand and seal that he shall not be permitted to deny it in pleading. It is said that the allegation in the deed is made by way of recital, but I do not see that a statement such as this is the less positive because it is introduced by a 'whereas.' Then the defendant has pleaded that the supposed invention in the declaration and letters patent mentioned was not nor is a new

(u) P. 225.

p. 17; *Henderson v. Shiels*, 24

(v) *Mills v. Carson*, 10 R. P. C. at R. P. C. 108.

invention. These words 'was not nor is a new invention' must be understood in the same sense as the words 'had invented' in the recital of the deed set out in the declaration, and must refer to the time of granting the patent, and if the invention could not then be termed a new invention, it could not, I think, have been truly said in the deed, that the plaintiff 'had invented' the improvements in the sense in which the deed uses the words. Then the plea directly negatives the deed, and comes within the rule that a party shall not deny what he has asserted by his solemn instrument under hand and seal." The learned judge then proceeds to distinguish *Hayne v. Maltby* (3 T. R. 438), but for some reason does not refer to the element of fraud in that case, which certainly would take it out of the operation of the doctrine of estoppel.

In the case of *Larves v. Purser* (6 E. & B. 930), the license was not under seal, and the licensee was held to be estopped from alleging the invalidity of the patent, and in *Crossley v. Dixon* (10 H. L. C. 293) the same principle was held to apply in the case of a mere verbal license.

In *Adie v. Clark* (L. R. 3 Ch. D. at p. 144), James, L.J., said: "A licensee cannot under any pretence whatever bring his licensor into litigation as to the novelty of any part of the patent." This case was afterwards affirmed in the House of Lords (L. R. 2 A. C. 423). But it appears that if the license has been determined prior to the expiration of the term of the patent the ex-licensees may contest the validity of the patent, notwithstanding the covenants or recitals in the license; for example, in the case of an agreement between a patentee and a manufacturer to the effect that the manufacturer shall pay to the patentee a fixed royalty on each patented article made, there being no stipulation as to the length of time during which the arrangement shall last, and no annual minimum, it is within the power of the licensee to determine the license, and in answer to an action for damages on any articles made by him after such determination, but not before, he may plead the invalidity of the patent (*w*).

(*w*) *Crossley v. Dixon*, 1863, 10 10 H. L. C. at p. 27.  
H. L. C. 293; *Redges v. Mulliner*,

Where, however, the license was for a specified term of four years, and the patent was revoked within that period, the licensees were nevertheless held liable for royalties on the patented process during the remainder of the term of the license (x).

In *Cheetham v. Nuthall* (10 R. P. C. 321), it was provided that the license should determine if the patent should be declared invalid: in an action brought by the licensor against a third party for infringement, the patent was held to be invalid, but this judgment was reversed by consent; the defendant after due notice continued to work under his license, and it was held that he was still liable to pay royalties for the use of the invention.

*Mills v. Carson* (10 R. P. C. 9) was an action for royalties due under an indenture made between the patentee *W. Notley* of the one part, and the defendants *J. A. Carson* and *D. Coleman Defries* of the other part, whereby an exclusive license to use the invention was granted to the defendants. One of the terms of the agreement was that the patentee or his assigns would, at the request of the defendants, take proceedings against any person infringing the patent; and it was further agreed that "if the said *W. Notley* should at any time omit or refuse to take such proceedings as aforesaid, and if the said letters patent should become void or ineffectual by reason of any such omission or refusal on the part of the said *W. Notley*, or by reason of the said invention not being novel, or being an infringement of other letters patent, then the payment of the said annual sum under the indenture should cease and determine." Relying upon this condition, the defendants set up the defence that the invention was not new; it was held that they were estopped from doing so, and that the words, "by reason of the said invention not being novel," meant, if it was proved not to be novel in an action brought for infringement by the patentee at the instigation of the defendants.

But where the defendant took a license from the plaintiff to work his invention "subject to the result of an inquiry into the

(x) *African Gold Recovery Co., Ltd.*, 14 R. P. C. 660.  
*Ltd. v. Sheba Gold Mining Co.,*

validity of the patent," and after the expiration of six months refused to continue to work the plaintiff's process on the ground that the patent was bad, it was held, in an action for royalties under the agreement, that it was open to the defendant to contest the validity of the plaintiff's patent (*y*).

The licensee may refer to the state of public knowledge at the date of the patent for the purpose of showing what is the true ambit of the claim (*z*), and he may, following the analogy of lessor and lessee, show that the patent in question has in fact expired (*a*). Licensee may contend for limited construction.

Fraud is practically the only plea which a licensee can put forward in an action brought against him for the recovery of royalties, but this must be distinctly pleaded (*b*); beyond that the only reply that is left to the licensee is that he has not worked the patent in question (*c*). Fraud negatives estoppel.

When the plaintiff, fraudulently asserting that he had a right to a patent, induced the defendant to come to terms with him for a license to use that patent, the defendant, in an action upon that agreement, is not estopped from alleging the want of title in the plaintiff as a defence (*d*). But it would be otherwise in the absence of fraud and where both parties are innocent; in that case neither the assignee nor licensee would be allowed to set up as a defence the bad title of the assignor or licensor (*e*).

An assignee of a share of the profits is entitled to an account of the profits from the person by whom they are payable; but the account should be taken once for all in the presence of all the persons interested; the licensee is not bound to account to the assignor and to each assignee of a share separately (*f*).

(*y*) *Wilson v. Union Oil Mills Co.*, 9 R. P. C. 57.

(*z*) *Adie v. Clark*, 1876, L. R. 2 A. C. 423; *Young and Beilby v. Hermand Oil Co., Ltd.*, 9 R. P. C. 373; see also *Neil and Others v. Neil*, 20 R. P. C. at p. 223.

(*a*) *Muirhead v. Commercial Cable Co.*, 11 R. P. C. 317; 12 R. P. C. 39.

(*b*) *McDouyall v. Partington*, 7

R. P. C. at p. 223; *Ashworth v. Law*, 7 R. P. C. at p. 234.

(*c*) *Clark v. Adie*, L. R. 2 App. Cas. 423, 435.

(*d*) *Hayne v. Maltby*, 1789, 3 T. R. 438.

(*e*) *Taylor v. Hare*, 1 W. P. C. 292.

(*f*) *Bergmann v. Macmillan*, 1891, L. R. 17 Ch. D. 423.



## LIMITED LICENSES.

Limited  
licenses.

Some observations are necessary upon what are known as "limited licenses," and the effect of the Act of 1907 in restricting the power of the patentee to impose terms of limitation. It had been decided that a "patentee had a right, not merely by sale without reserve, to give an unlimited right to the purchaser to use, and thereby to make in effect a grant from which he could not derogate, but might attach to it conditions, and if those conditions were broken, then there was no license, because the license was bound up with the observance of the conditions" (g). Consequently the patentee might license the user of his patented article, but might attach the condition that it was to be used only in connection with some other article sold by him. In the cases of *The Incandescent Gas Light Co., Ltd. v. Cantelo* (12 R. P. C. 262), and *The Incandescent Gas Light Co., Ltd. v. Brogden* (16 R. P. C. 179), the article the subject of the patent was an incandescent mantle; and the condition imposed was that the mantle was to be used only upon gas burners supplied by the patentees, and upon no other burners. It was held that such conditions might lawfully be imposed, and that the license to use was to that extent a limited one. It has been pointed out that the sale of an article by the patentee or by his agent without limitation implies a full license to use and to resell. Consequently it was necessary for the patentee in an action against a purchaser for infringement by breach of such conditions to prove that the license was limited, and that the terms thereof were clearly communicated to or were within the knowledge of the purchaser at the time of the purchase, otherwise he would not be bound by them. In the first of the cases above cited the agent did not bring the limitation to the notice of the purchaser; in the second case the agent did communicate the limitation to the purchaser. The distinction drawn by Buckley, J., in *The Badische Anilin und Soda Fabrik v. Isler* (1906, 1 Ch. at p. 610) between the case of purchaser from a patentee or his

Knowledge  
of conditions  
when neces-  
sary.

(g) Kennedy, J., in *The Incan. Brogden*, 16 R. P. C. at p. 183.  
*descent Gas Light Co., Ltd. v.*

agent and that of a purchaser from a licensee with a limited license in accordance with which it was immaterial whether or no the purchaser knew of the limitation in the latter case must be deemed inferentially to have been overruled by the decision of the Privy Council in *National Phonograph Co. of Australia, Ltd. v. Menck* (1911, A. C. 336; 28 R. P. C. 229) (h).

The device of the "limited license" was gradually developed into a machine by means of which Letters Patent for certain kinds of inventions were made to produce commercial profits independently of any royalty that might adequately have rewarded the ingenuity of the inventor or the enterprise of the capitalist. It became customary (particularly in the world of labour-saving machinery) for the patentee to lease such machinery on hire to the manufacturer, and to stipulate that, in addition to paying a royalty, the manufacturer should use in his factory no machinery of any kind other than that supplied by the patentee, and further, that the manufacturer should purchase from the patentee the raw material used in connection with his factory. Another stipulation was to the effect that the leasing contract should endure between the parties for a term of years longer than that of the Letters Patent.

Abuse of  
limited  
licenses.

By sub-sect. 1 of sect. 38 of the Act of 1907 it was enacted:—

*"It shall not be lawful in any contract made after the passing of this Act in relation to the sale or lease of, or license to use or work, any article or process protected by a patent to insert a condition the effect of which will be—*

Statutory  
change of law.

- (a) *"to prohibit or restrict the purchaser, lessee, or licensee from using any article or class of articles, whether patented or not, or any patented process, supplied or owned by any person other than the seller, lessor, or licensor or his nominees; or*
- (b) *"to require the purchaser, lessee, or licensee to acquire from the seller, lessor, or licensor, or his nominees,*

(h) *Columbia Phonograph Co. v. 484; Columbia Graphophone Co. v. Regent Fittings Co., 30 R. P. C. Vanner, 33 R. P. C. 104.*

*any article or class of articles not protected by the patent ;*  
*and any such condition shall be null and void, as being in restraint of trade and contrary to public policy."*

The definitions in clauses (a) and (b) of the kinds of conditions which are to be void are modified by sub-sect. 5, which is as follows :—

(5.) "*Nothing in this section shall—*

(a) "*affect any condition in a contract whereby a person is prohibited from selling any goods other than those of a particular person ; or*

(b) "*be construed as validating any contract which would, apart from this section, be invalid ; or*

(c) "*affect any right of determining a contract or condition in a contract exercisable independently of this section ; or*

(d) "*affect any condition in a contract for the lease of or license to use a patented article, whereby the lessor or licensor reserves to himself or his nominees the right to supply such new parts of the patented article as may be required to put or keep it in repair."*

Respects in which law remains unchanged.

The consequence of sub-sect. 1 and of par. (a) of sub-sect. 5 is that a patentee may supply patented goods on sale or hire on condition that the purchaser or hirer does not *sell* any other goods than those supplied by the patentee whether patented or not, but the purchaser or hirer may not be restricted in any way from *using* goods other than those supplied by the patentee.

The consequence of par. (b) of sub-sect. (1) and of par. (d) of sub-sect. 5 is to leave the right of deriving profits from the repair of the patented article in the hands of the patentee but not profits from the supply of a substance used in carrying out a patented process where the substance is not protected by the patent (*i*).

By par. (b) the common law rule as to contracts in restraint of trade is left untouched, and licenses limiting the price at which the patented article may be sold (*j*), or the quantities which may be sold at one time (*k*), are still valid.

(*i*) *Sarason v. Frenay*, 1914, 2 Ch. D. 474; 31 R. P. C. 330.

(*j*) See Chap. XIII.

(*k*) See *The Badische Anilin und*



But it is most important to notice that contracts of the kind mentioned are not invariably to be deemed invalid. The evil that was aimed at by the statute only existed in the case of a purchaser or licensee who was practically compelled to enter into such a contract, and it was not the purpose of the section to interfere with contracts which had been voluntarily entered into by parties who had the opportunity clearly laid before them of purchasing or hiring upon different terms. Accordingly sub-sect. 1 concludes with this proviso:—

*“ Provided that this sub-section shall not apply if—*

- (i) *“ the seller, lesser, or licensor proves that at the time the contract was entered into the purchaser, lessee, or licensee had the option of purchasing the article or obtaining a lease or license on reasonable terms, without such conditions as aforesaid ; and*
- (ii) *“ the contract entitles the purchaser, lessee, or licensee to relieve himself of his liability to observe any such condition on giving the other party three months’ notice in writing and on payment in compensation for such relief in the case of a purchase of such sum, or in the case of a lease or license of such rent or royalty for the residue of the term of the contract, as may be fixed by an arbitrator appointed by the Board of Trade.”*

It is suggested that one way of reducing the risk of such a condition being set aside would be to recite in the agreement an alternative offer to the purchaser or hirer and to recite that the purchaser, although deeming such terms to be reasonable, nevertheless preferred to enter into the agreement as herein provided. This would at all events cast the onus of proof on to the licensee. However, as the Act of 1919 adds the following paragraph to sub-sect. 1 :—

*“ In any action application or proceedings under this Act no person shall be estopped from applying for or obtaining relief by reason of any admission made by him as to the reasonableness of the terms offered to him under sub-section (1) (i),”* an admission by the licensee is not conclusive as against him.

*Soda Fabrik v. Isler*, 1906, 1 Ch. and 633.  
605 ; 2 Ch. 443 ; 23 R. P. C. 173

In the event of the contract providing for compensation, such compensation cannot be fixed in the agreement as liquidated damages, but will be such as the arbitrator appointed by the Board of Trade may fix.

Contracts  
made before  
Act.

Contracts made before the passing of the Act are to be deemed valid save in so far as they were invalid at Common Law, but may be terminated, and the party terminating becomes liable to pay compensation :—

(2) “ *Any contract relating to the lease of or license to use or work any patented article or patented process, whether made before or after the passing of this Act, may at any time after the patent or all the patents by which the article or process was protected at the time of the making of the contract has or have ceased to be in force, and notwithstanding anything in the same or in any other contract to the contrary, be determined by either party on giving three months’ notice in writing to the other party; but where any such notice is given determining any contract made before the passing of this Act, the party giving the notice shall be liable to pay such compensation as failing agreement may be awarded by an arbitrator appointed by the Board of Trade.* ”

(3) “ *Any contract made before the passing of this Act relating to the lease of or license to use or work any patented article or process and containing any condition which, had the contract been made after the passing of this Act, would by virtue of this section have been null and void may, at any time before the contract is determinable under the last preceding sub-section, and notwithstanding anything in the same or any other contract to the contrary, be determined by either party on giving three months’ notice in writing to the other party, but where any such notice is given the party giving the notice shall be liable to pay such compensation as, failing agreement, may be awarded by an arbitrator appointed by the Board of Trade.* ”

Whole con-  
tract may be  
terminated.

It is to be noticed that the whole contract may be terminated, and not the condition only.

Basis of  
compensation.

No directions are given as to the proper basis upon which such compensation shall be fixed, and it is to be remembered that cases in which decisions have been given upon the assessment of statutory compensation have invariably been based

upon the wording of the particular statute and its general intention. There is no definition of "compensation" universally applicable. And until a case is stated for the Court, no definite rule can be laid down.

Sub-sect. 4 of sect. 38 is of a penal nature:—

*"The insertion by the patentee in a contract made after the passing of this Act of any condition which by virtue of this section is null and void shall be available as a defence to an action for infringement of the patent to which the contract relates brought while that contract is in force."*

Defence in  
infringement  
action.

