

that section have no reference to any inherent defect in the patent itself, but only relate to some improper use of the monopoly. These points will have to be decided by the Court.

Under  
sect. 26  
of the Act  
of 1907.

Sect. 26, sub-sect. (3) of the Act provides that 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.

Surrender of  
patent.

This is a new statutory power in relation to the surrender of a patent. If a patentee, as was the practice before the Act, disposed of his patent by surrender to the Crown by enrolled deed, the patent, in the absence of conditions to the contrary, probably enured for the benefit of the Crown (*h*). An order under sect. 26, sub-sect. (3), would annul the patent altogether.

The prescribed manner of giving notice to the Comptroller of an offer by a patentee to surrender his patent is that it shall be given on Patents Form No. 23, and shall be advertised by the Comptroller in the journal and in such other manner, if any, as he deems desirable (*i*).

Any decision of the Comptroller under sect. 26 of the Act is subject to appeal to the Court (*k*), and sect. 92, sub-sect. (2) provides that the appeal is to be to such Judge of the High Court as the Lord Chancellor may select for the purpose, and the decision of that Judge is final, unless the decision of the Comptroller is in favour of revoking the patent. Apparently, therefore, there is no appeal to the Court of Appeal and House of Lords if the selected Judge decides in favour of revocation but the Comptroller does not, and there is such an appeal if the Comptroller decides to revoke the patent and the Judge either agrees or disagrees with him. There does not seem to be any particular reason why this should be so. Again, it is somewhat curious that in cases of opposition under sect. 11, in which the same questions may be raised as under sect. 26, the appeal from the Comptroller is to the law officer, from whom, under no circumstances, is there a further appeal.

Appeal from  
Comptroller's  
decision.

The appeal to the Court must be brought by petition pre-

(*h*) See p. 173, *post*.

(*i*) P. R. (1908), r. 77.

(*k*) 7 Edw. 7, c. 29, s. 26 (4).

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sented within one calendar month of the decision of the Comptroller, or within such further time as the Court may, under special circumstances, allow. The time for appealing runs during the long vacation, and inability of counsel to settle the petition owing to absence from London is not a special circumstance which will warrant an extension of time (*l*). The petition must state the nature of the decision appealed against, and whether the appeal is from the whole, or part only, and if so, what part of such decision. It must also state concisely the grounds of the appeal, and no grounds other than those stated can, except with the leave of the Court, to be given on such terms and conditions as may seem just, be allowed to be taken by the appellant at the hearing (*m*). It is obvious, therefore, that the appellant should be exceedingly careful in stating fully the grounds on which he wishes to rely at the hearing of the appeal.

At present the selected Judge is a Judge of the Chancery Division, and subject to any direction of the Court to the contrary, the appeal is to be set down in the same manner as if it were a witness action assigned to such Judge, and be heard and disposed of in due course (*n*).

It is provided by the Rules that the evidence used on the appeal 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 (*o*). Presumably the practice which governs the admission of fresh evidence by the Court of Appeal in appeals to it (*p*) will be followed by the Court in the case of appeals from a decision of the Comptroller under sect. 26 of the Act. The Court has all the powers by the Act vested in the Comptroller, and may make any order which might, or ought to, have been made by the Comptroller (*q*).

The costs of and incident to the appeal, including the costs of the hearing before the Comptroller, are in the discretion of the Court (*r*).

(*l*) See Beldam's Patent (1910), 27 R. P. C. 758.

(*m*) R. S. C., Ord. liiia, r. 4.

(*n*) R. S. C., Ord. liiia, r. 5.

(*o*) R. S. C., Ord. liiia, r. 6.

(*p*) See Vol. I. p. 495.

(*q*) R. S. C., Ord. liiia, r. 8.

(*r*) R. S. C., Ord. liiia, r. 9.

II.—UNDER SECT. 27 OF THE PATENTS AND DESIGNS  
Act, 1907.

Under  
sect. 27  
of the Act  
of 1907.

Sect. 27 of the Patents and Designs Act, 1907, provides  
as follows:—

Provisions  
of sect. 27  
of the Act of  
1907.

- (1) At any time not less than four years after the date of a patent and not less than one year after the passing of this Act, any person may apply to the Comptroller for the revocation of the patent on the ground that the patented article or process is manufactured or carried on exclusively or mainly outside the United Kingdom.
- (2) The Comptroller shall consider the application, and, if after inquiry he is satisfied that the allegations contained therein are correct. then, subject to the provisions of this section, and unless the patentee proves that the patented article or process is manufactured or carried on to an adequate extent in the United Kingdom, or gives satisfactory reasons why the article or process is not so manufactured or carried on, the Comptroller may make an order revoking the patent either—
  - (a) forthwith; or
  - (b) after such reasonable interval as may be specified in the order, unless in the meantime it is shown to his satisfaction that the patented article or process is manufactured or carried on within the United Kingdom to an adequate extent:

Provided that no such order shall be made which is at variance with any treaty, convention, arrangement, or engagement with any foreign country or British possession.

- (3) If within the time limited in the order the patented article or process is not manufactured or carried on within the United Kingdom to an adequate extent, but the patentee gives satisfactory reasons why it is not so manufactured or carried on, the Comptroller may extend the period mentioned in the

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previous order for such period not exceeding twelve months as may be specified in the subsequent order.

- (4) Any decision 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.

Policy of  
sect. 27 of  
the Act of  
1907.

Under this section the patent is not revoked on any ground inherently affecting its validity, but as a penalty for what the law now considers to be an improper use made of the monopoly by the patentee. The section does not provide for the compulsory working of the invention in this country in the way in which the laws of some countries do as a condition of the grant. But in the event of the patented article or process being manufactured or carried on exclusively or mainly outside the United Kingdom, it imposes on the patentee the obligation of proving that the patented article or process is manufactured or carried on in the United Kingdom to what, in sub-sect. (2), is called an adequate extent, or of giving satisfactory reasons why such is not the case. The policy of the section is protection of the trade of the United Kingdom, but not in any fiscal sense of that term. It is a free trade policy. It is to secure that the patentee shall not, by means of an abuse of his monopoly, stunt the growth of, and so hamper, a British trade, not that he shall by means of his monopoly foster a British trade in comparison with foreign trade. It is to secure what has been stated by *Parker, J.*, as "fair play between foreign industries and the industries of this country; and not to secure for the latter during the period of the patent a protection which they would not enjoy if no patent had been granted, and which the Legislature can always secure for them, either temporarily or permanently, if and when it considers fit" (*s*). Again, the section is not meant to penalise the patentee for want of success when want of success arises from circumstances beyond his control and not from the manner in which he has exercised the right conferred upon him by the patent (*t*). Sect. 24, by means of compulsory licence or, in

(*s*) *Hatschek's Patent*, [1909] 2 Ch. 68; 26 R. P. C. 242.

(*t*) *Bremer's Patent*, [1909] 2 Ch. 217; 26 R. P. C. 465.

the alternative, revocation, secures that the patentee shall not unfairly hamper British trade quite apart from anything which is being done abroad; and sect. 27 secures that the patentee shall not by means of the monopoly favour the development of industries abroad at the expense of industries in the United Kingdom. The two sections no doubt overlap, but such is the broad distinction between them (*u*). The cumulative effect of the two sections is to put upon the patentee the obligation not to so use, or withhold the use of, his monopoly, that the establishment of an industry in this country is unfairly prevented or hindered.

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The section applies to all patents, whether granted before the Act or afterwards. To a limited extent, possibly, the Court would, in the case of a patent granted before the Act, accept as satisfactory reasons which would not be regarded as satisfactory if the patent had been granted after the Act (*x*). It is open to anyone whether a British subject or not, and whatsoever his motive, to apply for revocation under the section. In fact, the application may be at the instance of a common informer (*y*).

It is clear from the language of the section that before the patentee can be called upon, under sub-sect. (2), to justify the use he has made of his monopoly, the applicant must establish a *prima facie* case to the effect that the patented article or process has been exclusively or mainly manufactured or carried on outside the United Kingdom (*z*).

Applicant must establish a *prima facie* case.

It will sometimes be most important to determine what precisely is the patented article or process. The determination of this point will depend upon a critical examination and construction of the specification as a whole, and the patentee may find himself estopped by his claims if they are too widely drawn (*a*). The question arises what is the meaning in sub-sect. (1) of the words "the patented article is manufactured." Does this mean that only such acts as could be restrained as infringements are to be taken into account in deciding

"The patented article is manufactured."

(*u*) See Hatschek's Patent, [1909] 2 Ch. 68; 26 R. P. C. 239; Fiat Motors, Ltd.'s Patent (1910), 27 R. P. C. 767; [1911] 1 Ch. 70.

Patent (1909), 26 R. P. C. 669.

(*y*) See Hatschek's Patent, [1909] 2 Ch. 68; 26 R. P. C. 239, 240.

(*z*) See p. 93, *post*.

(*x*) See Hatschek's Patent, [1909] 2 Ch. 68; 26 R. P. C. 244; Kent's

(*a*) See Lake's Patent (1909), 26 R. P. C. 443.

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whether the patented article is manufactured exclusively or mainly outside the United Kingdom, or does it mean that all parts of the article which as a whole could not be put upon the market without licence of the patentee must be regarded? To take the case of a pure combination patent, *i.e.*, one in which the claim is for the combination quite irrespective of the individual parts as integers of the combination. All the patentee can restrain is the putting together or assembling of the parts to form the combination. It would appear that only the extent to which the parts are fitted for assembly together is to be considered, and in this connection it is no doubt most important not to forget that the sale of the unpatented parts of a patented combination so constructed that they can be and are intended to be put together to form the patented combination substantially without further work being done upon them, is an infringement of the patent (*b*). It would appear, therefore, that only the extent to which unpatented parts are specially prepared for subsequent assembly together to form the patented combination is to be considered. The extent to which parts are otherwise manufactured is outside the question. In view of the before-explained policy of the section, it would seem to be manifestly improper to hold the patentee responsible for the effect on a part of the trade of the United Kingdom which may be carried on without his leave and licence. In one case (*c*), where the patent claimed an article, and also that article in combination with another and unpatented article; and the applicant relied upon the fact that the unpatented article was manufactured abroad but the combination was effected in this country, the Comptroller held that evidence of such fact did not discharge the onus cast upon the applicant by sub-sect. (1). In another case (*d*), where the specification of a patent contained fifty-five claims for different combinations, and the machines made in accordance with the invention were wholly made abroad, but before sale in this country a few of the parts were taken out and replaced by like parts which were made in this country, the Comptroller revoked the patent on the ground of inadequate

(*b*) See Vol. I. pp. 376, 377.

(*c*) *Lake's Patent* (1909), 26 R. P. C. 442.

(*d*) *Johnson's Patent* (1908), 26 R. P. C. 52.

manufacture without satisfactory reasons. Apparently the machines sold in the United Kingdom comprised many of the patented combinations which were assembled abroad.

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The exact meaning to be given to the words "exclusively or mainly" in sub-sect. (1) is a matter of great importance. The close connection of the words "exclusively" and "mainly" is to be noticed. As regards the meaning of "exclusively," there is of course no difficulty. But the matter is otherwise with reference to the word "mainly." It would appear that the manufacture cannot be said to be mainly carried on abroad unless the quantum of foreign manufacture exceeds that of the home manufacture by something over fifty per cent. In view of the interpretation put upon the word "mainly" by the Court it does not, however, follow that when something over fifty per cent. of the total manufacture is carried on abroad it is necessarily mainly carried on abroad. In the opinion of the Court, to come within the intention and meaning of the sub-section, the disparity must be greater than a mere small percentage, and if the article be manufactured or the process be carried on in the United Kingdom, not only to a substantial extent, but to an extent as substantial as may reasonably be expected, having regard to what is done abroad, the state of circumstances is not that which is contemplated (e). The comparison is to be that between the extent to which the article or process, the subject of the patent, is manufactured or carried on in the United Kingdom and the extent to which it is manufactured or carried on abroad, whether the articles so manufactured or resulting from the process so carried on abroad are or are not imported into the United Kingdom (f). In this connection the extent to which the patented article or process is manufactured or carried on by infringers of the patent in the United Kingdom is to be taken into account in favour of the patentee upon an inquiry under the section (g). In a case (h) where it appeared that a patented process was carried on in the United Kingdom to a substantial extent for one of the purposes of the invention, but was not carried on in the

"Exclusively  
or mainly."

(e) See *Hatschek's Patent*, [1909] 2 Ch. 68; 26 R. P. C. 240.

(f) *Ibid.*; *Fiat Motors, Ltd.'s Application*, [1911] 1 Ch. 66; 27 R. P. C. 409, 762.

(g) *Fiat Motors, Ltd.'s Application*, [1911] 1 Ch. 66; 27 R. P. C. 409, 762.

(h) *Bouet's Patent* (1909), 26 R. P. C. 424.

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United Kingdom at all for another important purpose of the invention, whereas it was carried on for both purposes abroad; and it further appeared that the owners of the patent had granted licences under it for the latter purpose on reasonable terms, and were willing to grant a similar licence to the applicant, the Comptroller held that the applicant failed to discharge the onus of proving a *prima facie* case in support of the allegation that the process was mainly carried on abroad, and dismissed the application accordingly.

“Adequate  
extent.”

If the applicant is successful in establishing a *prima facie* case, under sub-sect. (1), to the effect that the patented article or patented process is manufactured or carried on exclusively or mainly outside the United Kingdom, the patentee in order to save the patent must, in accordance with sub-sect. (2), prove that the patented article or process is manufactured or carried on to an adequate extent in the United Kingdom, or give satisfactory reasons why such is not the case. If the applicant establishes a *prima facie* case to the satisfaction of the Comptroller, and the patentee does not file rebutting evidence, the patent will be revoked forthwith (i).