It effectually prevents a patentee from prosecuting an action for infringement where an existing contract containing conditions offending against the provisions of the section and made by the patentee after the 28th August, 1907, has come to the knowledge of the defendant. It would appear that the plaintiff must be a party to the contract, but the defendant need not be (*l*). But a plaintiff who has had to discontinue an action owing to the existence of a contract containing such an unlawful condition being pleaded may commence a fresh action against the same defendant for infringement of the same patent after the offending contract has been terminated (*m*), and may recover damages, if successful, for infringements committed while the offending contract was in force.

In addition to the remedies provided by sect. 38 for the abuse of limited licenses sect. 27, sub-sect. 2 (e) of the Act of 1907, as amended, now provides for numerous alternative remedies (see Chap. XIII.) in case any trade or industry in the United Kingdom, or any person or class of person engaged therein, is unfairly prejudiced by the conditions attached by the patentee to the purchase, hire, license or use of the patented article or to the using or working of the patented process.

#### "LICENSES OF RIGHT."

Sect. 24, which has been introduced into the Act of 1907 by sect. 2 of the Act of 1919, creates a new feature of law and

(*l*) *Sarason v. Frenay*, 1914, 2 Ch. 474; 31 R. P. C. 330.      *Gene Aluminium Schweissung v. London Aluminium Co.*, 36 R. P. C.

(*m*) *Aktiengesellschaft für Auto-* 29.

policy. A patentee may voluntarily throw his invention open to any one who cares to ask for a license on terms to be agreed with him, or in default of agreement on terms to be settled by the Comptroller. Or if a case of abuse of his monopoly is made out against him under sect. 27 (see Chap. XIII.) the Comptroller may, as one of the remedies applicable, make an order throwing the invention open in the same way. The patentee gains some advantages: he reduces the risk that he may be held at any time to have abused his monopoly; to some small extent he advertises his invention and gives manufacturers or financiers a hope that reasonable terms are obtainable for the use of the invention, and by sub-sect. 1 (f), his renewal fees are reduced to a half of what they would otherwise have been.

Sub-sect. (1) begins as follows:—“*At any time after the scaling of a patent the Comptroller shall, if the patentee so requests, cause the patent to be indorsed with the words ‘licenses of right,’ and a corresponding entry to be made in the register, and thereupon:—*

(a) “*Any person shall at any time thereafter be entitled as of right to a license under the patent upon such terms as, in default of agreement, may be settled by the comptroller on the application of either the patentee or the applicant:—*

“*Provided that any license the terms of which are settled by agreement shall be deemed, unless otherwise expressly provided, to include the terms and conditions specified in paragraphs (c) and (d) of this sub-section as if they had been imposed by the comptroller thereunder in like manner as if the terms had been settled by the comptroller*” :—

The paragraphs referred to in the proviso provide:

(c) “*Any such license the terms of which are settled by the comptroller may be so framed as to preclude the licensee from importing into the United Kingdom any goods, the importation of which, if made by persons other than the patentee or those claiming under him, would be an infringement of the patent, and in such a case the patentee and all licensees under the patent shall be deemed to have mutually covenanted against such importation:”*

Paragraph (d) confers upon such a licensee power to call

upon the patentee to sue infringers or to sue them himself in the name of the patentee (see Chap. XVI. "Parties").

Before acceding to a request by a patentee to indorse his patent, the Comptroller must under sub-sect. 2 advertise the request and must satisfy himself that the patentee is not precluded by contract from making such a request: "*Provided that a patentee shall not be deemed to be so precluded by reason only of his having granted a license under the patent where the license does not limit his right to grant other licenses.*"

If the patentee is not precluded from making the request, and if any or all existing licensees consent, the Comptroller has power to put existing licensees and future licensees on an equality in the matter of royalties or other payments. Paragraph (b) of sub-sect. (1) is as follows:—

"(b) *in settling the terms of any such licence the comptroller shall be guided by the following considerations:—*

"(i) *he shall, on the one hand, endeavour to secure the widest possible user of the invention in the United Kingdom consistent with the patentee deriving a reasonable advantage from his patent rights;*

"(ii) *he shall, on the other hand, endeavour to secure to the patentee the maximum advantage consistent with the invention being worked by the licensee at a reasonable profit in the United Kingdom;*

"(iii) *he shall also endeavour to secure equality of advantage among the several licensees, and for this purpose may, on due cause being shown, reduce the royalties or other payments accruing to the patentee under any licence previously granted:*"

It is doubtful whether the Comptroller may make any other alteration in an existing license *without* the consent of the licensee save as the result of a license under (1) (c).

"*Provided that, in considering the question of equality of advantage, the comptroller shall take into account any work done or outlay incurred by any previous licensee with a view to testing the commercial value of the invention or to securing the working thereof on a commercial scale in the United Kingdom:*"

An existing licensee, with the benefit of a contract that the

patentee shall not make such request, can prevent the indorsement from being made; by sub-sect. (3):

(3) "*Any person, alleging that a request under this section has been made contrary to some contract in which he is interested, may apply to the comptroller within the prescribed time and in the prescribed manner, and the comptroller, if satisfied of the truth of such allegation, shall refuse to indorse the patent pursuant to the request or shall cause the indorsement, if already made, to be cancelled.*"

"*An order under this sub-section shall be subject to appeal to the Court.*"

The contract may be in express terms, or the licensee may allege that the request is contrary to its spirit and that there is an implied term. On the other hand, a licensee who has not the benefit of such a contract, express or implied, could, it is surmised, appear before the Comptroller in answer to the advertisement in the *Official Journal* and show cause against the indorsement, and as noted under sub-sect. (1) (b) (iii) above, the Comptroller probably could not interfere with the terms of his license save to reduce the royalties or other payments, and must then be guided by the considerations set forth in the proviso. The only other modification of the terms of an existing license which could be effected is the introduction of a covenant against importation as the result under sub-sect. (1) (c) of the settlement by the Comptroller of a license to some one else containing such a restrictive covenant.

Sub-sect. (1) (c) deals with the case of infringement of a patent which has been indorsed: "*If in any action for infringement of a patent so indorsed the infringing defendant is ready and willing to take a license upon terms to be settled by the comptroller, no injunction against him shall be awarded, and the amount recoverable against him by way of damages (if any) shall not exceed double the amount which would have been recoverable against him as licensee if the license had been dated prior to the earliest infringement:*

"*Provided that this paragraph shall not apply where the infringement consists of the importation of infringing goods*" :—

By sect. 27A: "*Any order for the grant of a license under*

*this Act shall, without prejudice to any other method of enforcement, operate as if it were embodied in a deed granting a license executed by the patentee and all other necessary parties."*

It would appear that a decision of the Comptroller under this section, save in the case of a decision under sub-sect. (3), cannot be appealed from. Certainly no provision is made for an appeal, and the policy of the Act seems to be that a patentee who has voluntarily surrendered his control over his monopoly must submit to the Comptroller's decision as to the terms of licenses, as final. On the other hand, if the patent has been indorsed by the Comptroller in exercise of his powers under sect. 27, sub-sect. 3 (a), existing licensees in spite of any restrictive covenant may apply to surrender their licenses in exchange for licenses settled by the Comptroller, and any such order by the Comptroller is subject to appeal to the Court.

By sub-sect. (5), "*If at any time it appears that in the case of a patent so indorsed there is no existing licence the comptroller may, if he thinks fit, on the application of the patentee and on payment by him of the unpaid moiety of all renewal fees which have become due since the indorsement, after due notice cancel the indorsement, and in that case the patentee's rights and liabilities shall be the same as if no such indorsement had been made.*"

#### THE REGISTER.

Sect. 28 of the Act of 1907 provides:—

The register.

(1) "*There shall be kept at the Patent Office a book called the Register of Patents, wherein shall be entered the names and addresses of grantees of patents, notifications of assignments and of transmissions of patents, of licenses under patents, and of amendments, extensions and revocations of patents, and such other matters affecting the validity or proprietorship of patents as may from time to time be prescribed; (2) the register of patents existing at the commencement of this Act shall be incorporated with and form part of the register of patents under this Act; (3) the register of patents shall be primâ facie evidence of any matters by this Act directed or authorised to be inserted therein; (4) copies of deeds, licenses and any other documents affecting the proprietorship in any letters patent or in any license*

*thereunder, must be supplied to the Comptroller in the prescribed manner for filing in the Patent Office."*

The practice of the Patent Office with regard to registration is regulated by rules 86—95 of 1920.

Notice of  
trust not  
registrable.

By sect. 66, "*There shall not be entered in any register kept under this Act, or be receivable by the Comptroller, any notice of any trust, express, implied, or constructive.*" Sect. 71, sub-sects. (1) and (2), as amended by the Act of 1919, provides that where a person becomes entitled by assignment, transmission or other operation of law to a patent, or becomes entitled as mortgagee, licensee, or otherwise to any interest in a patent he *shall* make application to the comptroller to register his title and that "*Except in applications made under section seventy-two of this Act, a document or instrument in respect of which no entry has been made in the register in accordance with the provisions of sub-sections (1) and (2) aforesaid, shall not be admitted in evidence in any court in proof of the title to a patent . . . or any interest therein unless the court otherwise directs,*" thereby imposing a penalty for non-registration which did not previously exist. It should also be noted that applications for the registration of documents if made after the expiration of six months from the date of acquisition of interest are subject to a fee of ten pounds in place of one pound. The discretion given to the Court may prove useful where the instrument affecting the title to the patent has to be produced in Court in matters entirely unconnected with the patent. This new sub-section also disposes of doubts which existed as to whether under the Act of 1907 an assignee had to be registered before he could sue infringers; it had been held that under the Act of 1852 that an assignee could not sue until his assignment had been registered (*n*), except where the assignor and his licensees had notice of the assignment (*o*). The person registered as the proprietor of a patent shall, subject to any rights appearing from the register to be vested in any other person, have power to deal with the patent absolutely: "*Provided that any equities in respect of such patent or design may be*

Equities may  
be enforced.

(*n*) *Chollet v. Hoffman*, 1857,  
7 E. & B. 686.

(*o*) *Hassall v. Wright*, L. R. 10  
Eq. 509.



*enforced in like manner, as in respect of any other personal property."*

It is a well-established practice that any person interested in a particular patent may leave a request at the Patent Office to be informed of any attempt to register an assignment or other document in connection with the patent in question. Notice will then be given to the person who has left the request and registration will be suspended for a few days so as to enable the person interested to apply to the Courts for leave to serve notice of motion to prevent registration if he so desires (p). **Caveat against registration.**

Lindley, M.R., in *New Ixion Tyre Co. v. Spilsbury* (1898, 2 Ch. at p. 488; 15 R. P. C. at p. 571), said, referring to this proviso: "That lets in the whole doctrine of notice and the equitable consequences of it. That proviso cannot be cut down. When it says, 'any equities in respect of such patent,' it cannot mean registered equities. You do not want a proviso for that, because you have got that before. It means that any equitable rights in any person in respect of such patent may be enforced in like manner as in respect of any other personal property. What are they? Those rights are that they can be enforced in equity against all persons who have taken with notice." **Doctrine of notice.**

In *In re Morsey's Patent* (1858, 25 Beav. 581), a patentee assigned half a patent to A., and afterwards he assigned the whole to B. by deed, reciting that he had already granted a license to work and use to A. B.'s assignment was first registered:—Held that B. had constructive notice of A.'s rights, and an entry was ordered to be made in the register that the license referred to in B.'s assignment was the deed of assignment to A. subsequently entered.

Registration does not amount to notice to the whole world, so where the grant of an exclusive license for a district had been entered on the register, it was held that this did not by itself amount to notice so as to affect an innocent purchaser outside of that district bringing his purchase within the district in violation of the rights of the licensee (q).

(p) *Viola v. Sharpe*, 22 R. P. C. 23. (q) *Heap v. Hartley*, 5 R. P. C.

Sect. 67 deals with the inspection of registers, and the obtaining of certified copies. By sect. 79 sealed copies are to be received in evidence.

Registrable documents.

The effect of these sections is to prohibit the entry upon the register of simple notices of trusts, but any other documents affecting the proprietorship of the patent, whether by creating trusts or otherwise, are not to be excluded. In *Stewart v. Casey* (9 R. P. C. 9) the owners of two patents employed C. about their patents and wrote to him that, in consideration of his services, they agreed to give him one-third share of the patents, to take effect from the date of the letter. The original letters patent were subsequently put into C.'s hands for the purpose of a sale which fell through. C. retained the letters patent, and caused an entry to be made on the register of patents of the above-mentioned letter. An entry was also made in the register of proprietors that C. claimed an interest in the patents under this document. It was held that the letter was properly registered, it being a document affecting the proprietorship of the patents, and although an assignment of a patent should be by deed, yet an agreement to assign is an equitable assignment, and consequently may be entered on the register under the section, but the documents containing the agreement and entered on the register must be complete, and of a nature that specific performance of the agreement could be enforced, since otherwise no legal or equitable interest in the patent or proprietorship thereof would pass (*r*). For example, in *Fletcher's Patent* (10 R. P. C. 252) X., the owner of a patent, wrote a letter to Y. agreeing to give him an exclusive license for the duration of the patent, "provided always that you pay me a royalty, of the amount to be mutually agreed upon between us." X. and Y. subsequently disagreed. Y. contended that the royalties had been verbally agreed upon; this was disputed by X. Y. applied to register the letter. It was held that the letter was not registrable.

Agreement must be complete.

Power to amend entries.

Sect. 72 empowers the Court (High Court of Justice) to

603; 6 R. P. C. 495; *Scottish Vacuum Cleaner Co. v. Provincial Cinematograph Theatres, Ltd.*, 32 R. P. C. 353. (*r*) *Haslett v. Hutchinson*, 8 R. P. C. 457.

order the alteration of the registers, upon the application of persons aggrieved, and upon sufficient cause shown. The application is made by motion, and notice must be given to the Comptroller, who is entitled to appear and to be heard. The Comptroller may himself under sect. 70 correct errors in the registers which are merely of a clerical nature.

The Comptroller may refuse to enter upon the register of patents a document dated before the patent, upon the ground that it does not contain a sufficient proof of title, but it would appear that if that objection does not apply, the fact that the document is dated prior to the date of the patent is not in itself a bar to registration (*s*). Needless to say, until the patent is granted the registration of the legal interest cannot be effected (*t*). The Comptroller will not enter into the question of the legality of the document to be registered provided that it is correct in form (*u*).

(*s*) *Parnell's Patent*, 1888, 5 R. P. C. 439.

R. P. C. 126.

(*t*) *E. M. Bowden's Patents* Ruling E.

*Syndicate, Ltd. v. Smith*, 21

(*u*) 27 R. P. C. Appendix,

## CHAPTER XII.

## EXTENSION OF THE TERM OF A PATENT.

History of  
practice.

PRIOR to the year 1835 a patentee who desired an extension of the term of his patent had to apply for a private Act of Parliament, the grant by the Crown being limited to the period of fourteen years fixed by the Statute of Monopolies. By the Act 5 & 6 Will. IV. c. 83, amended by 2 & 3 Vict. c. 67 and by sects. 2 and 3 of 7 & 8 Vict. c. 69, and re-enacted by sect. 25 of the Act of 1883, the Crown was enabled to prolong the term for seven, or in exceptional cases for fourteen, years upon the advice of the Judicial Committee of the Privy Council, which was given jurisdiction to hear petitions. By sect. 18 of the Act of 1907 the power to hear petitions and to grant prolongation is transferred to the High Court, but the considerations which are to guide the tribunal in arriving at a decision remain the same. The judgments of the Privy Council here cited are therefore applicable to petitions to the Court.

Sect. 18, as amended by sect. 7 of the Act of 1919, is as follows:—

The Act of  
1907.