Should the patentee intend to defend the use he has made of the monopoly, he must do so by (a) showing that the manufacture is carried on to an adequate extent in the United Kingdom, or (b) explaining satisfactorily why it is not so carried on. Both these defences are questions of fact, and, as in all cases depending upon fact, the facts of one case are not much guide to the correct conclusion to be drawn from the facts of another case. Each case must be considered on its own merits.

As regards adequate working it is to be noticed that the word “adequate” is a very elastic expression. What is adequate in one set of circumstances may very well be totally inadequate in another and different set of circumstances. The Legislature wisely used this indefinite expression in order that the Court may have ample authority to do justice in the matter under all conditions as they arise.

The Court has expressed the opinion in general terms that the extent to which the article is manufactured or the process

(i) *Jonkegow and Destrez's Patent* (1910), 27 R. P. C. 540. Reported as *Green's Application*, [1911] 1 Ch. 754.



is carried on in the United Kingdom cannot be considered adequate if it be less than it would have been but for the fact that the patentee has exercised the right conferred by the patent to the hurt of British industry, *e.g.*, the fact that he has given foreign traders a preference over British traders (*k*).

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The demand in this country for the patented article or the article produced by the patented process is one point to be considered, and the patentee is entitled to the benefit of the fact, if such be the case, that, in spite of such efforts as he may justly be called upon to make there is no demand at all or that such demand as there is is largely for the article as manufactured abroad.

In the language of *Parker, J.*: "If, for example, the patent be for a new article, and such article be manufactured both here and abroad, and part of the demand here be for the article made abroad, because it is got up more to the taste of a section of the public, the manufacture here could not on that account alone be said to be inadequate. To so hold would, in effect, be to force a patentee to use his patent right to exclude altogether the import of foreign goods. The demand and supply in this country are to be considered, though they are not the only facts to be considered upon the question of adequacy. If there was insufficient manufacture here to meet the demand for the home-made article, it might well be that the manufacture might be held to be inadequate, because the right of the patentee might have been so exercised as to preclude the growth of a demand by the imposition of unreasonable prices or unreasonable terms for licences, or simply because the patentee had wholly neglected this country in his efforts to develop a foreign trade. Every case must be considered on its own merits and with reference to its own attendant circumstances" (*l*).

Though there be no demand for the patented article or process in the United Kingdom, it does not follow that there is no obligation on the patentee to start, or attempt to start, an industry here. If there is in fact a manufacture abroad, he must exert himself to create a demand here such as a reasonable business man would deem sufficient, and not necessarily

(*k*) See *Hatschek's Patent*, [1909] 2 Ch. 68; 26 R. P. C. 241.

(*l*) *Hatschek's Patent*, [1909] 2 Ch. 68; 25 R. P. C. 243.

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such as he himself considers enough, *i.e.*, he must not treat this country unfairly in regard to other countries, and it must not be forgotten that the establishment of an industry here may in itself help to create a demand for the article or process (*m*). If, however, the patentee is innocent of any unfair treatment of this country as against foreign countries, the existence of a limited but satisfied demand in the United Kingdom will be ample justification for the fact that the manufacture is mainly carried on abroad (*n*); and in some cases the absence of any demand at all in this country may be satisfactorily explained, *e.g.*, where there is for the time being no practical commercial utility in the invention with reference to the trade of the United Kingdom (*o*).

“Satisfactory reasons.”

The expression “satisfactory reasons,” like “adequate extent,” is very elastic, and completes the power of the Court to do justice in the light of all the circumstances peculiar to a particular case. The Court will deem no reasons 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 the United Kingdom by causes operating irrespective of any abuse of the monopoly granted by the patent (*p*). The position of affairs at the date of the patent and not at the time of the application under the section, is the important point. The question always is, could the patentee have developed a home industry if he had used his monopoly fairly between home and foreign trade, or if he had devoted the time and money which he has expended upon the industry abroad to developing a home industry (*q*); subject, however, to this, that some allowance may be made to a foreign patentee who has devoted his energies for some legitimate time to perfecting and proving the commercial feasibility of the invention in his own country before introducing it to the United Kingdom (*r*).

The following may be suggested as grounds for reasons which, in many cases, would be deemed satisfactory within

(*m*) See Boulton's Patent (1909), 26 R. P. C. 383.

(*n*) *E.g.*, Kent's Patent (1909), 26 R. P. C. 666; Bremer's Patent, [1909] 2 Ch. 217; 26 R. P. C. 465.

(*o*) O-horn's Patent (1909), 26 R. P. C. 820.

(*p*) Per Parker, J., Hatschek's Patent, [1909] 2 Ch. 68; 26 R. P. C. 241.

(*q*) See *ibid.*, 26 R. P. C. 243.

(*r*) See Boulton's Patent (1909), 26 R. P. C. 386.

sub-sect. (2):—The fact that the patentee has made *bonâ fide* efforts to induce British manufacturers, by purchase or licence, to take up the manufacture the subject of the invention, but without success: The patentee has treated the United Kingdom fairly in all respects, and has not given any undue preference to foreign countries: Failure to establish an industry has been due to the conservatism of British manufacturers, and not to any lack of effort on the part of the patentee: No demand in the United Kingdom for the patented article, and for the time being no practical commercial utility in the invention in this country (s): The invention was not originally perfect or very satisfactory, and the patentee has devoted his energies and money in his own country to perfecting the invention before introducing it, without undue delay, to the British market (t): Conditions peculiar to foreign countries are more favourable to the manufacture than in the United Kingdom, and the public as well as the patentee get an advantage by the manufacture being carried on mainly abroad (u): Patent actually assigned to a British company within four years of its date, and at the time of application for revocation the British company was in a position to manufacture to a full and adequate extent in the United Kingdom (x): Patentee has used his best endeavours to establish an industry in the United Kingdom, and failure to do so was caused by circumstances beyond his control (y): The price charged for the home-made article is higher than that charged for the foreign-made article, but is a *bonâ fide* price, and not adopted for the purpose of checking and diminishing the demand for the home-made article (z).

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The procedure before the Comptroller under sect. 27 is regulated by rules 78—87 of the Patents Rules, 1908, and the Official Notice issued in the Official Journal of April 28th, 1909 (a), and is as follows:—The application must be made on Patents Form No. 24, and the applicants simultaneously with, or as soon as may be after, the leaving of the application

(s) See Osborn's Patent (1909), 26 R. P. C. 820.

(t) See Boulton's Patent (1909), 26 R. P. C. 386.

(u) See Hatschek's Patent, [1909] 2 Ch. 68; 26 R. P. C. 243.

(x) See Tottrank's Patent (1909), 26

R. P. C. 850.

(y) See Bremer's Patent, [1909] 2 Ch. 217; 26 R. P. C. 449.

(z) See Kent's Patent (1909), 26 R. P. C. 666; Osborn's Patent (1909), 26 R. P. C. 821.

(a) See p. 98, *post*.

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at the Office, must deliver, or cause to be delivered, to the patentee or his agent a copy of such application, and furnish the Comptroller with evidence of such delivery (b). He must also simultaneously with his application form leave at the Patent Office evidence by way of statutory declaration, stating the particulars upon which he relies in support of the allegations contained in the application; and copies of such declaration must accompany the copy of the application form delivered to the patentee or his agent (c). The patentee should, within fourteen days from the delivery to him or his agent of the copy of the last-mentioned declaration, or within such further time as the Comptroller may allow, leave at the Office evidence by way of statutory declaration stating whether or not the allegations contained in the application are correct; and if they are incorrect, giving the particulars upon which he intends to rely in answer to the allegations made by the applicant. Copies of such evidence should at the same time be delivered to the applicant (d). Should the applicant then decide to proceed with his application, he may then leave further statutory declarations in answer, within fourteen days from the delivery of the said copies of the patentee's declaration, or within such further time as the Comptroller may allow; and on so leaving such further declarations he is required to deliver to the patentee or his agent, copies thereof, and to furnish the Comptroller with evidence of such delivery (e).

The Comptroller will then intimate to the parties whether, having regard to the circumstances of the case, he considers it desirable and intends to hold a preliminary hearing on the question whether a *prima facie* case has been made in support of the allegations in the application, or whether he intends in ordinary course to deal at one hearing with the whole case, including the further questions whether the patentee can prove that the patented article or process is manufactured or carried on to an adequate extent in the United Kingdom, or can give satisfactory reasons why the article or process is not so manufactured or carried on (f).

(b) P. R. (1908), r. 76.  
(c) Official Notice, O. J., April 28th, 1909.  
(d) Official Notice, O. J., April 28th,

1909; P. R. (1908), r. 79.

(e) *Ibid.*

(f) Official Notice, I. O. J., April 28th, 1909.

Should the Comptroller think fit to hold a preliminary hearing, and as a result of such hearing decide that a *prima facie* case has been made in support of the allegation in the application, or should he determine to proceed in the ordinary course to deal at one hearing with the whole case, including the question whether the patentee can prove that the patented article or process is manufactured or carried on to an adequate extent in the United Kingdom, or can give satisfactory reasons why the article or process is not so manufactured or carried on, then, and in either of the said cases, he will give to the patentee further time for leaving at the Office and delivering to the applicant, pursuant to rule 79, evidence by way of statutory declaration with regard to such further questions or either of them, and will, subsequently, give to the applicant under rule 79, and thereafter, if necessary, to the patentee under rule 80, further time for leaving further evidence by way of statutory declaration with regard to such questions or either of them in answer or reply, as the case may be (*g*).

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On completion of the evidence or at such other time as he may see fit, the Comptroller appoints a time for the hearing of the case, and gives to the parties ten days' notice at least of such appointment, and in the event of his deciding to take evidence *vivâ voce* in lieu of or in addition to the evidence by declaration, or to allow any declarant to be cross-examined on his declaration, under the provisions of sect. 77 of the Patents and Designs Act, 1907, he may require the attendance of any declarant or other person whose evidence he may consider desirable (*h*).

If the Comptroller decides to revoke the patent, he makes an order for its revocation either forthwith, or after such reasonable interval as may be specified in the order, unless in the meantime it is shown to his satisfaction that the patented article or process is manufactured or carried on within the United Kingdom to an adequate extent (*i*). The patentee may obtain the discharge of a conditional order for revocation upon application to the Comptroller and proof of compliance with the condition within the period fixed by the order (*k*).

(*g*) *Ibid.*

(*h*) P. R. (1908), r. 81.

(*i*) See 7 Edw. 7, c. 29, s. 27 (2).

(*k*) See Weber's Patent (1910), 27 R. P. C. 30.

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The Act specially provides that no order shall be made which is at variance with any treaty, convention, arrangement, or engagement with any foreign country or British possession (*l*). This proviso was inserted because of Article II. of the modifying Act of 1900 (*m*).

It is of course open to the patentee at any stage of the proceedings to consent to an order for the revocation of the patent upon an admission of the fact alleged by the applicant. If a patentee intends not to contest the case, he should consent to the revocation promptly upon commencement of the proceedings in order to reduce the amount of costs he may be ordered to pay (*n*).

Appeal from  
Comptroller's  
decision.

There is a right of appeal to the Court from any decision of the Comptroller under this section; and on any such appeal the law officer or such other counsel as he may appoint is entitled to appear and be heard (*o*). In this connection "the Court" means such Judge as the Lord Chancellor may select for the purpose, and the decision of such Judge is final (*p*).

The appeal to the Court must be brought by petition, presented within one calendar month of the decision of the Comptroller, or within such further time as the Court may, under special circumstances, allow (*q*). The time for appealing runs during the long vacation, and the fact that the counsel who acted for the appellant at the hearing before the Comptroller, owing to absence from London, was not able to prepare the petition of appeal within the calendar month allowed by the Act, is not a special circumstance which will warrant an extension of time (*r*).

The petition must state the nature of the decision appealed against, and whether the appeal is from the whole, or part only, and if so, what part of such decision. It should also state concisely the ground of the appeal, and no grounds, other than those so stated, are, except with the leave of the Court, to be given on such terms and conditions as may seem just, allowed to be taken by the appellant at the hearing (*s*).

(*l*) See sect. 27 (2).

(*m*) See p. 337, *post*.

(*n*) See Taylor's Patent (1910), 26 R. P. C. 384; Boulton's Patent (1909), 26 R. P. C. 219; Müller's Patent (1909), 26 R. P. C. 209; Brooke's Patent (1909), 26 R. P. C. 161.

(*o*) 7 Edw. 7, c. 29, s. 27 (4).

(*p*) 7 Edw. 7, c. 29, s. 92 (2).

(*q*) R. S. C. Ord. liia. r. 4.

(*r*) Beldam's Patent (1910), 27 R. P. C. 758.

(*s*) R. S. C. Ord. liia. r. 4.

If the selected Judge is a Judge of the Chancery Division, the appeal is, subject to any direction of the Court to the contrary, to be set down in the same manner as if it were a witness action assigned to such Judge to be heard and disposed of in due course (*t*).

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of the Act  
of 1907.

The evidence used at the hearing of the appeal must be the same as that used at the hearing before the Comptroller, and no further evidence can be given except by the leave of the Court, on application to be made to the Court at or before the hearing (*u*). Where the patentee did not contest an application for revocation before the Comptroller, and the Comptroller made an order revoking the patent, but there was a sale *pendente lite*, the purchaser was granted leave to adduce further evidence on appeal, and was successful in obtaining a reversal of the Comptroller's order (*x*). The Court has all the powers by the Act vested in the Comptroller, and may make any order which might or ought to have been made by the Comptroller (*y*).

The costs of and incident to the appeal, including the costs of the hearing before the Comptroller, are in the discretion of the Court (*z*).

(*t*) R. S. C. Ord. liia. r. 5.

(*u*) R. S. C. Ord. liia. r. 6.

(*x*) Jonkergouw and Destrez's Patent

(1911), 28 R. P. C. 28, 428.

(*y*) R. S. C. Ord. liia. r. 8.