(1) *“ A patentee may, after advertising in manner provided by rules of the Supreme Court his intention to do so, present a petition to the Court praying that his patent may be extended for a further term, but such petition must be presented at least six months before the time limited for the expiration of the patent: Provided that the court may in its discretion extend such period within which such a petition may be presented.*

(2) *“ Any person may give notice to the Court of objection to the extension.*

(3) *“ On the hearing of any petition under this section the patentee and any person who has given such notice of objection shall be made parties to the proceeding, and the Comptroller shall*

*be entitled to appear and be heard, and shall appear if so directed by the Court.*

(4) *“The Court, in considering its decision, shall have regard to the nature and merits of the invention in relation to the public, to the profits made by the patentee as such, and to all the circumstances of the case.*

(5) *“If it appears to the Court that the patentee has been inadequately remunerated by his patent, the Court may by order extend the term of his patent for a further term not exceeding five, or in exceptional cases ten, years, or may order the grant of a new patent for such term as may be specified in the order and containing any restriction, conditions, and provisions the Court may think fit.”*

Sub-sect. 6 (introduced by the Act of 1919) provides special machinery for extending patents in cases in which a patentee has suffered loss owing to the war, and will be dealt with hereafter (see p. 269).

By sect. 92, sub-sect. 2, all petitions which “*by virtue of this Act*” are to be presented to the Court are to be presented to a judge to be selected by the Lord Chancellor, and his decision is to be final. By sect. 94 of the Act of 1907 as amended by the Act of 1919 the decision of any Lord Ordinary on a petition presented in Scotland is also final. A petition for prolongation is “*by virtue of this Act*” to be presented to the Court. Judge's decision final

The transference to a judicial authority of powers which had formerly been exercised by Parliament gave rise in the beginning to some doubts as to the spirit in which petitions should be approached. In *Soame's Patent* (1 W. P. C. 733), Lord Brougham said: “If this case were to be disposed of upon the ground which in arguing such cases has sometimes been assumed to be the fit one, that there must not only be merit and benefit to the public, and (which is essential) a want of sufficient remuneration in the course of using the patent, but that, moreover, the case is to be tried here as on a Bill in Parliament introduced to prolong the patent, then I apprehend, there can really be no doubt whatever that in this case no Bill would ever have passed through the two Houses of Parliament;” Grounds for extension.

but their lordships have always considered that it was with the view of affording a better remedy, not only cheaper and easier, but better in this respect: that there might be cases which never would have prevailed on the legislature to make a new personal law prolonging a monopoly, which nevertheless might seem meritorious enough in respect of the individual, beneficial enough in respect of the public, and deficient enough in remuneration to justify interference, which nevertheless, had they been presented in the form of a petition to Parliament, would have failed to procure an Act. Proceeding therefore upon this ground, that it is not necessary to show there is case enough for an Act of Parliament, their lordships are of opinion that in this case there may be sufficient ground for granting a very moderate extension of the term" (a). The considerations laid down by the Act of 1883, and again by the Act of 1907, are almost identical with those given by Lord Brougham in *Derosne's Patent* (2 W. P. C. 4): "The parties must show in the first place some invention, in the next place a benefit to the public, and in the third place that they have not had adequate remuneration."

Must be  
strictly  
proved.

It is immaterial whether or not the application is opposed. The Privy Council required every necessary ground for extension to be strictly proved before they advised an extension, and this even though the Crown through the Attorney-General consented (b).

Uberrima  
fides required.

The utmost good faith is required to be observed in framing the petition for prolongation. In addition to setting forth the accounts, the nature of which we shall consider later, the petition should state the whole history of the case and everything bearing on the matter. In *Ferranti's Patent* (18 R. P. C. 518), for example, it transpired at the hearing that the petitioner had long ago parted with a substantial interest in his invention, and this fact was not disclosed in the petition. Prolongation was refused without any further investigation (c). And the

(a) And see *Morgan's Patent*, 1 W. P. C. 739.

(b) *Cardwell's Patent*, 10 Moo. P. C. C. 488; *Darby's Patent*, 8 R. P. C. p. 383.

(c) See also *Horsej's Patent*, 1 R. P. C. 226; *Standfield's Patent*, 15 R. P. C. 17; *Poulsen's Patent*, 30 R. P. C. 597.

circumstances relating to any foreign patents which may have been obtained or refused must be set forth with great strictness (*d*).

The conduct of the petitioner in placing the invention before the public is one of the circumstances which will be considered; and so where false statements are made as to profits in the prospectus of a company floated for the purpose of manufacturing under the patent, this was a ground for refusing prolongation (*e*).

The merit of the invention does not mean the merit of the inventor, which must be considered separately (*f*), but the merit of the consideration which he has given to the public. An inventor may have worked diligently for years in a most deserving manner, and yet have produced an improvement of the most trifling nature—the merit of the inventor in such a case will not be considered.

Again, the invention may have been a very simple one, produced by an inventor with a moment of thought, and yet of great importance to the world. This latter case would be one of merit—simplicity of an invention being an element of its value (*g*).

In *Fleming and Gale's Patents* (36 R. P. C. 266), the Court granted an extension for three years in view of the great practical utility of the invention notwithstanding the comparatively small amount of inventive ability shown in it.

In *Trantom's Patent* (34 R. P. C. at p. 37), Sargant, J., said: "There is no doubt whatever that before the Court can exercise its jurisdiction in favour of a petitioner it must be satisfied that there has been some merit considerably greater than is sufficient to support the grant of the patent itself (*h*), and having regard to the nature and merits of the invention in relation to the public, I think the Court has to find, as a condition precedent

Conduct of  
petitioner  
considered.

Merit of the  
invention.

Degree of  
merit  
required.

(*d*) *Pitman's Patent*, L. R. 4 P. C. P. C. N. S. 264.

84; 8 Moo. P. C. N. S. 293; (*g*) *Muntz's Patent*, 2 W. P. C. Johnson's Patent, 25 R. P. C. 728. at p. 119.

(*e*) *Lawrence's Patent*, 9 R. P. C. 89. (*h*) *Stoney's Patent*, 5 R. P. C. 520; *Saxby's Patent*, L. R. 3 P. C.

(*f*) See *Hill's Patent*, 1 Moo. 292, 294.

to exercising its jurisdiction in favour of the patentee, that there has been some considerable benefit given to the public by the inventor in respect of that invention. The patent must be one of more than ordinary merit or utility, and of the two it appears to me having regard to the words 'in relation to the public,' that the utility is an even more important factor than the inventiveness or skill shown in making the invention."

Novelty of  
invention  
immaterial.

The Court will not inquire into the novelty or utility of an invention, except in so far as such novelty or utility may form elements in the consideration of the merit of the invention, save in the case of obvious invalidity.

In *Saxby's Patent* (L. R. 3 P. C. 294), Lord Cairns said: "In point of fact, it is not the practice of this tribunal to decide upon the novelty or utility of a patent; and although they would, of course, abstain in any case from prolonging a patent which was manifestly bad, yet, in one point of view, they are in the habit, in taking into account that which may be termed the question of utility, to consider not that amount of utility which would be necessary to support a patent, but that kind of utility which might more properly be described as merit. Upon that question it is the habit of this tribunal to consider whether the invention brought before them is one of that high degree of merit which, if everything else were satisfactory, would entitle the patentee to a prolongation."

Save as  
affecting  
merit.

In *Stewart's Patent* (3 R. P. C. at p. 10), Lord Monkswell said: "Their lordships do not propose to determine the validity or invalidity of the patent on this occasion; but they are satisfied that the invention, whether or not it may have sufficient novelty to sustain the patent, upon which they give no opinion, has been so far anticipated by previous patents and by actual user of machines in this country as to deprive the invention of that degree of novelty which would be necessary in order to justify their lordships in advising her Majesty to prolong its term."

In *Johnson's Patent* (25 R. P. C. at p. 723, Parker, J., said: "The consideration which supports the grant of the monopoly granted by Letters Patent being in fact the disclosure of something of value to the public, it is only where



this value largely exceeds the benefit derived by the patentee from his invention that the patentee can be said to have been inadequately remunerated; but, even where this inadequacy exists, there may be other circumstances sufficient to induce the Court to refrain from exercising its power. The first question, therefore, which arises on a petition for extension is the nature of the disclosure contained in the specification. For, without deciding first on the nature of the disclosure made, it would be impossible to form an opinion on its value to the public. For the purpose of determining the nature of the disclosure made and its value to the public, questions of novelty and subject-matter, though not directly in issue, are necessarily of considerable materiality, for without considering what was already known at the date of the Letters Patent, it is impossible to arrive at any adequate conception of the nature of the disclosure made by the patentee, and, in the same way, the value of this disclosure to the public cannot be altogether independent of the extent of inventive ingenuity required to arrive at the thing disclosed. While, therefore, it would be wrong to allow detailed scientific evidence such as is usual in actions for infringement or petitions for revocation, evidence as to novelty or subject-matter cannot be altogether excluded. It is the duty of the petitioner at the outset to bring to the notice of the Court all that may in any way affect the judgment of the Court in these matters. The length to which the petitioner's witnesses should be cross-examined, and the extent to which an objector should be allowed to bring evidence impeaching the validity of a patent on the ground of want of novelty or subject-matter, must be left to the determination of the judge who hears the petition having regard to the nature of the individual case. As a general rule, if, after hearing the evidence of the petitioner's witnesses, there be in the opinion of the Court a *prima facie* case for upholding the validity of the patent in respect of novelty and subject-matter, the Court need not, in my opinion, investigate the matter further. It is always open to an objector to challenge the validity of a patent in proceedings more appropriate for that purpose. The Court on a petition for prolongation ought,

in my opinion, to pay especial attention to the fact that the thing disclosed may be minute compared with the sum total of what was known before, and yet may be the *sine quâ non* of the successful application of existing knowledge, and thus fall within the category of great inventions."

In *Dewar's Patent* (35 R. P. C. 229), the Court, however, considered the objection of want of novelty raised by the Crown.

Nor in  
validity.

In *Lane-Fox's Patent* (9 R. P. C. 412), a Court of First Instance held the patent invalid; while an appeal from that decision was pending, a petition for prolongation was brought, the Committee decided to hear the petition on the ground that it was not their duty to look into the validity of the patent, and the decision of the Court was one which might not be upheld and therefore in no way binding (*i*).

In *Worrall's Patent* (35 R. P. C. 226), the Court held that where one of the claims of a specification was obviously bad the original grant was a nullity, and no extension could be granted (*j*). But having regard to the effect of sect. 32A of the Act of 1907, introduced by sect. 9 of the Act of 1919, which enables the Court in an infringement action to give relief in respect of valid claims in spite of the invalidity of others, it is doubtful if the reasoning upon which this judgment is based would be followed to-day.

And the Committee will not hear an objection to the validity of the patent on the ground of non-payment of fees (*k*).

Effect of  
non-user.

Non-user of the invention for the whole or a great part of the period of the grant creates a strong presumption against the merit of an invention, which presumption can only be rebutted by the strongest evidence; and, in general, such an explanation to be satisfactory must rest on some broad ground such as a State monopoly, a very limited class of users, great expense in introduction, special experimental difficulties, and the like (*l*).

(*i*) And see *Heath's Patent*, 2 203.  
W. P. C. 257; *In re Stoney's Patent*,  
5 R. P. C. 522.

(*j*) And see *Burlingham's Patent*,  
15 R. P. C. 195.

(*k*) *Dolbear's Patent*, 13 R. P. C.      (*l*) *Allan's Patent*, L. R. 1 P. C.  
507; 4 Moo. P. C. N. S. 443;  
*Henderson's Patent*, 18 R. P. C.  
449; *Runcorn White Lead Co.'s*  
*Patent*, 33 R. P. C. at p. 214.

But the same objection being raised in *Hughes' Patent* (4 A. C. 174), the application was granted after strong and unanswered evidence of merit, though the patent had not been used in England during the whole term (*m*).

In *Smet and Solway's Patent* (12 R. P. C. 10), the invention consisted in an improved apparatus for coking and distilling coal. For some time it was found impossible to obtain any practical introduction of the invention into the country, partly by reason of expense and partly owing to the prejudices of the manufacturers. Lord Watson said: "The invention appears to their lordships to be one which from its very nature cannot reasonably be expected to come at once, or within a short period, into general use. Its adoption necessitates the destruction of existing and the erection of new apparatus, and will therefore, in all probability, be gradual, as the old-fashioned apparatus wears out." The prolongation was granted (*n*).

In *Pieper's Patent* (12 R. P. C. 292), the invention consisted in an improved expansion gear for steam engines. Prolongation was refused on several grounds, one being that no steps were taken to push the invention for two and a half years after the date of the patent. Lord Watson, dealing with this as a reason for the refusal, said: "Looking at the progressive amounts obtained from year to year under the English patent, it is by no means clear that if due activity had been shown in making the invention known to persons who were likely to use it in this country, there might not have been, during the last year or two's currency, a sum which, added to those which have actually been obtained, might have amounted to adequate remuneration."

Conduct of  
inventor in  
pushing  
invention.

The principle upon which these cases were decided was approved in *Henderson's Patent* (18 R. P. C. 449), and in *Johnson's Patent* (25 R. P. C. at p. 727) Parker, J., said:--

"As this is the first petition under sect. 18 of the Act of 1907,

(*m*) See also *Wright's Patent*, 1 433.  
W. P. C. 575; *Herbert's Patent*,  
L. R. 1 P. C. 399; 4 Moo. P. C. N. S. 300; *Southby's Patent*, 8 R. P. C.

(*n*) And see *Thompson's Patent*,  
19 R. P. C. 565.

I think it may be useful to add a few further observations. In the first place, I do not consider that the reasons given by the petitioner for not bringing his invention prominently before British manufacturers are at all satisfactory. His attitude of mind appears to have been that, if he could not persuade his own firm to give his invention a trial, he certainly would be unable to persuade any one else, either in America or in England. This may have been quite true with regard to the invention in question, but it is, in my opinion, incumbent on a patentee who invokes the discretionary power conferred by sect. 18 to prove that he has done all a patentee could do to launch his invention on the British market. If an invention be of that large value to the public which alone will justify the term of the patent being extended—and there is certainly a chance, and I should say a reasonable chance, of some one being found in this country enterprising enough to give it a trial—the least that can be required of the patentee is to show that he has made an effort to find such a person. The petitioner had been able to convince himself of the value of his process, and I cannot ignore the possibility that with reasonable effort he might have convinced others” (o).

In *Roper's Patent* (4 R. P. C. 291), an extension was granted although the invention had not been pushed during a period of eight years, the reason for the delay being the serious ill-health of the patentee produced by a railway accident.

Extension of meritorious part.

Where part of the invention is sufficiently meritorious and part not so, an extension of the term will be granted for the meritorious part only (p), and verbal alterations, not in the nature of amendments, of the extended claims, so as to make them read correctly having regard to the omission of other claims, will be allowed.

Subsequent improvement no bar to prolongation.

The mere fact that the invention has been considerably improved upon since it was patented is not a reason for refusing prolongation (q).

(o) See also *Poulsen's Patent*, 30 R. P. C. 597. R. P. C. 365; *Ferranti's Patent*, 35 R. P. C. 149.

(p) *Bodmer's Patent*, 8 Moo. P. C. C. 282; *Lodge's Patent*, 28 P. C. C. 727; *Galloway's Patent*, 1 W. P. C. 727; *Southby's Patent*, 8 R. P. C. 433.

But where a patent had been taken out for the subsequent improvements, and remuneration had been derived therefrom, <sup>Save as affecting remuneration.</sup> this was held to be a reason amongst others for refusing a prolongation (*r*), and if the invention in its original form was useless, it would be a ground for refusal.