(*z*) R. S. C. Ord. liia. r. 9.

## CHAPTER III.

## AMENDMENT OF THE SPECIFICATIONS.

## PART I.—GENERAL.

Certain amendments are allowable.

A PATENT may be void and of no effect on account of a flaw in a specification. The law, in the interests and for the protection of patentees, allows certain amendments to be made from time to time; so a patent, which is void, owing to the carelessness or ignorance of the patentee in fulfilling his obligation of specifying the invention and the mode of carrying it into practical operation, may in certain cases, by amendment of the specification, be made perfectly valid (*a*).

It is not the practice of the Patent Office, however, to allow the amendment of the provisional specification further than what is required by the examiner, or by way of excision made before the acceptance of the complete specification, or by the correction of mere clerical errors (*b*).

Necessity for amendments should be avoided.

It will appear that it is greatly to the interest of the patentee to draft the specifications in the first instance with such care as will render subsequent amendments unnecessary. The consequences of an amendment may be, not only the incurring of expense, but the possible inability to recover damages in respect of infringements of the patent committed before the amendment. Further, the patentee cannot claim amendment of a specification as matter of right. The Comptroller and the Court have a discretion in the matter, and in a proper case amendment will be refused on this ground (*c*).

Procedure when specification is published.

The procedure relative to the amendment of specifications which have become public property is regulated by sect. 21 and

(*a*) The present chapter deals mainly with the amendment of specifications which have been accepted and become open to public inspection; questions relating to the amendment of the specifications before they have become

public property are treated of in chap. i. *ante*.

(*b*) Patent Office Circular of Information.

(*c*) See *e.g.*, *Alsop's Patent* (1907), 24 R. P. O. 684.



sect. 22 of the Patents and Designs Act, 1907, together with the Patents Rules, 1908, rr. 60—67, made under the powers conferred by the Act, and by the Supreme Court Rules, Ord. 53A, r. 23. Where this procedure applies it is immaterial whether the Patent Office has, or has not, advertised its acceptance of the complete specification (*d*). Consequently, when a complete specification has been accepted, though the Patent Office has not by advertisement signified its acceptance, it is not a valid objection to an amendment, once it is allowed, that the request for and the nature of the amendment were not advertised in the prescribed manner.

General.

The hearing of an opposition to the grant of a patent will be postponed to the hearing of an opposition to an application for leave to amend the specification (*e*).

It has been demonstrated in Vol. I. that if the specification describe and claim anything which is not subject-matter, or which is useless, or which is not new at the date of the patent, or if the specification be insufficient as to any part of the invention, or if it contain any misstatement respecting any material particular relating to the invention, whether inadvertently inserted or not, the patent is wholly void so long as the specification remains tainted with any of the above defects.

Defects which are fatal.

**Nature of Allowable Amendments.**—Before 1834, the date of the statute 5 & 6 Will. IV. c. 83, it was impossible to cure any defects such as the above, and persons not unfrequently lost the benefit of useful and meritorious inventions in consequence. The passing of the above statute, however, to a great extent removed this reproach to our Patent Laws, and though it was repealed by the Act of 1883 (*f*), its provisions and the benefits which it extended to patentees, were, with further additions, re-enacted by that Act, and again by the Act of 1907.

History of power of amendment.

From 1834 to the passing of the Act of 1883 patentees could only amend their specifications by way of disclaimer (*g*), that is to say, they could only cut matter out which they con-

(*d*) Jones' Patent, Griff. P. C. 313.

(*e*) Cochrane's Patent (1885), Griff. P. C. 304.

(*f*) 46 & 47 Vict. c. 57.

(*g*) Foxwell v. Bostock (1864), 4 De G. J. & S. 298, 306.

**Nature of  
Allowable  
Amend-  
ments.**

sidered to be superfluous as lacking utility or novelty, or as not being subject-matter.

If what was left of the specification would satisfy the requirements of the law, then the patent would be saved; but there was no provision for making a bad or incomplete description into a good or complete one, neither was it allowable to explain any ambiguity. It, consequently, very frequently happened that patentees found their specifications construed by Judges in a manner which they never intended, and were, sometimes, to their mortification told that, though their inventions were good and valuable, yet their specifications were so defective, and so hopelessly beyond the power of amendment by any means known to the law, as to make it impossible to maintain protection in respect of such inventions.

Very slight additions, however, were formerly allowed when they were necessary to render what remained after disclaimer intelligible (*h*), as, for example, the addition or transfer of the words "herein described" (*i*), and additions in the nature of explanations necessary to define a disclaimer are allowable under the present practice when the application is made pending action for infringement or petition for revocation (*k*).

**Amendments  
allowed under  
Act of 1907.**

The Act of 1907, like that of 1883, not only provides that patentees may disclaim any portion of their specifications, but extends to them the right, with the sanction of the Comptroller-General, and the law officer on appeal, to correct or explain any defective passage on condition that such disclaimer, correction, or explanation does not make the specification as amended claim an invention substantially larger or substantially different from the invention claimed by the specification as it stood originally (*l*).

Upon obtaining the leave of the Comptroller or the law officer, or the order of the Court as the circumstances may require, the applicant or patentee is required to leave at the Patent Office a new specification and drawings as amended and prepared in accordance with Patents Rules, 1908, r. 66.

An amendment, when there is no pending action or petition

(*h*) *Ralston v. Smith* (1865), 11 H. L. C. 223, 245.

(*i*) *Thomas v. Welch* (1866), L. R. 1 C. P. 122, 195.

(*k*) See *Owen's Patent* (1898), 15 R. P. C. 755; p. 138, *post*.

(*l*) 7 Edw. 7, c. 29, ss. 21, 22.

for revocation, may, under the provisions of sect. 21 of the Act of 1907, consist of a *disclaimer, correction, or explanation*; but when a patentee desires to amend his specification pending an action for infringement, or petition for the revocation of the patent, he is, under the provisions of sect. 22 of the Act of 1907, only allowed to do so by way of *disclaimer*, and not by correction or explanation, and he must first obtain the order of the Court, and in neither case is any amendment allowable 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 (*m*).

Nature of Allowable Amendments.

The Comptroller-General and law officer have an absolute discretion as to granting or refusing leave to amend, and not being a "Court" prohibition does not lie to them (*n*).

Discretion of Comptroller and law officer.

It is not easy to imagine a case in which, failing a decision of the House of Lords to the effect that the patent is void from some cause—*e.g.*, lack of subject-matter—which is incapable of being removed by amendment, it is on the whole desirable in the best interests of the public (of whom it must not be forgotten the patentee is a part) that the Comptroller should, in exercising his discretion to allow or refuse amendment, consider questions not directly relating to the inquiry whether the amendment sought is or is not a disclaimer, correction, or explanation, which does not make the specification as amended claim an invention substantially larger than, or substantially different from, the invention claimed by the specification without the amendment. Such questions as that: (1) the specification has already been amended once, and it would be unfairly prejudicial to the interests of some sections of the trade were the same to be amended again; (2) the patent has been held by a judgment, which has not been appealed from, to be void of subject-matter; and (3) if amended as proposed, the patent would be void of subject-matter (*o*), are for the consideration of the Court, and except in so far as they affect the question whether conditions should be imposed upon the patentee (*p*), ought not, it is submitted, to be entertained by

(*m*) 7 Edw. 7, c. 29, s. 22; s. 21 (8).

(*n*) Van Gelder's Patent (1889), 6 R. P. C. 22; *Ex parte Simon*, 4 Times Reports, 754.

(*o*) See (1911) (A.), 28 R. P. C. App. p. i.

(*p*) See p. 121, *post*.

**Nature of Allowable Amendments.**

the Comptroller. If satisfied that the amendment of the specification would not remove the ground upon which the House of Lords has declared the patent to be invalid, the Comptroller rightly in his discretion and the best interests of all concerned refuses to allow amendment at all (*q*).

**Leave to amend no guarantee of validity.**

Leave to amend is no guarantee that the specification, when amended, will not still invalidate the patent. The patentee, it must be remembered, makes the amendment at his own peril (*r*). Thus, in the case of *Deeley's Patent* (*s*), it appeared that three claims were, in an infringement action, held to have been anticipated, and the patentee then amended by striking out the three claims and entering a disclaiming clause. The defendant in the action thereupon petitioned for the revocation of the patent, and succeeded on the ground that one of the remaining claims was bad for want of subject-matter.

**Amendment no evidence of prior invalidity.**

It is not to be inferred from the circumstance that a patentee has entered a disclaimer, or made any other amendment of the specification, that the patent was necessarily bad before the amendment, for it may well be that the alteration was in fact not requisite, and only made to obviate any doubt that might arise on the specification as originally filed (*t*).

**Disconformity after amendment.**

A disconformity between an amended complete specification and a provisional specification, if within sect. 42 of the Act, is fatal to the validity of the patent (*u*).

**Defects in earlier specifications.**

A patentee is not allowed to amend his specification in such a way as to make the amendment amount to an imputation that certain disadvantages exist in the method of carrying out an invention described and claimed by the specification of a prior patent, when, as matter of fact, there is no evidence before the Comptroller or law officer of the actual existence of such alleged disadvantages, though such allegation might not be an objection to filing the specification in the first instance (*x*).

**Specification amended under provisions of**

As regards an amendment made under the provisions of sect. 21, the Act of 1907 provides (*y*) that "the amendment

(*q*) See, *e.g.*, *Hennebique's Patent* (1910), 28 R. P. C. 41.

(*r*) *Lake* (1887), Griff. L. O. C. 16; 5 R. P. C. 415.

(*s*) (1895), 12 R. P. C. 65, 192.

(*t*) *Stocker v. Warner* (1845), 1 C. B. 148, 165; 9 Jur. 136, 138.

(*u*) See Vol. I. pp. 184—191, *ante*.

(*x*) *Hampton and Facer* (1887), Griff. L. O. C. 13.

(*y*) 7 Edw. 7, c. 29, s. 21 (7).

shall, in all Courts and for all purposes, be deemed to form part of the specification." The authorities warrant the statement that these words mean (*inter alia*) that the amended specification shall, in all Courts and for all purposes, have the same effect as if it had been filed, in the amended form, on the date of the original, so that a patentee may sue for, and recover, on his amended specification, damages in respect of infringements committed before the amendment; but this statement is subject to the qualification that the patentee must establish, to the satisfaction of the Court, that his original specification was framed in good faith and with reasonable skill and knowledge (z). If a successful plaintiff in an action for infringement is able to satisfy the Court on this point, the account or damages, as the case may be, will be ordered as from the date of the patent (a).

Nature of Allowable Amendments.

sect. 21 of the Act of 1907 takes the place of the original for all purposes.

In the case of an application under sect. 21 of the Act of 1907 to reamend a specification which has already been amended the original is not considered, but only the specification in its last amended state. This is so because by express statutory provision the amendment is deemed in all Courts and for all purposes to form part of the specification (b).

It would also appear, on the authority of *Moser v. Marsden* (c), a case decided by the House of Lords, that, though it is open to an opposer to raise the question that the proposed amendment would make the claim, as amended, larger than the original claim, yet the decision of the law officer allowing amendment is final on this point, and the Courts will not review it. It is submitted, on the other hand, that in a subsequent action on the patent the amendment is not conclusive and may be questioned on the point as to whether the amended claim embraces something which is not to be found fairly described in the original provisional specification, and so creates a fatal disconformity, within sect. 42 of the Act of 1907, between the amended complete specification and the provisional (d). That is to say, the decision of the law officer upon the question of amendment is unreviewable so long as the amendment

Law officer's decision is final as to fact of the extension of a claim by amendment.

(z) 7 Edw. 7, c. 29, s. 23.

(a) *Wenham v. Carpenter* (1887), 5 R. P. C. 68; *Hopkinson v. St. James's and Pall Mall Electric Light Co.* (1892), 10 R. P. C. 62.

(b) See 7 Edw. 7, c. 29, s. 21 (7); *Hattersley and Jackson's Patent* (1904), 21 R. P. C. 233.

(c) (1895), 13 R. P. C. 24.

(d) See Vol. I. p. 184.

**Nature of  
Allowable  
Amend-  
ments.**

allowed is within the limits of the provisional specification as originally filed; but if the amendment goes outside that, it may create a fatal disconformity to which the Courts would give effect. The older cases usually cited in favour of the proposition that an amendment which widens or alters the scope of the claims is fatal to the validity of the patent must, in so far as they were decided upon the Acts of earlier date than that of 1883, be considered as not applicable to the Act of 1907, and in so far as those decided since the Act of 1883 are concerned must be considered as overruled on this point (e).

It is to be noticed that the question of the legality of a disclaimer or other amendment once allowed by the law officer was not argued in *Moser v. Marsden* (f), and it may be that upon argument the House of Lords might review their decision in that case so far as it affects the point under discussion, but it is submitted that the above statements embrace a true exposition of the law on the subject. In *Perry v. Société des Lunetiers* (g) the objection was taken that an amendment allowed by the law officer had enlarged the claims originally made. The objection, however, failed, and it was consequently not necessary for the Court to decide whether having regard to *Moser v. Marsden* the objection could be made at all. It is submitted that it could not; but, if in fact there had been an enlargement of the claim which went beyond the limits of the provisional specification, the patent might, in accordance with the law in force at that date, have been declared void on the ground of disconformity between the specifications (h).

**Practice when  
an amend-  
ment under  
sect. 21 is  
objected to  
on the ground  
that it extends  
the claim.**

Before the decision in *Moser v. Marsden* (i), the Comptroller-General and the law officers used to be guided in the matter of allowing amendments, which were said by opponents to make the specification, contrary to the provisions now included in sect. 21, sub-sect. (7), of the Act of 1907, claim an invention substantially larger than or substantially different

(e) The cases referred to are *Ralston v. Smith* (1865), 11 H. L. C. 550; *Dudgeon v. Thompson* (1877), L. R. 3 App. Cas. 55; *Re Gaulard & Gibbs' Patent* (1888), 5 R. P. C. 189; 6 R. P. C. 225; 7 R. P. C. 367; *Van Gelder's Patent* (1889), 6 R. P. C. 22; *Farben Fabrik v. Bowker* (1891), 8 R. P. C.