The degree of merit together with the circumstances which <sup>Period of prolongation.</sup> in the future are likely to tend to the proper remuneration of the patentee are taken into consideration in determining for what period the patent shall be prolonged. Sub-sect. 5 of sect. 18, following the Act of 1883, allowed an extension not exceeding seven, or, in exceptional cases, fourteen years, and by the Act of 1919 the term is limited to "*a further term not exceeding five years, or, in exceptional cases, ten years.*"

In *Stoney's Patent* (5 R. P. C. 518), the patent was <sup>Exceptional merit.</sup> for improvements in sluice or flood-gates, and enabled a very small amount of power to move gates which had theretofore required the expenditure of great force. Sir William Grove said: "There is one other matter which has always been considered by this Court, and that is that the invention is not one which would promote itself. This is not a case like that of some of those little improvements in forks or knives, in fire-places, or things of that sort, which, if once known, the public will necessarily have for their own convenience. On the contrary, this is an invention which only appeals to a small number of minds, is only used in a small number of cases, and requires a considerable outlay, and consequently is not an invention of daily use, nor one of that class which rapidly gets into general use; it is exceptional therefore in that respect. . . . Now, in the case of a common application such as I have spoken of, . . . if by some means it has been ignored by the public and the patentees come before the Court for a prolongation of their patent, the mere advertisement of the petition would materially assist and start the invention, . . . and would probably lead to its getting into rapid application, and to its becoming rapidly remunerative to the patentees. But this is not an invention of that description. It is from its nature an invention which cannot be very largely used, and which only

(*r*) *Nussey and Leachman's Patent*, 7 R. P. C. 22.

applies to peculiar cases, namely, where sluices are wanted for large bodies of water to regulate the flow of that water, and to do it without friction and without substantial leakage. It can therefore only be profitably applied, at all events, in certain large undertakings, which must be few and far between. . . . Under those circumstances my lords think that this is an exceptional case within the meaning of the statute, and that there should be a prolongation for the term of ten years."

Persons  
entitled to  
petition,  
merits of.

The Act gives a patentee the right to petition, and as amended, the definition of the word patentee is by sect. 93, "*The person for the time being entered on the register as the grantee or proprietor of the patent.*"

Prior to the Act of 1883, which like the Act of 1907 defined a patentee as "*the person for the time being entitled to the benefit of a patent,*" it had been held, in a series of cases, that executors and administrators of a grantee of letters patent might petition for an extension (s). So might the assignee of a patent (t), even though a public company. So might the executor of an assignee (u); so also any person having merely an equitable interest in the patent (v); an unpaid mortgagee should be joined as a party (x).

But the Court, in addition to considering the merit of the invention, consider that of the petitioner.

In *Soames' Patent* (1843, 1 W. P. C. p. 733), Lord Brougham said: "The merit of an importer is less than of an inventor," but in *Berry's Patent* (7 Moo. P. C. 187), he qualified this by stating that "importers are also public benefactors and render themselves entitled to be put on somewhat, if not entirely, the same footing as inventors," and an extension of six years was granted in view of the loss of nearly 10,000%. proved to have been sustained by the petitioners.

Merit of  
assignee.

Extension of the term may be granted to assignees, as they may, so to speak, have purchased the merit of the original

(s) *Heath's Patent*, 8 Moo. P. C. C. P. C. C. 468.  
217; 2 W. P. C. 247.

(t) *Norton's Patent*, 1 Moo. 191.  
P. C. N. S. 339.

(u) *Bodmer's Patent*, 6 Moo.

(v) *Noble's Patent*, 7 Moo. P. C. C.

(x) *Church's Patent*, 3 R. P. C. 95.

inventor, but the argument against importers will apply with equal force against assignees (y).

In *Norton's Patent* (1 Moo. P. C. N. S. 339), Sir John Romilly, then Master of the Rolls, said: "Under the late statute 7 & 8 Vict. c. 69, s. 4, a person is not excluded from applying for an extension of a patent upon the ground of his being the assignee of the patent; but it must always be borne in mind that the assignee of a patent does not, unless under peculiar circumstances, apply on the same favourable footing that the original inventor does. The ground that the merits of the inventor ought to be properly rewarded, in dealing with an invention which has proved useful and beneficial to the public, does not exist in the case of an assignee, unless the assignee be a person who has assisted the patentee with funds to enable him to perfect and bring out his invention, and has thus enabled him to bring it into use" (z).

And in *Pitman's Patent* (8 Moo. P. C. N. S. 293; L. R. 4 P. C. 84), Sir J. W. Colvile said: "There are no doubt cases in which their lordships have granted applications by the assignees of the patentee for extension of the term, and have also considered, in some respects, the expenses incurred by the assignee in bringing the patent into notice, and for the merit, as it may be said, of the assignee in patronising the patentee, and in pushing the patent into notice; but the general rule which their lordships entertain on applications on the part of assignees is, as was stated by Lord Brougham in *Morgan's Patent* (1 W. P. C. 737), that by so doing 'they are, though not directly, yet immediately and consequentially, as it were, giving a benefit to the inventor, because, if the assignee is not remunerated at all, it might be said that the chance of the patentee of making an advantageous conveyance to the assignee would be materially diminished, and consequently his interest damnified. For this reason consideration has been given to the claims of the assignee who has an interest in the patent."

(y) See *Napier's Patent*, 13 Moo. P. C. C. 543. See also *Norton's Patent*, 1 Moo. P. C. N. S. 339; *Pitman's Patent*, L. R. 4 P. C. 84; 8 Moo. P. C. N. S. 293.  
 (z) And see *Finch's Patent*, 15 R. P. C. 674.

In *Hopkinson's Patent* (14 R. P. C. 5), the petitioners were the inventor and a company who had purchased the patents from an assignee of the inventor. It appeared that the inventor himself had been well remunerated in the course of the transactions. Lord Hobhouse dealt with the questions of principle involved and the authorities which illustrate them, and said: "Their lordships consider that they would be departing both from authority and from sound principle if they were to hold that this company occupies the position of an inventor who has been inadequately remunerated. The company entered upon a purely commercial speculation, which, unluckily for them, has, up to the present time, proved unremunerative. They did not assist to perfect or bring out the invention. They purchased it out and out from a prior assignee of the inventor, who has, in one way or another, been well paid, and has now no claim or interest to ask for an extension." (a).

In *McCulloch's Patent* (25 R. P. C. at p. 692), Lord Salvesen said: "I can draw no distinction between a patentee who is an inventor and an assignee to whom he has conveyed his rights on equitable terms, and who has incurred the greater part of the expense in maturing the method of manufacture and introducing it to the notice of possible users, more especially when the executors of the deceased patentee . . . will share in the benefits of any extension," and in *Ritchie's Patent* (31 R. P. C. p. 6), where the petitioning company were the purchasers twice removed from the inventor, and it was proved that the remuneration of the successive owners had been inadequate, and that there had been nothing in the nature of speculation, an extension of five years was granted (b).

Where the petitioner is an assignee conditions may be imposed in favour of the original inventor. In *Herbert's Patent* (L. R. 1 P. C. 399), the petition was presented by the patentee and the assignees of a part share conjointly; while the petition was pending the patentee died; the Committee

Interests of  
applicant  
considered.

(a) And see *Barff and Bower's Patent*, 12 R. P. C. 383; *Henderson's Patent*, 18 R. P. C. 453.

(b) And see *Houghton's Patent*, L. R. 3 P. C. 461.



permitted the hearing to proceed, and granted an extension, subject to a condition that the assignee should hold a moiety on behalf of the widow of the patentee.

In *Whitehouse's Patent* (1 W. P. C. 473), the inventor was a mechanic in the employ of the petitioner. The petitioner was the assignee of the patent, and had expended large sums of money on the necessary plant and machinery. An extension was granted for six years, on condition that the petitioner secured to Whitehouse an annuity of 500*l.* during the term of the patent (c).

The interests of the public will also be considered, and in the event of the petition being granted terms may be imposed. In *Hardy's Patent* (6 Moo. P. C. C. 441), the patentee was obliged to sell the patented articles at a certain fixed price, and no more. In *Lyon's Patent* (11 R. P. C. 537), an extension was granted upon the condition that the petitioner should grant licenses on the same terms to all persons, and the royalty receivable was limited. In *Lodge's Patent* (28 R. P. C. 365), and in *Dewar's Patent* (35 R. P. C. 229), licenses were to be granted on terms to be decided by an arbitrator nominated by the Board of Trade, and in *Taylor's Patent* (35 R. P. C. 247), extension was made conditional on the supply of range-finders to Government departments on terms to be fixed by arbitration.

A grant by the patentee of an exclusive license to work his invention, together with a covenant to continue such exclusive license in the event of a renewal being granted, was held to be a good ground of objection to the prolongation (d); but where the licensee had no rights to the exclusive use of the patent during any period of prolongation that might be granted, and it did not appear that the interests of the public had been in any way affected by the grant of the exclusive license, it was held that this was no objection to the petition for extension (e), and in *Shone's Patent* (9 R. P. C. 438), an extension was granted subject to the condition that the exclusive licensee abandoned all right and benefit under the license.

Interests of public considered.

Effect of exclusive license.

(c) See also *Ritchie's Patent*, 31 P. C. C. 488. R. P. C. at p. 8. (e) *Darby's Patent*, 8 R. P. C. (d) *Cardwell's Patent*, 10 Moo. 380.

Inventions  
worked  
abroad.

The Act of 1907, as amended, provides for relief, by revocation or otherwise, in the case of abuse of monopoly rights, such as when a patented invention, capable of being worked in the United Kingdom, is not so worked on a commercial scale within four years, and such circumstances will, *a fortiori*, militate against the grant of any extension of a patent (*f*). To a certain extent this aspect of the matter was not ignored before the Act. In *Johnson's Patent* (L. R. 4 P. C. at p. 80), James, L.J., said: "The merits of the case, so far as regards the English patent, appear to their lordships to be nil. The patentee, by taking out a patent in England, has in effect secured to himself a monopoly during a period of fourteen years of the sale of articles manufactured in America, and exported from America here, which would have been manufactured there and exported to this country quite in the same way if no English patent had been taken out, but with this difference, that the patentee would not have had the monopoly of his patent, and would not, therefore, have had any opportunity of securing the monopoly of prices. The merits, therefore, so far as regards the introduction of the invention into this country, seem to their lordships to be nothing."

Sufficiency of  
remunera-  
tion.

"Merit" is a vague term. Different persons have different ideas as to wherein it consists. Each case that comes before the Court must of necessity, therefore, be decided upon the facts of that particular case. It is otherwise with the other necessary condition for an extension, viz., the inadequacy of the remuneration of the inventor. Here figures can be dealt with, and a nearer approach to uniformity of decision obtained. It is possible, therefore, to gather from the various decisions a reasonably accurate set of rules for the guidance of the applicant for an extension on the ground of the inadequacy of the remuneration.

The sufficiency of the remuneration will be estimated with a view to the importance of the invention and the benefit the public have derived from it. That which would be ample remuneration for one patent would be considered inadequate for another.

In *Michell's Patent* (36 R. P. C. 230), an invention of great

(*f*) *Poulsen's Patent*, 30 R. P. C. 597.

value and importance, a remuneration of 15,000*l.* by the patentee apart from what was considered fair payment for time and labour in pushing the patent was held to be obviously inadequate (*g*).

The account of profit and loss must be clear and precise.

In *Wüterick's Patent* (20 R. P. C. 286), Lord Macnaghten **Accounts must be clear.** said: "That the accounts presented to them have been honestly kept, and have been honestly made out by the accountant, their lordships do not doubt, nor do they doubt that the accountant has done his best to present the accounts to them in an intelligible form; but still the fact remains that their lordships are unable to discover from the accounts put before the Committee what is the remuneration that the patentee has actually received. What a patentee intending to come for prolongation of his patent ought to do is stated very plainly in a judgment of Lord Chelmsford in *Betts' Patent* (1 Moo. P. C. N. S. 49). It was repeated by Lord Cairns in perhaps stronger language in *Saxby's Patent* (L. R. 3 P. C. 294; 7 Moo. P. C. N. S. 82), and it has been recently repeated in a judgment delivered by Lord Davey in the matter of *Henderson's Patent* (18 R. P. C. 449)."

In *Hughes' Patent* (15 R. P. C. 371), the petitioner had kept no books, but shortly before the presentation of the petition he had marked upon certain cheques drawn upon his private account approximately the amounts expended by him in working the patent. Upon these materials the accounts accompanying the petition were made up by the accountant. There were no vouchers or other corroboration. Prolongation was refused (*h*).

In one case, the accounts being *primâ facie* unsatisfactory, the Judicial Committee directed the question of accounts to be taken before considering the merits of the invention (*i*). And where the accounts were *primâ facie* satisfactory, the petitioners were allowed to prove the merits of the invention before going into the accounts (*j*). The books of the petitioner in respect to

(*g*) And see *Derosne's Patent*, 2 W. P. C. 1.

(*h*) And see *Lawrence and Kennedy's Patent*, 27 R. P. C. 252.

(*i*) *Wield's Patent*, L. R. 4 P. C. 89.

(*j*) *Houghton's Patent*, L. R. 3 P. C. 461; 7 Moo. P. C. N. S. 309.

profits arising from his patent having been lost during his bankruptcy, the account of profit and loss was taken upon his own evidence (*k*). This was an exception to the general rule, which is, that evidence will not be received from the petitioner; but in the absence of the books, without reasonable excuse, everything will be taken most strongly against the petitioner (*l*).

Perfect accounts sometimes excused.

But in exceptional cases, where a strong *primâ facie* case has been made out, the filing of perfect accounts may be excused (*m*). Where the estate of a deceased patentee was of little value, and no accounts had ever been kept, the petitioner, the administratrix and widow of the patentee, was examined to prove an allegation in the petition to the effect that not only had there been no profits, but a considerable loss (*n*).

And where the invention was of exceptional merit, and it was clear that a loss of about 8,000*l.* had been incurred, it was held that extreme accuracy in the accounts was unnecessary (*o*).

Should the accounts filed in the first instance be unsatisfactory, an adjournment of the hearing will sometimes be granted to allow the petitioner to amend (*p*), but good reason must be disclosed, as otherwise the petition will be dismissed (*q*).

Patentee's distinguished from manufacturer's profits.

In the accounts which the patentee must file upon an application for an extension, when he is a manufacturer of the patented article he should, so far as possible, distinguish profits as a manufacturer from profits as a patentee, and while interest charges on new works during the constructional period will not be allowed as a legitimate charge against the profits a proper sum for depreciation on existing buildings (3 per cent.) and existing plant (6 per cent.) was allowed in *Trantom's Patent* (34 R. P. C. p. 40); and the profits that he would in any case have made in his capacity of a manufacturer will not be taken as patentee's

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| ( <i>k</i> ) <i>Hutchinson's Patent</i> , 14 Moo. P. C. C. 364.   | 217; 2 W. P. C. 247.   |
| ( <i>l</i> ) <i>Lawrence's Patent</i> , 9 R. P. C. 85; see also <i>Yates and Kellett's Patent</i> , 12 A. C. 147; 4 R. P. C. 150. | ( <i>o</i> ) <i>Darby's Patent</i> , 8 R. P. C. 380, 384.  |
| ( <i>m</i> ) <i>Lowe's Patent</i> , 10 Jur. 363.  | ( <i>p</i> ) <i>Johnson and Atkinson's Patents</i> , L. R. 5 P. C. 87.   |
| ( <i>n</i> ) <i>Heath's Patent</i> , 8 Moo. P. C. C.  | ( <i>q</i> ) <i>Newton's Patent</i> , 9 A. C. 592; 1 R. P. C. 177; <i>Yates and Kellett's Patent</i> , 12 A. C. 147; 4 R. P. C. 150. |

profits (r). But in some cases the very fact of the ownership of the patent will be sufficient to increase greatly the number of orders he will receive as a manufacturer, and such matters will be taken into account in considering the remuneration. In *Saxby's Patent* (L. R. 3 P. C. 295), Lord Cairns said: "It has been decided more than once by this Committee (s) that where the patentee is also the manufacturer, the profits which he makes as manufacturer, although they may not be in a strict point of view profits of the patent, must undoubtedly be taken into consideration upon a question of this kind. It is obvious that in different manufactures there will be different degrees of connection between the business of the applicant as a manufacturer and his business or his position as the owner of a patent. There may be patents of some kind which have little or no connection with the business of a manufacturer, and there may be patents of a different kind, where there is an intimate connection with the business of the manufacturer; that the possession of the patent virtually secures to the patentee his power of commanding orders as a manufacturer."

The same remarks apply to the reckoning of losses. In *Also losses. Thorneycroft's Patent* (16 R. P. C. 202), the owners of the patent, which was granted for a new form of marine boiler, had constructed boilers for ships built by other firms, and on these there had been a profit. They also built a vessel (the "Speedy") themselves, and equipped her with boilers. On this vessel the firm made a great loss, and in estimating the loss they divided the total loss between the boilers and the vessel without the boilers in proportion to their relative cost; thus obtained, the loss attributable to the boilers was about 5,000%. Lord Davey said: "It appears, however, on cross-examination, that the tenders for the 'Speedy' . . . contained separate prices for the boilers and for the boat, and the difference between the contract price and the actual cost of the boilers of the 'Speedy' was 688% only. Their lordships think that the

(r) See Lord Brougham's remarks in *Galloway's Patent*, 1 W. P. C. at p. 729.

Moo. P. C. N. S. 49, also *Willans and Robinson's Patent*, 13 R. P. C. 550.

(s) See *In re Belts' Patent*, 1

proportion of loss attributed to the boilers is ascertained on a fallacious principle. . . . No explanation whatever has been offered why this large loss was incurred in building boats fitted with the patent boilers for themselves, while a handsome profit was made on supplying the boilers for boats built by other builders. In the absence of any explanation, the facts proved are consistent with the existence of some error of judgment, miscalculation, or other defect in the petitioners' mode of carrying on their business of boat-building."

Deduction  
allowed.

In estimating profits, a deduction will be allowed for the expenses of experiments in bringing the invention to perfection (*t*).

The expenses of taking out the patent will be allowed as deduction (*u*). So also will the expenses incurred in bringing the invention into general public use (*x*). And a deduction will be allowed in respect of the personal expenses of the patentee, and by way of salary for the exclusive devotion of his time in bringing the patent into practical operation and public notice (*y*). The amount allowed will depend on the circumstances of the case (*z*), but it must be quite clear to what extent the patentee has given his time (*a*). A patentee residing in America, for the purpose of getting the patented article into general use in England, employed an agent, and allowed him half profits. This half was allowed to be deducted (*b*), but where the relations between the inventor and the agent were those of partners, the share of the agent had to be brought into account as profits (*c*). And deductions will also be allowed in respect of the costs of litigation necessary to maintain the validity of the patent, and to restrain infringers (*d*). But not where actions

(*t*) *Bate's Patent*, 1 W. P. C. 739, n.; *Kay's Patent*, 1 W. P. C. 572; *Davies's Patent*, 11 R. P. C. 28.

(*u*) *Roberts's Patent*, 1 W. P. C. 575.

(*x*) *Galloway's Patent*, supra.

(*y*) *Carr's Patent*, L. R. 4 P. C. 539; *Michell's Patent*, 36 R. P. C. 230.

(*z*) *Bailey's Patent*, 1 R. P. C. 2.

(*a*) *Turner's Patent*, 2 R. P. C. 177.

(*b*) *Poole's Patent*, 4 Moo. P. C. N. S. 452; L. R. 1 P. C. 514.

(*c*) *Pieper's Patent*, 12 R. P. C. 292.

(*d*) *Kay's Patent*, 1 W. P. C. 572; *Galloway's Patent*, 1 W. P. C. 729; *Betts's Patent*, 1 Moo. N. S. 62.

have been compromised improvidently, and costs abandoned without sufficient reason (e).

The profits of persons interested in the patent, such as part assignees or free licensees (f), must be shown, but not necessarily those made by licensees who pay a royalty (g). Profits of interested parties.

And in *Johnson's Patent* (L. R. 4 P. C. 75), Lord Justice James said: "Their lordships are of opinion that, where the question to be considered is, whether an invention has been sufficiently remunerative or not, in taking into consideration the remuneration received, they must have regard to the remuneration which the invention has brought in to the patentee, or the person who claims the right of the patentee, *whether it be in one country or another*" (h).

Probable future profits must also be taken into account. Future profits and foreign patents.  
In *Johnson's Patent* (25 R. P. C. at p. 727), Mr. Justice Parker said: "For the purpose of considering whether a patentee has been inadequately remunerated I am of opinion (1) that profits on his corresponding foreign patents as well as on his English patents must be taken into account, and (2) that some allowance ought properly to be made for profits *which, though not yet received, will in all probability be received* in respect of both the English and the foreign patents before their expiration. The petitioner in the present case admits a realised profit in respect of the American patent of some 7,500*l.*, and in respect of the English patent of over 1,000*l.* Unless something very unforeseen happens, he will receive further profits in respect of both the English and American patents, and he anticipates that under the American patent his receipts will be very considerable—more, in fact, than he has yet realised in America. Under these circumstances I am not satisfied that he can be said to have been inadequately remunerated, having regard to the nature and character of his invention."

(e) *Hill's Patent*, 1 Moo. N. S. 1 P. C. 118; 3 Moo. P. C. N. S. 488; 258. *Cross and Bevan and Beadle's*

(f) *Thomas' Patents*, 9 R. P. C. *Patent*, 23 R. P. C. at p. 491.  
367, 373.

(h) See also *Hardy's Patent*, 6

(g) *Thomas' Patents*, 9 R. P. C. Moo. P. C. C. 441.  
367; cf. *Trotman's Patent*, L. R.

Where the patent has been granted on a communication from abroad it must be established that the foreign inventor has been insufficiently remunerated, or at least sufficient information must be given to enable the Court to form an opinion as to his position in the matter (i).

Sect. 25 of the Patent Law Amendment Act, 1852, provided that letters patent obtained in the United Kingdom for inventions first patented abroad should not continue in force after the expiration of the foreign patent, and that any prolongation of letters patent should be made subject to that condition; consequently an inquiry into foreign patents and their duration was always an essential element of the proceedings before the Privy Council (k). The lapse of a foreign patent, the date of which was subsequent to the date of protection obtained in England for the same invention, did not affect the English patent, and was no objection to its prolongation (l).

This Act, however, was specifically repealed, by sect. 113 of the Act of 1883, and dealing with this repeal and its effect, Lord Watson, in *Scmet and Solvay's Patent* (12 R. P. C. 17), said: "But the lapse or expiry of foreign patents remains, as it always has been, one of the circumstances which must necessarily be considered. . . . In cases where the prolongation of a patent would place the inhabitants of Great Britain and Ireland at a disadvantage in competition with the subject of a foreign State, that circumstance must militate strongly against its extension. Whether the disadvantage, either certain or probable, ought to outweigh the right of the patentee to obtain a renewal upon other grounds, must always be a question of degree, to be decided according to the special circumstances of each case (m). But the profits derived from foreign patents must be set out clearly, as they are considered with 'all the circumstances of the case'" (n).

(i) *Peach's Patent*, 19 R. P. C. 65. N. S. 373.

(k) *Newton's Patent*, 15 Moo. P. C. C. 176.

(m) And see *Pieper's Patent*, 12 R. P. C. 292.

(l) *Betts' Patent*, 1 Moo. P. C. N. S. 49; but see *Blake's Patent*, L. R. 4 P. C. 535; 9 Moo. P. C.

(n) *Newton's Patent*, 1 R. P. C. 177; *Barff and Bower's Patent*, 12 R. P. C. 385.



In *Schwerin's Patent* (31 R. P. C. 299), the petitioners were allowed to give primâ facie proof of devolution of interest of foreign persons and of their accounts by sworn declarations. Practice.

The practice is regulated by rule 3 of Order LIIIA (see Appendix), which, "taken in connection with the rules of the Supreme Court which (by rule 2) are made applicable, forms in itself a code by which all questions relating to petitions for the extension of patents ought to be governed as to matters of practice" (o).

A petition for extension presented prior to the automatic extension of two years provided by the Act of 1919 will apart from special circumstances be adjourned for two years to enable the Court to ascertain whether the patentee has been adequately remunerated.

The practice is substantially similar to that under the Privy Council Rules, and cases decided by the Privy Council will guide the Court.

Two or more patents might be made the subject of one petition (p). The Attorney-General appears on behalf of the Comptroller and the Board of Trade. His duty is as much to assist and instruct the Court as to oppose, and indeed only to oppose when in his judgment prolongation should not be granted (q).

Any person may give notice of opposition, which must be lodged and served before the day named in the petitioner's advertisements as that on which he intends to apply for a day to be fixed for hearing the petition, and no extension of the time will be granted unless good reason is shown (r). The petitioner must then serve a copy of the petition upon the objector, who within three weeks of such service must serve upon the petitioner "particulars of objections" (rule 3 (1)). Time for delivery of particulars may be extended (s).

(o) Parker, J., in *Johnson's Patent*,  
25 R. P. C. at p. 544.

(p) *In re Clark's Patent*, L. R. 3  
P. C. 421; *Johnson's and Atkinson's*  
*Patent*, L. R. 5 P. C. 87; *Church's*  
*Patent*, 3 R. P. C. 95.

(q) *Stoney's Patent*, 5 R. P. C. 522.

(r) *Hopkinson's Patent*, 13 R. P. C.

114.

(s) *Barton's Patents*, 29 R. P. C.

207.

In *Johnson's Patent* (25 R. P. C. 542), among other matters, the objector stated that the alleged invention "was not novel." A summons was taken out for further and better particulars, and Parker, J., said: "It . . . appears to me that rule 3 (l) is drawn in such a way as to give the Court considerable latitude as to what particulars it may in any particular case be necessary and proper for the objector to give. On the one hand, I do not think it would be at all desirable that a bonâ fide objector should be bound down by objections given at an early stage of the proceedings, or rather particulars of the objections given at an early stage of the proceedings, because he might acquire some valuable evidence on, say, the question of novelty which it would be his duty at a subsequent stage to communicate to the Court on behalf of the public (t). On the other hand, it would be only fair, having regard to the nature of the proceedings, that he should be tied down, and accordingly that provision is made in the rule. In considering what particulars of the objections, on which he is entitled to rely and of which he gives notice, he ought to give in the document which states the grounds of his objection, I think that really the considerations which apply are those considerations which apply to pleadings generally. It is, in my opinion, only fair that a petitioner should at the earliest possible stage get to know what it is alleged prevents his patent from being considered novel or from having subject-matter. . . . If any prior user is intended to be relied on, some particulars of that prior user ought to be given, and it ought not to be sprung upon the petitioner at the trial. . . . Similarly, if there has been anticipation by a document, he ought to be informed what that anticipation is, because the existence of that anticipation may lead him to withdraw his petition."

The Crown may rely on prior publications without giving any notice (rule 3 (t)).

The Court may give costs to or against opponents (rule 3 (u)). Where the petition had been very honestly prepared

(t) See *Bull's Patent*, 4 A. C. 171; *Livet's Patent*, 9 R. P. C. 327.  
*Stewart's Patent*, 3 R. P. C. 9;

and the invention was of merit, but the petition was dismissed on the ground that the petitioner had been sufficiently remunerated, and the effect of the opposition had been merely to prolong the inquiry, costs were refused the opponent (*u*).

Under rule 3 (*v*), following the Privy Council practice as laid down in *Wield's Patent* (L. R. 4 P. C. 92; 8 Moo. P. C. N. S. 300), the Court will not, save under special circumstances, grant more than one set of costs amongst all the opponents. Opponent's costs.

Rule 3 (*s*), corresponding to rule 7 of the old Privy Council rules, enables the Court to excuse petitioners and opponents from compliance with the rules and to give such directions in matters of procedure and practice as it shall consider just and expedient (*v*). This does not, however, enable the Court to excuse non-compliance with statutory requirements (*w*).

The Privy Council in *Goucher's Patent* (2 Moo. P. C. N. S. 532) decided that, having once granted an extension, they had no power to entertain a petition for a further extension under the laws then in force. The reasoning is applicable to the present law in applications by petition, and was followed by Parker, J., in *Thompson's Patent* (No. 2) (26 R. P. C. 673).

It is the practice for the Court to make an order for a new grant for the further term specified and containing such terms and conditions as may be imposed.

By sect. 7 of the Act of 1919 an additional ground for granting an extension of the term of a patent is added in the form of sub-sect. 6 of sect. 18 of the Act:—

(6) "Where, by reason of hostilities between His Majesty and any foreign state, the patentee as such has suffered loss or damage (including loss of opportunity of dealing in or developing his invention owing to his having been engaged

(*u*) *Muntz's Patent*, 2 W. P. C. 122. delivery of objections); *Stearn's Patents*, 28 R. P. C. 663, and

(*v*) See, e.g., *Lindon's Patent*, 14 R. P. C. 643 (extension of time for advertising); *Barton's Patents*, 29 R. P. C. 207 (extension of time for *Steffen's Patent*, 33 R. P. C. 324 (effect of vacation).

(*w*) *Adam's Patent*, 16 R. P. C. 1.

*in work of national importance connected with such hostilities) an application under this section may be made by originating summons instead of by petition, and the Court in considering its decision may have regard solely to the loss or damage so suffered by the patentee:*

*“Provided that this sub-section shall not apply if the patentee is a subject of such foreign state as aforesaid or is a company, the business whereof is managed or controlled by such subjects or is carried on wholly or mainly for the benefit or on behalf of such subjects, notwithstanding that the company may be registered within His Majesty’s Dominions.”*

It would appear that in seeking an extension under this sub-section while a patentee is not bound to furnish accounts for the whole life of the patent, but only sufficient to show the loss or damage during the war, yet, as the greater the difference between pre-war profits and the diminished profits or losses during the war the greater his claim may be for an extension (x), he may be well advised to follow the ordinary practice as regards accounts. Loss or damage by reason of hostilities may clearly continue after hostilities have ceased.

The discretion given to the Court by the Act of 1919 to enlarge the time within which a petition may be presented applies equally to applications made by originating summons, and in both cases the discretion may be exercised in favour of a patentee whose patent has expired (y). The ordinary practice of originating summonses will be followed, and the summons will usually be adjourned into Court and tried on affidavit evidence subject to the right of the law officer or any opponent to make an application to cross-examine (z).

Rule 3A has been added to Order LIIIA to regulate the practice under sub-sect. (6), and it should be observed that sub-sect. (u) of this rule provides that a patentee applying for an extension by petition may rely in his petition on the special grounds added by the Act of 1919.

It is submitted that procedure by originating summons will be before the special judge appointed by the Lord Chancellor

(x) In *Brown’s Patents*, 37 R. P. C. at p. 55, and at p. 142.

(y) *Ibid.* at p. 54.

(z) *Ibid.* at p. 56.

under sect. 92 (2) of the Act of 1907, and that his decision will be final as in the case of petitions for extension (a).

The proviso disentitling ex-enemy patentees from taking advantage of this procedure may cause hardship to British exclusive licensees who may have been unable to work the invention during the war. In such a case the exclusive licensee might, however, arrange for a voluntary or compulsory assignment under the provisions of the "Divesting Order" of the Board of Trade (see Chap. XVIII.) and so become the "patentee."