391; *Lane Fox v. Kensington and Knightsbridge Electric Lighting Co.* (1892), 9 R. P. C. 221, 413.

(f) See *Dellwick's Patent* (1896), 13 R. P. C. 596.

(g) (1896), 13 R. P. C. 664.

(h) See Vol. I. p. 184.

(i) (1895), 13 R. P. C. 24.

from the invention claimed by the specification as it stood before amendment, by the rule that in the event of doubt the patentee was to have the benefit of the doubt. This rule was based upon the then prevailing notion that the law officer's decision was not conclusive, and consequently if it was wrongly exercised in favour of the applicant it could be set right by the Courts, but, if it was wrongly exercised against the applicant, it was final and not open to review (*k*). When this ground of opposition is taken against a proposed amendment now the law officers require to be satisfied that the amendment will not infect the specification with the vice referred to, before they grant leave to amend (*l*).

**Nature of Allowable Amendments.**

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*Walker's Application* (*m*), selected from amongst other cases (*n*), furnishes a good illustration of an amendment being refused on the ground that no amendment can be allowed which would make the amended specification claim an invention substantially larger than, or substantially different from, the invention as claimed by the specification as it stood before amendment (*o*).

**Examples of amendments which are not allowable.**

In *Walker's Application* (*p*), it appeared that *Walker's* patent was for "improvements in machinery employed for preparing and spinning cotton and other fibrous materials." The complete specification stated that the object of the invention was to support the top clearing rollers, so as to prevent them from rolling off the front rollers, and to keep them always in equal contact with both rollers. The invention consisted principally in an inclined bearer or bearers (slotted or otherwise) on or against which the pivots projecting from the centre of the clearers rested. In one part of the specification it was stated that "the said bearers may either be fixed to any hook, or they may be attached to any other fixing or part of the frame, in which case they form adjustable inclined planes." The claim was for the construc-

(*k*) *Bateman and Moore's Patent* (1854), *Macr. P. C.* 116; *Lake* (1886), *Griff. L. O. C.* 16.

(*l*) See *Parkinson's Patent* (1896), 13 *R. P. C.* 512.

(*m*) *Griff. L. O. C.* 22; see also *Parkinson's Patent* (1896), 13 *R. P. C.* 509.

(*n*) See also *Ralston v. Smith* (1865), 11 *H. L. C.* 223, 254; *Lucas' Patent*

(1854), *Macr. P. C.* 235; *Gaulard and Gibbs' Patent* (1889), 6 *R. P. C.* 215; *Heath and Frost's Patent* (1886), *Griff. P. C.* 311; *Parkinson's Patent* (1896), 13 *R. P. C.* 509; *Johnson's Patent* (1896), 13 *R. P. C.* 659; *Vidal's Patent* (1898), 15 *R. P. C.* 721.

(*o*) 7 *Edw.* 7, c. 29, s. 21 (b).

(*p*) *Griff. L. O. C.* 22.

**Nature of  
Allowable  
Amend-  
ments.**

tion and application to the class of machinery referred to of an inclined bearer or bearers to support the top clearing rollers substantially as set forth. The patentee sought by his amendment (*inter alia*) to insert the word "*adjustable*" before the term "bearer or bearers" wherever the same occurred in the description and in the claim. The Comptroller, however, refused to allow this, holding that the insertion of the word "*adjustable*," as desired, would make the specification claim an invention substantially larger than, or substantially different from, the original specification (*q*).

It is competent for a patentee to claim a combination as a whole, and also a subordinate part or parts separately (*r*). When, however, there is a distinct claim to the whole, it is not allowable for the patentee to amend his specification by striking out that claim and inserting one for a subordinate part alone, since such an alteration would make the amended specification claim an invention substantially different to that claimed by the original (*s*).

In a case where certain patentees in their specification described and claimed several parts of an apparatus, and it appeared on the face of it that the intention was to claim the several parts conjointly, an alteration was allowed whereby the words "firstly," "secondly," and "thirdly" were struck out, and the word "or" was substituted for "secondly" and "and" for "thirdly," but the insertion of the words "in combination with" between the second and third claiming clauses was not allowed (*t*).

Leave to amend may be refused on the ground that the ambiguity of the proposed amendment, if such be the case, would lead to litigation and be calculated to create uncertainty among persons interested in the patent (*u*).

**Amendment by the Court.**—Sect. 22 of the Patents and Designs Act, 1907, was sect. 13 of the Patents and Designs (Amendment) Act, 1907, the new provisions of which replaced sect. 19 of the Patents, Designs and Trade Marks Act,

(*q*) See note (*n*), p. 109, *ante*.

(*r*) See Vol. I. p. 250.

(*s*) Serrell's Patent (1889), 6 R. P. C. 101.

(*t*) Bateman and Moore's Disclaimer (1852), Macr. P. C. 116.

(*u*) Parkinson's Patent (1896), 13 R. P. C. 509, 514.



1883 (x). The terms of sect. 22 of the Patents and Designs Act, 1907, are as follows:—

**Amend-  
ment by  
the Court.**

“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 in such manner, and subject to such terms as to costs, advertisement or otherwise, as the Court may think fit:

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.”

Comparing the substituted with the older section, it is apparent that, whereas under the old section the Court had power to order that the patentee should, subject to such terms as to costs or otherwise as the Court or a Judge might impose, be at liberty to apply at the Patent Office for leave to amend by disclaimer, under the new substituted section the Court has power itself, by order, to allow the patentee to amend by way of disclaimer, and subject to such terms as to costs, advertisement or otherwise, as the Court may think fit.

Sect. 22 of the Act of 1907 compared with sect. 19 of the Act of 1883.

The first part of the proviso limits the power of the Court to allowing only amendments by way of disclaimer which do not 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. In case of leave being given by the Court or a Judge, under the old sect. 19 of Act of 1883, to apply at the Patent Office to amend by way of disclaimer, the procedure was by

(x) Sect. 19 of the Act of 1883 was as follows:—“In an action for infringement of a patent, and in a proceeding for revocation of a patent, the Court, or a judge may, at any time, order that the patentee shall, subject to such terms as to costs and

otherwise as the Court or a judge may impose, be at liberty to apply at the Patent Office for leave to amend his specification by way of disclaimer, and may direct that, in the meantime, the trial or hearing of the action shall be postponed.”