It has been decided by Sargant, J., in *Davidson's Patents* (37 R. P. C. p. 145), that applications by originating summons are, like those by petition, to be made very shortly before the six months prior to the expiration of the patent. The judge also held that, although the sub-section provides that the Court may have regard solely to the loss or damage suffered by the patentee by reason of hostilities, it may also have regard to the remuneration received by the patentee over the whole period of the life of the patent where this has been excessive, or to his failure to push the invention subsequently to hostilities or to the injurious effect an extension might have on the industry of the country. And although he did not state that absence of that quantum of merit, which a patentee seeking extension by petition must prove, might be a reason for withholding the extension, there does not seem to be any reason why the Court should not also take the question of merit into consideration. This decision would also appear to necessitate a separate summons in respect of each one of a number of patents if they expire at different dates, although they may all deal with the same manufacture which was interfered with by reason of the hostilities.

(a) *Davidson's Patent*, 37 R. P. C. p. 145 (in the Court of Appeal).

## CHAPTER XIII.

## ABUSE OF MONOPOLY, SECTION 27.

THE amending Act of 1919 has defined the policy of the Patent Law in terms which mark a reversion to the view, long in abeyance, that the establishment of a manufacture is as important as the reward of invention. *“It shall be taken that patents for new inventions are granted not only to encourage invention but to secure that new inventions shall so far as possible be worked on a commercial scale in the United Kingdom without undue delay”* (a).

History of  
Law.

For many years there had existed provisions whereby a patentee who unreasonably used his patent to prevent the working of the invention might be compelled to grant compulsory licenses, and the law has been gradually strengthened until at the present day a patentee is held to abuse his monopoly if he fails to establish the working of his invention by himself or others.

Under the Act of 1883, where the patentee abused his monopoly in such a manner that (1) the patent was not being worked in the United Kingdom; or (2) the reasonable requirements of the public with respect to the invention were not satisfied; or (3) any person was prevented from working or using an invention of which he was possessed, the Board of Trade might be petitioned to order the patentee to grant a compulsory license upon such terms as the Board might deem reasonable. The Board appointed a referee, who heard the parties and reported to the Board, but every case so dealt with resulted in a compromise, the order made was by consent, and the terms thereof were never published. There were only a few cases reported of the enactment having been put in force.

(a) See proviso to sect. 27, sub. amended.  
sect. (2) of the Act of 1907 as

By sect. 3 of the Act of 1902 the provisions of the Act of 1883 with respect to compulsory licenses were repealed. The petition was thereafter to be referred to the Judicial Committee of the Privy Council, who might order a compulsory license, or in cases where the Committee were of opinion that the granting of licenses would be an inadequate remedy they might revoke the patent.

The provision in this enactment for revocation of the patent marked a change in the attitude of the law towards the privileges conferred by letters patent, and probably a reversion to the earlier policy of the Crown. In Mr. J. W. Gordon's learned work on "Compulsory Licenses," published in 1899, the history of the law is discussed in a most interesting manner. The author points out that it is only in comparatively recent times that the Courts have adopted the view that the abuse of his privileges by the patentee has been deemed no ground for invalidating the patent (*b*).

No cases are reported of the Act of 1902 having been put into force.

By sect. 24 of the Act of 1907 the Court was substituted for the Judicial Committee of the Privy Council as the tribunal for granting compulsory licenses or for revoking the patent on the petition of a person who alleged that the reasonable requirements of the public with respect to a patented invention had not been satisfied, and sect. 37 of that Act enabled the Comptroller to revoke a patent on the application of a person who could prove that the invention was carried on wholly or mainly abroad, and the decision of the Comptroller was made subject to an appeal to the Court.

By the Act of 1919 sects. 24 and 37 of the Act of 1907 <sup>The Act of 1919.</sup> are repealed, and the matter of abuse of monopoly rights is dealt with by the new sect. 27. Sub-sect. 1 enacts that "*any person may at any time apply to the Comptroller alleging in case of any patent that there has been abuse of the monopoly rights thereunder and asking for relief under this section.*"

(*b*) See *Badische Anilin und Soda Fabrik v. W. G. Thompson & Co.*, 21 R. P. C. 473; and *Hatschek's Patent*, 26 R. P. C. at p. 244.

Applicant must show interest.

It must be remembered that the words "*any person*" are also used in sect. 11, and have been construed in that section to mean a person with some sort of grievance. By sub-sect. 8 of sect. 27 the applicant is obliged to show a "*bonâ fide interest.*"

Abuse of monopoly.

Sub-sect. 2 defines certain circumstances which are to be deemed abuses of monopoly rights, and it is in this respect that wide changes have been made in the law. "*The monopoly rights under a patent shall be deemed to have been abused in any of the following circumstances:—*

First kind of abuse.

(a) "*If at any time after the expiration of four years from the date of the patent, the patented invention (being one capable of being worked in the United Kingdom) is not being worked within the United Kingdom on a commercial scale, and no satisfactory reason can be given for such non-working.*"

By sect. 93, "*‘working on a commercial scale’ means the manufacture of the article or the carrying on of the process described and claimed in a specification for a patent in or by means of a definite and substantial establishment or organisation, and on a scale which is adequate and reasonable under all the circumstances.*"

The period of four years from the date of the patent has been fixed to correspond with Article 5 of the International Convention, which prescribes a minimum term of three years from the date of application, which may be a year later than the date of the grant.

N.B.—As to the effect of Articles 307 and 308 of the Treaty of Peace and the Patents and Designs (Partial Suspension) Act, 1915, on the period to be taken into account as affected by the War, see Chap. XVIII.

"Patented invention."

The meaning of the words "*patented invention*" require some discussion in considering the obligation on the patentee to establish a manufacture on a commercial scale. In the case of an invention involving a small improvement in a complicated machine a question has arisen as to the obligation on the patentee to manufacture. The patent may be for the combination of old parts, and it has been asked whether the mere assembling in this country of parts made abroad is a compliance



with the section. The Comptroller, in the case of *Lake's Patent* (26 R. P. C. at p. 447), said: "As a general rule a patentee ought not to be called upon to manufacture any mechanism or machine which he has not specifically described and claimed in his specification. . . . There may be, of course, cases in which it is impossible to sever the various elements claimed in combination, and in such cases different considerations may arise. If, however, the general principle stated is correct, the following general results would seem to follow, viz: If the patentee has claimed a wholly new machine or mechanism, he must manufacture that in this country or run the risk of coming within the provisions of sect. 27. If he claims a new improvement in a well-known machine, he must manufacture the improvement, and not necessarily the whole machine; but if he claims the improvement in combination with a machine consisting of well-known parts it may be that he must besides manufacturing the improvement put together the whole machine in this country, or at any rate the combination he claims. If his invention merely consists in a new combination of old and well-known elements, it would seem sufficient for him *primâ facie* to put together the whole machine in this country, and it is not necessary for him to manufacture the old and well-known parts which are also possibly the subject-matter of prior patents; but different considerations may again arise where important alterations in the known parts are necessary for the new combination. Each case must of course be decided on its merits; and in each case it will have to be determined on a proper construction of the patentee's specification, what the patentee's invention really is, and what are its essential features."

In the case of *Hill's Patent* (32 R. P. C. p. 475), the invention related to a knitting machine, and the first claim was for, "in a circular warp knitting machine, the employment of sinker blades" of a specified type. The applicant proved that such machines were mainly used in Germany. The applicant did not prove, however, that the machines were mainly manufactured abroad, and the Comptroller held that inasmuch as the patented invention was a machine and not a process, the applicant had

not discharged the burden of proof that the "patented article" was wholly or mainly manufactured abroad.

Adjournment  
for disclaimer.

Where the Comptroller is prepared to find that a patentee, though manufacturing in this country, is not manufacturing sufficiently having regard to his existing claims, he might reasonably be asked by the patentee for an adjournment to enable the specification to be amended by disclaimer of the parts not manufactured here.

Manufacture  
by infringers.

The words "*patented invention*," like the words "*patented article or process*" in the repealed sect. 27, do not imply that a patentee to escape the penalties imposed for non-working must prove that any working on which he relies as a defence must have taken place with an acknowledgment of his patent rights; they are descriptive of the manufacture itself, and consequently he may rely upon manufacture by infringers (c).

"Satisfactory  
reason."

The important question under the section is as to what will be held to be a "*satisfactory reason*" to account for such non-working.

Under the repealed section an applicant had to show that the patented invention was worked exclusively or mainly abroad, and the patentee had to furnish "*satisfactory reasons*" why manufacture "*to an adequate extent*" in the United Kingdom was not carried on to escape the penalties imposed. The cases decided under that section are of some assistance in construing the words "*satisfactory reason*" under the present section. It must be remembered that under the former section, if the invention was not being worked *anywhere*, the attack on the patentee failed (d), the essential comparison having been made between the extent of foreign as compared with home manufacture. This is no longer the case: the patentee has to account for the fact that working in this country has not been established "on a commercial scale" (which in this case would seem to mean much the same as the words "adequate extent" in the former Act), and not for the fact that the manufacture is carried on exclusively or mainly abroad. Nevertheless, in many respects the reasoning applied to

(c) *Mercedes Daimler Co.'s Patents*,  
27 R. P. C. 762.

(d) *Jonkergouw and Destrez's  
Patent*, 28 R. P. C. 423

the old section is in many cases applicable to the present one.

In *Hatschek's Patent* (26 R. P. C. at p. 241), Parker, J., said: "I do not think that any reasons can be satisfactory which do not account for the inadequacy of the extent to which the patented article is manufactured or the patented process is carried on in this country by causes operating irrespective of any abuse of the monopoly granted by the patent. The first thing, therefore, for the patentee to do is, by full disclosure of the manner in which he has exercised his patent rights, to free himself from all suspicion of having done anything to hamper the industry of the United Kingdom." The learned judge then went on to deal with the case of a patentee who had favoured foreign manufacturers to the disadvantage of Britishers. Under the new section, although the British and foreign manufacturers may have been treated on an equality by the patentee, he is under the further obligation to furnish an explanation of the circumstances which have prevented the establishment of commercial manufacture at home. On this point the observations of Parker, J., at p. 243, are applicable: "It was suggested that if a patentee could prove that an industry in a patented article or founded on a patented process could not be carried on in this country or as profitably as it could be carried on abroad owing to difference in the cost of material or labour, or other local conditions, he would have given a satisfactory reason within the meaning of the section. I do not think this suggestion is entirely correct. Certainly the fact that persons who were carrying on the industry in this country would make smaller profits than persons carrying it on abroad would, in my opinion, be no satisfactory reason at all . . . it can never, in my opinion, be sufficient for a patentee, defending himself under the section, to prove that he cannot now start an industry with any chance of profit." The last quoted sentence of the learned judge needs explanation; he goes on to say that proof that the proposed industry would have no chance of profit would not avail the patentee in cases where he had favoured the foreign at the expense of the British manufacturer, and the foreign manufacture had in consequence become firmly **Manufacture here unprofitable.**

established and defied competition. It is suggested that in the absence of such abuse of the monopoly proof that there was no hope of profit or a reasonable anticipation of loss by any one working the invention in the circumstances of the times would under the new section constitute a "satisfactory reason" (e).

Absence of demand.

The proof of absence of any special demand for the invention in this country is not a satisfactory reason unless the patentee has taken all those steps to create a demand which a reasonable business man in this country would take, more especially if there is a demand abroad. "The consideration of the adequacy of manufacture in this country does no doubt depend to some extent upon the demand existing for the article here or in neutral markets, but it does not follow that, if there is no demand existing, there is no obligation on a patentee to start an industry here. If he does in fact manufacture in foreign countries, and if there is in fact a demand for the article or process abroad, the absence of any demand here does not seem to be a valid excuse. The patentee must in such cases, make an effort to create a demand here, and the establishment of an industry will in itself help to create in many cases a demand for the article or process in question" (f). The reference by the Comptroller to the "demand in neutral markets" shows that in considering the question of demand regard must be had to the possible export trade with countries, in which the importer would not be liable to actions for infringement, as well as to the demand for internal consumption in the United Kingdom. On the other hand, where the type of engine to which the invention was applicable had been almost superseded, and it would not have been commercially advisable to establish a manufacture in this country of the patented mechanism, and the patentee had done no more than to charge royalties on imported French machines of a special kind, containing the patented mechanism, it was held that he had furnished a satisfactory reason (g).

Export trade.

(e) See, e.g., the observations of the Comptroller in *Boult's Patent*, 26 R. P. C. at p. 387; also *Kent's Patent*, 26 R. P. C. 666.

(f) *Boult's Patent*, 26 R. P. C. at p. 387.

(g) *Osborn's Patent*, 26 R. P. C. 819.

The matter of the price charged for articles made at home as compared with that asked for the imported article may be a cause of a small demand, and it then becomes necessary to inquire whether the price charged is a bonâ fide one, and not merely adopted for the very purpose of checking and diminishing the demand for the home manufactured article (*h*).

Price as  
affecting  
demand.

Lack of capital would furnish a satisfactory reason provided that the patentee could show that he had done everything that would be expected of a reasonably capable business man to obtain financial assistance or to obtain licensees.

Lack of  
capital.

Where the patentee showed that he dared not establish manufacture in this country for fear of infringement proceedings under a master patent which was in fact owned by the applicants for revocation of his patent, Parker, J., held that the patentee was not bound, as the applicants contended, to apply for a voluntary or a compulsory license under the applicants' patent (*i*), although had the applicants been able to show that they had been ready and willing to grant the patentee a license under reasonable terms the decision might have been otherwise.

Fear of  
infringement  
action.

Patentees who obtained their patents before the Act came into force are in nearly all respects in the same position as those who obtained them after the Act, and a patentee is not entitled to rely upon a contract made before the Act precluding him from manufacturing in this country. Parker, J., in *Hatschek's Patent* (26 R. P. C. at p. 244), said: "I totally dissent from the contention that, if a patentee has before the Act precluded himself by contract from working his patent in this country, the existence of such a contract is a satisfactory reason within the meaning of the section for not working here. As I have said before, no such reason can be satisfactory which does not operate independently of any misuse which the patentee has made of his property."

Preclusion by  
contract.

It will not avail the patentee to allege that the special skill and experience necessary to enable the invention to be carried

Requisite skill  
exclusively  
foreign.

(*h*) *Kent's Patent*, 26 R. P. C. at p. 670.

(*i*) *Taylor's Patent*, 29 R. P. C. 296.

into effect can only be found abroad (*j*), although it may well be that an invention requiring special skill and the establishment of a factory with special tools may require a longer time to develop than one in which these features are not present. It is incumbent on the patentee to take steps to import the necessary tools and skilled labour, and to effect manufacture in this country at the earliest possible moment. In *Kent's Patent* (26 R. P. C. at p. 670), the Comptroller said: "I shall always decline to accept, as a rule, any argument based on the impossibility of securing an efficient manufacture of special machinery in this country, but I think it is natural for a patentee who desires to put the best possible machine upon the market to be somewhat over-scrupulous at first in obtaining his materials, and supervising the construction of his machine."

Generally speaking, if the patentee can be shown to have done his best to establish a manufacture in the United Kingdom, and has failed for reasons beyond his control, he will not be held to have abused his monopoly. In *Bremer's Patent* (26 R. P. C. at p. 465), Parker, J., said: "In my opinion, the company have throughout used, and still are using, their best endeavours to fulfil the obligation arising under the Act of 1907 by establishing in this country an industry in the article, the subject of their patent, and they have further proved, to my satisfaction, that their want of success up to the present time has been due to circumstances beyond their own control, and not to the manner in which they have exercised the rights conferred upon them by the patent in question. The Act of 1907 was never meant to penalise want of success when the patentee has done his best, and I cannot, therefore, come to the conclusion that the patent ought to be revoked."

**Power to  
adjourn.**

When, in spite of the lapse of four years from the date of the patent, the circumstances are such as to justify the Comptroller in affording the patentee more time to comply with the section he may do so; sub-sect. 2 (a) concludes thus: "*Provided that if an application is presented to the comptroller on this ground, and the comptroller is of opinion that the time*

(*j*) *Johnson's Patent*, 26 R. P. C. 52.

*which has elapsed since the date of the patent has by reason of the nature of the invention or for any other cause been insufficient to enable the invention to be worked within the United Kingdom on a commercial scale, the comptroller may adjourn the application for such period as will in his opinion be sufficient for that purpose."* This power to adjourn should be compared with the power to make a deferred order *nisi* conferred by sub-sect. 3 (d), and will be dealt with in connection with that sub-section.

The second kind of abuse is defined by paragraph (b) as follows: "*If the working of the invention within the United Kingdom on a commercial scale is being prevented or hindered by the importation from abroad of the patented article by the patentee or persons claiming under him, or by persons directly or indirectly purchasing from him, or by other persons against whom the patentee is not taking or has not taken any proceedings for infringement.*" Second kind of abuse,

By sub-sect. 13: "*For the purposes of this section the expression "patented article" includes articles made by a patented process.*"

The paragraph would appear to cover any such underselling of workers of the invention by means of importations by the patentee or his licensees or infringing importers as would make the working by licensees in the United Kingdom an unprofitable venture. It would, moreover, appear open to any one who proposed to start a manufacture of the article, even if he had not yet a license, to set the machinery of the Act in motion. Importation,

It will be noticed that competition by importing infringers only is a grievance under this paragraph. Infringement by persons manufacturing in this country is, as has been seen under paragraph (a) above, wholly in favour of the patentee.

Application may be made to the Comptroller on the grounds defined by this and subsequent paragraphs of the sub-section at any time after the grant of the patent.

The patentee's defence would appear to be confined to a denial of the facts alleged as to importation, or to the assertion that such importation as had taken place had not the effect of preventing or hindering manufacture in the United Kingdom.

In some cases, especially in the case of an invention communicated from abroad, such importation might be necessary and desirable for the purpose of stimulating a demand for the patented article. The facts having been proved, it is not open to the patentee, as under the preceding paragraph, to offer anything in the nature of "satisfactory reasons." He might obtain an adjournment in order to sue the infringing importers.

Third kind  
of abuse.

(c) "*If the demand for the patented article in the United Kingdom is not being met to an adequate extent and on reasonable terms.*" The whole point of this paragraph lies in the words "on reasonable terms." The words used are much the same as in sub-sect. 5 (a) of the repealed sect. 24 (*q.v.*), which were interpreted by Warrington, J., in the *Robin Electric Lamp Co.'s Petition* (32 R. P. C. at 202).

In the first place the learned judge held that it was not enough to show that the interests of a particular individual were adversely affected, but that the section aimed only at behaviour on the part of the patentee prejudicial to a particular trade as a whole or to the general public. This part of the decision is not now of great importance, because paragraphs (d) and (e) of the new section provide for cases in which individuals have a grievance.

The remainder of the judgment is, however, of importance, inasmuch as it will probably affect the construction which will be placed on paragraph—

Fourth kind  
of abuse :  
refusal of  
licenses.

(d) "*If, by reason of the refusal of the patentee to grant a license or licenses upon reasonable terms, the trade or industry of the United Kingdom or the trade of any person or class of persons trading in the United Kingdom or the establishment of any new trade or industry in the United Kingdom is prejudiced, and it is in the public interest that a license or licenses shall be granted.*" The two paragraphs may together be compared with the former sect. 24, sub-sect. 5. Opinions based on considerations of public policy may well vary as to what constitutes a proper protection of the "public interests," and as usual in modern legislation Parliament has shifted the burden of a question properly within its own province on to the



shoulders of an administrative officer with an appeal to a judge of the High Court.

In the case referred to above the learned judge said: "A patentee may use the advantage given by his patent, either by putting it into operation himself and supplying the public with the article, or by licensing others to do so. If he himself maintains an adequate supply there is no necessity from the public point of view, for the granting of licenses, and, in my opinion, sub-sect. (5) contemplates these alternatives as legitimate modes of working a patent. It is not enough, in my judgment, for a petitioner to prove that the patentee makes default in one of these two alternative modes; he must prove that he has made default in the other also." It would seem that this reasoning, and especially from the learned judge's words "from the public point of view," that an applicant who desires to manufacture something in which the patented article is an essential ingredient, and who is refused a license, may be met with the allegation that the patentee is ready and willing to supply him with the patented article ready made, and this will be sufficient to show that "in the public interest" a license should not be granted.

Price is clearly an element to be considered in applying the words "reasonable terms" in paragraphs (c) and (d), and here the question arises as to what is a reasonable remuneration to a patentee as such. There have been numerous decisions in cases of applications for suspension of enemy-owned patents during the war, in which a royalty of 5 per cent. on the selling price of the patented article has been deemed adequate, but it is highly unlikely that such low terms would be a criterion of price under the new sections. And in the *Robin* petition above referred to, the fact that the patentees asserted a right to remuneration, which made the articles in which the patented invention was used, sell at a very much higher price than could be obtained on the continent, was held not to be an excessive claim in the circumstances. No doubt the speculative nature of an industry founded on patent rights, the difficulty of establishing the particular industry, and the need for a large capital expenditure are all matters which should be taken into consideration in fixing price as an element of "reasonable terms."

Fifth kind  
of abuse:  
unfair con-  
ditions of sale.

(e) *If any trade or industry in the United Kingdom, or any persons or class of persons engaged therein, is unfairly prejudiced by the conditions attached by the patentee, whether before or after the passing of this Act, to the purchase, hire, license, or use of the patented article, or to the using or working of the patented process."*

This paragraph covers more than the objectionable conditions which are rendered unlawful by sect. 38. The word "unfairly" is the keynote of its interpretation and application, and the meaning given to it depends again on political and economic views. The exhortation contained in the final proviso is not helpful in construing the section generally, and its effect remains to be seen.

*"Provided that for the purpose of determining whether there has been any abuse of the monopoly rights under a patent, it shall be taken that patents for new inventions are granted not only to encourage invention but to secure that new inventions shall so far as possible be worked on a commercial scale in the United Kingdom without undue delay."*

#### THE REMEDY.

Sub-sect. 3 deals with the remedies to be administered by the Comptroller and the Court: "On being satisfied that a case of abuse of the monopoly rights under a patent has been established, the comptroller may exercise any of the following powers as he may deem expedient in the circumstances:—

First remedy:  
"licenses of  
right."

(a) "He may order the patent to be indorsed with the words 'licenses of right' and thereupon the same rules shall apply as are provided in this Act in respect of patents so indorsed, and an exercise by the comptroller of this power shall entitle every existing licensee to apply to the comptroller for an order entitling him to surrender his license in exchange for a license to be settled by the comptroller in like manner as if the patent had been so indorsed at the request of the patentee, and the comptroller may make such order; and an order that the patent be so indorsed may be made notwithstanding that there may be an agreement subsisting which would have

*precluded the indorsement of the patent at the request of the patentee."*

The circumstances of a patent indorsed "licenses of right" are dealt with in Chap. XI. After such an indorsement the patentee is, by virtue of sect. 24 (1) (f), only bound to pay half the renewal fees which would otherwise have been payable. The Comptroller has the widest powers in dealing with new licenses to be granted, in exchange for old licenses, to existing licensees subject to the conditions laid down by sect. 24 (b) for the guidance of the Comptroller. If an existing licensee is in the enjoyment of exceptionally favourable terms he naturally will not seek to effect the exchange; but, on the other hand, the new licensees will probably seek similar terms. A difficulty will arise in equalising the terms enjoyed by competing licensees when one of them has made a cash payment in lieu of royalties or in lieu of heavy royalties, or is under some collateral advantage or disadvantage such as the obligation to pay a salary to the patentee or enjoys the advantage of his assistance and experience as a term of the license.

It is clearly of the utmost importance that a licensee, in agreeing the terms of his license, should insist on a covenant by the licensor and on behalf of any other licensees that he and they shall do nothing which would constitute an abuse of monopoly rights. Such a covenant, while ineffective to prevent the exercise of his powers by the Comptroller, would give the licensee a right to damages.

This remedy will be used in cases in which the applicant, while able to prove an abuse of monopoly, cannot show that he in particular should be placed in any specially favoured position as regards other members of the public, otherwise the remedy in the next paragraph is applicable:—

(b) "*He may order the grant to the applicant of a license on such terms as the comptroller may think expedient, including a term precluding the licensee from importing into the United Kingdom any goods the importation of which, if made by persons other than the patentee or persons claiming under him, would be an infringement of the patent, and in such case the patentee and all licensees for the time being*

**Second  
remedy:  
license to  
applicant.**

*shall be deemed to have mutually covenanted against such importation."* Pausing at this point it is not clear whether this means that if the Comptroller exercises his power to grant a license to the applicant, rather than indorse the patent "licenses of right," that he is bound to impose the term on the licensee precluding importation, or whether the imposition of this term is permissive only among other terms which the Comptroller may deem expedient. It is probable that the later construction is correct. It is clear that the insertion of such a term automatically affects all existing licenses. To take a hypothetical case, let us suppose that A., a patentee, grants to B., C., and D. licenses to manufacture and sell, and to E., who does not wish to manufacture, he grants a license to sell the patented articles imported by E. from abroad with a restrictive covenant as to selling price and subject to a royalty. F. applies to the Comptroller alleging abuse of the monopoly under sect. 2 (c) alleging the excessive price of the article as supplied to the public by A. and his licensees, and showing that he (F.) has a claim to a license to himself. If the term is imposed the effect will be to destroy E.'s license altogether, inasmuch as the Comptroller has no power under this paragraph to modify the terms of licenses already in existence save in so far as this automatic modification is concerned. And if E. continued to import he could be sued by A. for damages for breach of covenant, and by F. for infringement (see below). By the concluding portion of the paragraph a licensee under a license so granted (but not other licensees?) may take action against infringers; this will be dealt with in the consideration of "Action for Infringement," Chap. XVI.

**Third remedy:  
exclusive  
license to  
applicant.**

(c) *"If the comptroller is satisfied that the invention is not being worked on a commercial scale within the United Kingdom, and is such that it cannot be so worked without the expenditure of capital for the raising of which it will be necessary to rely on the patent monopoly, he may, unless the patentee or those claiming under him will undertake to find such capital, order the grant to the applicant and any other person or persons jointly, if able and willing to provide such capital, of an exclusive license on such terms as the*

*comptroller may think just, but subject as hereinafter provided."*

Under this paragraph, unless it be very carefully administered, the great manufacturing Trusts will be able to secure to themselves the benefit of any invention relating to their industry, and it would appear that their position is much strengthened. They will be able to show that no competitor is likely to enter the field of industry against them on the strength of a single patent, and that they and the companies under their control are alone in a position to finance the invention and establish its manufacture. On the other hand, the inventor will have the benefit of the protection of the Comptroller in fixing terms. A curious feature of this remedy is that the circumstances which are to give a claim to a compulsory license may in many cases have been actually brought about by the applicants. Before this section, an inventor if courageous enough to face the fact that he would never be able to get his invention adopted could nevertheless defy a wealthy corporation which controlled the industry. Under this section the corporation might force him (at a price to be fixed by the Comptroller who must deal with trade finances as put before him by the corporation) to hand over the invention to them. For these reasons it is essential that the Comptroller should require persons asking for an exclusive license to prove with great strictness that the patentee has abused his monopoly and should protect a solitary inventor from being overborne by a powerful trade combination.

The conditions of a compulsory exclusive license under this section are generally prescribed by sects. 4, 5 and 6, which afford the Comptroller some vague guiding hints.

**Terms of compulsory exclusive licenses.**

4. *"In settling the terms of any such exclusive license it is provided in paragraph (c) of the last preceding sub-section, due regard shall be had to the risks undertaken by the licensee in providing the capital and working the invention, but subject thereto, the license shall be so framed as—*

*"(a) to secure to the patentee the maximum royalty compatible with the licensee working the invention within the United Kingdom on a commercial scale and at a reasonable profit ;*

*“(b) to guarantee to the patentee a minimum yearly sum by way of royalty, if and so far as it is reasonable so to do, having regard to the capital requisite for the proper working of the invention and all the circumstances of the case ;*

*and in addition to any other powers expressed in the license or order, the license and the order granting the license shall be made revocable at the discretion of the comptroller if the licensee fails to expend the amount specified in the license as being the amount which he is able and willing to provide for the purpose of working the invention on a commercial scale within the United Kingdom, or if he fails so to work the invention within the time specified in the order.”*

It is difficult to see that this sub-section is anything more than a direction to the Comptroller to do justice to the best of his ability. None of the terms suggested is made compulsory, and the Comptroller may even dispense with the provision of a minimum royalty. An action for damages should lie against either party for failing to carry out the covenants imposed by the license apart from the revocability of the license by the Comptroller for breaches by the licensee, inasmuch as there are no stipulations against recourse to the law courts.

5. *“In deciding to whom such an exclusive license is to be granted the comptroller shall, unless good reason is shown to the contrary, prefer an existing licensee to a person having no registered interest in the patent.*

6. *“The order granting an exclusive license under this section shall operate to take away from the patentee any right which he may have as patentee to work or use the invention and to revoke all existing licenses, unless otherwise provided in the order, but on granting an exclusive license the comptroller may, if he thinks it fair and equitable, make it a condition that the licensee shall give proper compensation to be fixed by the comptroller for any money or labour expended by the patentee or any existing licensee in developing or exploiting the invention.”*

A question arises as to whether the exclusive licensee should not indemnify the patentee against an action for damages by a

licensee whose license is terminated against his will. It does not seem that such right of action would be affected by the fact that the order of the Comptroller renders the forfeiture compulsory. The existence of licenses which have been granted before the proceedings under the section will make the settlement of the terms of an exclusive license a very difficult matter.

By sect. 27A, "*Any order for the grant of a license under this Act shall, without prejudice to any other method of enforcement, operate as if it were embodied in a deed granting a license executed by the patentee and all other necessary parties.*"

In the case of an application alleging an abuse of monopoly rights under sub-sect. 2 (a) the proviso to that section allows of an adjournment: "*Provided that if an application is presented to the comptroller on this ground, and the comptroller is of opinion that the time which has elapsed since the date of the patent has by reason of the nature of the invention or for any other cause been insufficient to enable the invention to be worked within the United Kingdom on a commercial scale, the comptroller may adjourn the application for such period as will in his opinion be sufficient for that purpose.*"

And by sub-sect. 2 (d): "*If the comptroller is satisfied that the objects of this section cannot be attained by the exercise of any of the foregoing powers, he may order the patent to be revoked, either forthwith or after such reasonable interval as may be specified in the order, unless in the meantime such conditions as may be prescribed in the order with a view to attaining the objects of this section are fulfilled, and the comptroller may, on reasonable cause shown in any case, by subsequent order, extend the interval so specified:*

**Fourth  
remedy,  
revocation.**

*"Provided that the comptroller shall make no order for revocation which is at variance with any treaty, convention, arrangement of engagement with any foreign country or British possession"* (k).

The power of the Comptroller to make an order *nisi* in cases where non-working had been proved, existed under the repealed

**Order nisi  
for revocation.**

(k) As to the effect of this proviso, see Chap. XVIII.

section. In a case where the patentee had made no efforts until after the commencement of proceedings and said that he had misunderstood the meaning of the section, the Comptroller refused to allow further time and made an order revoking the patent forthwith (*l*). Where, however, the patentee had made some efforts which the Comptroller thought entitled him to consideration, a period of nine months was granted, and later on production of satisfactory evidence that the invention was being worked the order *nisi* for revocation was finally discharged (*m*).

Where there was no substantial working at the date of the application, but by the time the case came to a hearing such working had been established, the Comptroller refused the application for revocation (*n*).

Power to  
adjourn.

The power of adjournment to enable the patentee to have further time is only specified for the case of an application alleging abuse of monopoly under sub-sect. 2 (a), and then only when the nature of the invention or other circumstances show that the period of four years from the date of the patent has been insufficient. This is, of course, apart from the inherent power of any judicial tribunal to adjourn a case before it for good reason shown. In other cases it would appear that the proper course is either to make an order for one of the remedies referred to in sub-sect. 3 (a), (b) or (c), or to make an order *nisi* unless he decides to revoke the patent, or under (e). "*If the comptroller is of opinion that the objects of this section will be best attained by making no order under the above provisions of this section, he may refuse the application and dispose of any question as to costs thereon as he thinks just.*"

Power to  
refuse order.

Practice.

Sub-sects. 7—12 deal with procedure which is further provided for in rules 79—84. The application is made in writing setting forth the facts and the relief asked for, and must be verified by declarations which must also support an allegation of interest. The Comptroller examines these, and if satisfied that a bonâ fide interest is disclosed and a primâ facie

(*l*) *Worring and Kortebach's Patent*, 26 R. P. C. 163. 300; 27 R. P. C. 30.

(*n*) *Boult's Patent*, 26 R. P. C.

(*m*) *Weber's Patent*, 26 R. P. C. 383.



case for relief is made out directs the applicant to serve copies on the patentee and on all persons appearing, from the entries in the Register to be interested, and advertises the application in the *Official Journal*. The patentee or other person desiring to oppose the application delivers a counter-statement verified by declaration. The Comptroller may either dismiss the application at this stage unless any party demands a hearing, or he may appoint a hearing, and may require the production of books and documents relating to the issues (o).

Sub-sect. 12 provides that if the parties consent, or "*if the proceedings require any prolonged examination of documents or any scientific or local investigation which cannot in the opinion of the comptroller conveniently be made before him the comptroller may at any time order the whole proceedings or any question or issue of fact arising thereunder to be referred to an arbitrator agreed on by the parties, or in default of agreement appointed by the comptroller, and in such a case if the parties consent the decision of the arbitrator shall be final.*" **Power to refer to arbitrator.**

There is no provision under this section for the payment of the arbitrator's fees, and it is to be supposed that he will be paid by the Treasury. In arbitrations under claims for licenses under a patent which has been extended, the applicants have been compelled to pay the arbitrator's fees in order to obtain the award, but it is hoped that this practice will not be applied, having regard to the fact that under the concluding words of the sub-section, "*Where a question or issue of fact is so referred, the arbitrator shall report his findings to the comptroller,*" and the Comptroller could hardly withhold his decision in order to force the parties to pay the arbitrator's fees. **Arbitrator's fees.**

By sub-sect. 11, "*All orders of the comptroller under this section shall be subject to appeal to the Court, and on any such appeal the law officer or such other counsel as he may appoint shall be entitled to appear and be heard.*" **Appeal to Court.**

The procedure in appeals to the Court (the selected judge whose decision is final under sect. 92 (2)) is regulated by

(o) As to the power of the Comptroller in this matter, see ante, p. 192.

Order LIIIA, rules 4, 5 and 6. They must be presented by way of petition within one month (which may be extended) of the Comptroller's decision. The time for appealing runs during the long vacation (*p*). The petition is set down to be heard as a witness action, and by rule 6 "the evidence used shall be the same as that used at the hearing before the Comptroller, and no further evidence shall be given except by the leave of the Court on application to be made to the Court at or before the hearing." This means that the evidence must be confined to the same issues as those before the Comptroller, and that a party will not be allowed to set up a fresh case or to call further witnesses. It does not mean that the witnesses must repeat in the same words what they said before the Comptroller.

(*p*) *Beldam's Patent*, 27 R. P. C. 758.

## CHAPTER XIV.

## REVOCATION UNDER SECTION 25.

Revocation  
under  
sect. 25.

UNDER sect. 25, as amended by the Act of 1919 :—

“(1) *Revocation of a patent may be obtained on petition to the Court.*

“(2) *Every ground on which a patent might, immediately before the first day of January, one thousand eight hundred and eighty-four, have been repealed by scire facias shall be available by way of defence to an action of infringement and shall also be a ground of revocation under this section.*”

The Act of 1883 abolished the proceeding of *scire facias*, which had already fallen into desuetude, and had substituted the petition for revocation.

An action cannot be brought claiming a declaration that a patent is invalid (a), the proper course being to petition for revocation, and it is probable that a petition would lie for the revocation of a patent which had expired (b).

No declaration  
of invalidity.Expired  
patent.

By sect. 30, sub-sect. 9, no petition for revocation will lie in respect of a patent granted for an invention which the Secretary of State or the Admiralty has certified should be kept secret in the interest of public service.

The grounds upon which a patent may be revoked are those upon which it might have been cancelled by *scire facias*. These are in the Fourth Institute (p. 88) said to be: “*Firstly*, when the king by his letters patent doth grant by several letters patent one and the self-same thing to several persons, the former patentee shall have a *scire facias* to repeal the second patent;

Grounds of  
revocation.

(a) *North-Eastern Marine Engineering Co. v. Leeds Forge Co.*, 23 R. P. C. 529; *Traction Corporation v. Bennett*, 25 R. P. C. 819.

(b) *North-Eastern Marine Engineering Co. v. Leeds Forge Co.*, supra.

*secondly,* when the king granteth anything that is grantable upon a false suggestion, the king by his prerogative *jure regio* may have a *scire facias* to repeal his own grant. When the king doth grant anything, which by law he cannot grant, he *jure regio* (for the advancement of justice and right) may have a *scire facias* to repeal his own letters patent."

And it was held in *Sir Oliver Butler's Case* (about 1680, 2 Vent. 344) that "where a patent is granted to the prejudice of the subject, the king, of right, is to permit him on his petition to use his name for the repeal of it in a *scire facias* at the king's suit, and to hinder multiplicity of actions upon the case." Thus it will be seen that formerly any person might, on behalf of the public, proceed by *scire facias* to repeal a patent, although security for costs was required. Sub-sect. 4 of sect. 26 of the Act of 1883 (re-enacted as sub-sect. 3 of sect. 24 of the Act of 1907) very considerably narrowed and limited this general right.

Every ground of invalidity of the patent sued on which may be set up as a defence to an action for infringement may be employed as a ground for revocation—such as that the person to whom the letters patent were granted was not the first and true inventor, or that the invention was not new or useful, or that it was not true that the invention had not been practised before, or that the said invention did not come within the meaning of the words "a new manufacture," or that the specification was insufficient and did not disclose the nature of the invention.

The Act makes a distinction between persons who are entitled to petition as of right and persons who must first obtain the fiat of the Attorney-General; by sub-sect. 3—

"A petition for revocation of a patent may be presented—

"(a) by the Attorney-General or any person authorised by him; or

"(b) by any person alleging—

"(i.) that the patent was obtained in fraud of his rights, or of the rights of any person under or through whom he claims; or

"(ii.) that he, or any person under or through whom

Persons  
entitled of  
right.

*he claims, was the true inventor of any invention included in the claim of the patentee; or*

*“ (iii.) that he, or any person under or through whom he claims an interest in any trade, business, or manufacture, had publicly manufactured, used, or sold, within this realm, before the date of the patent, anything claimed by the patentee as his invention.”*

As to Scotland, by sect. 94 (3), “ *Proceedings for revocation of a patent shall be in the form of an action of reduction at the instance of the Lord Advocate, or at the instance of a party having interest with his concurrence, which concurrence may be given on just cause shown only, and service of all writs and summonses in that action shall be made according to the forms and practice existing at the commencement of this Act.*”

It is doubtful whether the Attorney-General for Ireland can grant the fiat.

It will be seen that it is necessary that one of the three grounds specified under clause (b) must be established in order to give the petitioner a locus standi unless he has previously obtained the fiat of the Attorney-General. But a person who is entitled to present a petition for revocation without the necessity of first obtaining the fiat of the Attorney-General may rely upon any lawful ground whereby to impeach the validity of the patent in question, and is not confined to the ground upon which his title to present the petition is based (c).

If, however, the petitioner should fail to establish the ground which would have given him his locus standi, it is submitted that he cannot proceed upon the other grounds alleged by him, but must retire to obtain the fiat of the Attorney-General to enable him to allege such other grounds of objection. In *Max Müller's Patent* (24 R. P. C. 465) the petitioners proceeded without the fiat, alleging that certain persons through whom they claimed were the true and first inventors of the invention patented by the respondent, and relied also on other grounds affecting the validity of the patent. During the course of the trial it became doubtful whether the first ground

**The fiat of the Attorney-General.**

(c) *Morgan's Patent*, 5 R. P. C. 186.

of objection could be sustained. Parker, J., gave leave to the petitioners to apply for the fiat, which, if granted, was to be treated as having been granted *nunc pro tunc*, and directed that the petition should be treated as having been technically amended by inserting an allegation that the fiat had been obtained, and expressed a doubt as to whether the petitioners had any locus standi if the fiat were not granted. It is to be noticed, however, that if it were merely necessary to allege one of the grounds set forth in the sub-section in order to dispense with the fiat, without any obligation to prove it, no one would ever incur the expense and trouble of laying the case before the Attorney-General. In any case it is a useful measure of precaution to obtain the fiat. The hearing of the petition may be adjourned to enable the petitioner to apply for the fiat (*d*). The clauses defining the grounds which entitle a petitioner to proceed without the fiat are strictly construed, and care must be taken that the petition is framed under the proper clause.

*In re Avery's Patent* (L. R. 36 C. D. 307; 4 R. P. C. 322) was a petition for revocation presented under clause (c) (clause (i.) under the Act of 1907); it was held by Stirling, J., and the Court of Appeal, that this applied only to cases of actual fraud, and would not be extended to questions of mistake, though the consequences might be to deprive the inventor of his patent rights. Cotton, L.J., said at p. 326: "If it is made out that the present petitioner Avery is a person who brings himself within that clause, and satisfies the Court that the patent was obtained in fraud of his rights, then we should have to go into the other question, namely, whether the patent is or is not good . . . an act, to be 'in fraud of his rights,' to my mind must involve an attempt by the agent to deprive the principal of something, or to gain for himself something at the expense of his principal." The petition consequently was dismissed, but without prejudice to the right of the petitioner to present a fresh petition framed under clause (d) (clause (ii.) under the Act of 1907).

(*d*) *Dege's Patent*, 12 R. P. C. at at p. 250.  
p. 452; *Jameson's Patent*, 19 R. P. C.

The opinion of the Court of Appeal on the words "in fraud of his rights" was followed in *Ralston's Patent* (26 R. P. C. 313), and Warrington, J., said (at p. 331): "It appears to be settled law that the expression 'in fraud of the rights of the true and first inventor' involves the idea of moral turpitude on the part of the patentee, but the existence of this element may be inferred not merely from his conduct prior to and at the time of the application or grant, but also from the use he makes of the grant when obtained, as, for example, by insisting, as against the true inventor, on treating the invention as his own."

There is no decision interpreting the words "under or through whom he claims" in paragraph (b) (i.), (ii.), and (iii.), but it probably means legal representatives (e). The Court, like the Comptroller, will not inquire into fraud which is alleged to have taken place abroad (f).

If the patent be revoked on the ground of fraud, the first and true inventor may apply to the Comptroller under sub-sect. 2 of sect. 15 for a patent to be granted to him in lieu thereof, but the Comptroller is not bound to accede to the application, and retains his discretion as in any ordinary application (g). This right will not apply where the petition is under clause (ii.) only.

In order to obtain the Attorney-General's fiat the following documents must be lodged with the Attorney-General's clerk:—

To obtain  
the fiat.

1. A memorial drawn up on judicature paper setting out the history of the case and the grounds upon which the application is based; where there have been proceedings taken for infringement, these and their result must be mentioned. This memorial must be accompanied by all specifications and documents referred to.

2. A statutory declaration by the petitioner verifying the statements in the memorial; this also should be upon judicature paper.

(e) See discussion on a similar point under sect. 11 in Chap. IX. at p. 180.

(f) See Chap. IX., p. 180.

(g) *Norwood's Patents*, 12 R. P. C., per Stirling, J., at p. 219.

3. Two copies of the proposed petition on brief paper.

4. Two copies of the particulars of objections.

5. A certificate by counsel on foolscap, that in his opinion the petition is a proper one for the grant of the fiat of the Attorney-General.

6. A certificate by a solicitor that the applicant is a proper person to present the petition, and that he is competent to answer the costs of all proceedings in connection with the petition.

7. A declaration by the applicant that the questions proposed to be raised by the petition are not and cannot be raised in any legal proceedings then pending in the United Kingdom.

The costs of obtaining the fiat are recoverable if the petition proves successful (*h*).

The seventh of the above-mentioned documents will not be required when it is proposed to counterclaim under sect. 32 for revocation in an action for infringement. Sect. 32 is as follows:—

Counter-  
claim for  
revocation.

*“A defendant in an action for infringement of a patent, if entitled to present a petition to the Court for the revocation of the patent, may, without presenting such a petition, apply in accordance with the rules of the Supreme Court by way of counterclaim in the action for the revocation of the patent.”* But it is to be noted that unless properly qualified a defendant must obtain the fiat of the Attorney-General for his counterclaim for revocation.

Formerly, if the defendant in an action for infringement desired the revocation of the patent sued on, he had to present a petition independently, and then apply for the two cases to be tried together.

Estoppel.

If the defendant does not counterclaim and obtain the revocation of the patent, a judgment in an action for infringement either for or against the validity of a patent does not create an estoppel in a petition for revocation. In *The Shoe Machinery Co., Ltd. v. Cutlan* (12 R. P. C. at p. 533), Smith, L.J., said: “We held in *Deelcy's Patent* (12 R. P. C. 192) that in a petition for revocation of a patent there was no estoppel,

(*h*) *Poulton's Patent*, 23 R. P. C. 571.



because the person petitioning . . . stands as one of the public, and not as an individual; and although the person petitioning for revocation may be the same person against whom judgment has been given in a patent suit, there is no estoppel against him when he petitions, because he appears as one of the public" (i).

But as Farwell, J., said in *Jameson's Patent* (19 R. P. C. at p. 522), dealing with a prior decision on a point of fact in the infringement action: "At the same time, it is impossible for the judge who tries the second action, not to bear in mind the fact that, unless the witnesses are so obviously unimpeachable that there is no suspicion of an attempt to mislead the Court, it is a most dangerous precedent to allow witnesses to appear and attempt to supplement evidence which has proved deficient on the former occasion."

In *Poulton v. Adjustable Cover and Boiler Block Co.* (25 R. P. C. 559, 561) judgment had been obtained by the patentee against the defendant, and an inquiry into damages had been ordered. Before the inquiry was held the patent was revoked on the petition of the defendant who adduced further reasons for attacking its validity. It was held that this fact did not preclude the inquiry from being prosecuted and the damages recovered. Parker, J., decided the case on the basis of an estoppel operating against the defendant. The Court of Appeal confirming the judgment decided on the basis of *res judicata*.

The Attorney-General has absolute discretion in granting or refusing his fiat; but cases are unlikely to arise in which the fiat will be refused (k). If the applicant shows sufficient interest, and makes out a good case, the Attorney-General will grant his fiat without hearing the patentee, but in some cases (e.g., as in *Martin's Patent* (Griff. P. C. 320), where the applicant was a licensee under the patent) he has directed notice to be given to the persons interested in the patent, and heard both parties and given his decision in the ordinary way. Sir H. James,

(i) And see *Re Lewis' Patent*, 14 R. P. C. 24; *Jameson's Patent*, 19 R. P. C. 252.

(k) Per A. L. Smith, L.J., in *The Shoe Machinery Co. v. Cutlan*, 12 R. P. C. at p. 533.