Amend-  
ment by  
the Court.

way of sect. 18 of the Act of 1883, which is sect. 21 of the present Act (*y*), and that section contained the same provision as to the nature of allowable amendments by way of disclaimer as the present sect. 22 does. But sect. 18 of the Act of 1883 further provided that the amendment should be advertised in the prescribed manner, and should in all Courts, and for all purposes, be deemed to form part of the specification. The latter provision is re-enacted by sect. 21, sub-sect. (7). An amendment sanctioned under sect. 21 by the law officer is not open to review by the Court in subsequent proceedings relating to the patents (*z*). It is to be noticed that there is nothing in the present sect. 22 to correspond with the provisions of sect. 21, sub-sect. (7), that the amendment shall, in all Courts and for all purposes, be deemed to form part of the specification; and further, by sect. 21, sub-sect. (8), it is provided that the provisions of sect. 21 are not applicable when the provisions of sect. 22 apply. It, therefore, seems that a disclaimer which has been allowed by the Court under sect. 22, in one proceeding, may be questioned, in other proceedings between different parties, either on the ground that it was not a disclaimer, or that, though a disclaimer, it was one which made 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.

The present section provides that the Comptroller shall appear and be heard if he desires so to do, or if the Court so directs him.

Leave may be refused on the ground that the amendment if made would not validate the patent.

It is submitted that where there has been an adverse decision against the patent, including (*inter alia*) a claim which the patentee is desirous of leaving untouched, or only slightly modified, the Court will not, upon a subsequent action for infringement or petition for revocation, exercise its discretion in favour of the applicant, unless it is satisfied that the applicant has substantial grounds of objection to the adverse decision worthy of being submitted to a Court with power to review it (*a*). In one case, under sect. 19 of the

(*y*) Hall's Patent (1888), 5 R. P. C. 306; Lang's Patent (1890), 7 R. P. C. 471; Owen's Patent (1898), 15 R. P. C. 759.

(*z*) See p. 107, *ante*.

(*a*) See Deeley's Patent (1894), 11 R. P. C. 72; 12 R. P. C. 65, in which leave to apply was given, and after amendment the patent was declared void.

Act of 1883, where there was a pending petition for revocation leave to apply at the Patent Office for leave to amend was refused, on the ground that the patent if amended as desired would be still anticipated by a prior specification pleaded in the particulars (*b*).

Amend-  
ment by  
the Court.

It will now be convenient to consider separately the different forms of amendment which the law allows.

**Disclaimer.**—Disclaimer, as defined by Lord *Chelmsford*, Definition. is “the renunciation of some previous claim actually or apparently made or supposed to be made” (*c*), and the following remarks of Lord *Westbury* with reference to a disclaimer under the Act of 1835 are applicable to a disclaimer under the Act of 1907:—

“The object of the Act authorising disclaimers was plainly this, that when you have in your specification a sufficient and good description of a useful invention, but that description is imperilled or hazarded by something being annexed to it which is capable of being severed, leaving the original description in its integrity good and sufficient . . . then you might, by the operation of a disclaimer, lop off the vicious matter, and leave the original invention as described in the specification, untainted and uninjured by that vicious excess (*d*). But it never was intended that you should convert a bad specification, in the sense of its not containing the description of any useful invention at all, into a good specification by adding words which would convert what has been properly called in the Court below ‘a barren and unprofitable generality’ into a specific and definite and practical description. . . . The statute never contemplated that a patentee should have the power, under the form of a disclaimer, of making material additions to the original specification, so as, by the aid of the corrected form of words and the additions so made, to introduce into the specification an accurate and perfect description of an invention which you seek for in vain in the original specification” (*e*).

(*b*) *Armstrong's Patent* (1896), 13 R. P. C. 501; 14 R. P. C. 747.

(*c*) *Ralston v. Smith* (1865), 11 H. L. C. 254.

(*d*) *E.g.*, *Cochrane's Patent* (1885), Griff. P. C. 304; *Rylands' Patent*

(1888), 5 R. P. C. 665; *Nordenfelt's Patent* (1887), Griff. L. O. C. 18;

*Allen's Patent* (1887), Griff. L. O. C. 3.

(*e*) *Ralston v. Smith* (1865), 11 H. L. C. 223, 243.

**Disclaimer.**

Disclaimers  
which extend  
the claim.

A disclaimer which extends the ambit of the claims, or makes the specification claim an invention substantially different to that originally claimed, should not be allowed (*f*).

When it is said by the opponent that a disclaimer or other amendment will extend the claim, the real question to be decided always is, not whether any particular claim is extended by the amendment, but whether the total grant is extended. Though one particular claim may be extended it may be that it is only made to include something which was originally included in another claim. In such a case the leave to amend should not be refused (*g*). The legitimate object of amendment is to take out and remove part of, or to further explain, what had been claimed before; it is not legitimate by striking out or altering part of the specification, to give an extended and larger sense to what is left, so as to make it embrace something which it did not embrace before (*h*). Where, in the original specification, there are separate claims to distinct things or features, but it is distinctly pointed out to the public that the patentee intended to claim the combination of the same, it is permissible to delete the separate claims and substitute a new claim for the combination (*i*).

The words of sub-sect. (1) of sect. 21 of the Act of 1907, "by way of disclaimer, correction, or explanation," refer to disclaiming something which was originally wrongly inserted, or to explaining something which requires explanation, having regard to the statement made in the first instance by the patentee (*k*).

If there is a claim for A, B, C, D, E, and F, and the patentee by amendment confines it to F, the amended claim is narrower than the original, but it is not different, for it is included in it (*l*). This reasoning does not apply in a case where the special form to which it is proposed to confine the

(*f*) 7 Edw. 7, c. 29, ss. 21 and 22.

(*g*) See Cochrane's Patent (1885), Griff. P. C. 384; Ashworth's Patent (1886), Griff. L. O. C. 6; Rylands' Patent (1888), 5 R. P. C. 665; Nordenfelt's Patent (1887), Griff. R. P. C. 18; Lake's Patent (1887), Griff. R. P. C. 16; Morgan's Patent (1886), Griff. R. P. C. 17; Johnson's Patent (1896), 13 R. P. C. 660; Dellwick's Patent (1898), 15 R. P. C. 686.

(*h*) See remarks of Lord Blackburn, *Dudgeon v. Thompson* (1877), L. R. 3 App. Cas. 55.

(*i*) Goldstein's Patent (1910), 27 R. P. C. 289.

(*k*) Per Webster, A.-G., Johnson's Patent (1896), 13 R. P. C. 660.

(*l*) Cochrane's Patent (1885), Griff. P. C. 305; Dellwick's Patent (1898), 15 R. P. C. 682; Hattersley and Jackson's Patent (1904), 21 R. P. C. 238.

claim is not specifically described in the unamended specification, and there is ground for holding that it was not intended to be specifically claimed originally. Under such circumstances the amendment should not be allowed, because it might make the amended specification claim an invention substantially different to that claimed in the unamended specification (*m*); and if the proposed amended claim is a claim to a combination, one part of which is not mentioned in the body of the specification, though it is shown in a drawing but equally with other features, it may not be allowed, because such a claim would make the specification as amended claim an invention substantially different from the invention claimed by the specification as it stood before amendment (*n*).

In *Ralston v. Smith* (*o*), a case decided by the House of Lords under the repealed Acts, which is not an authority now upon the effect of the law officer's decision with reference to allowing an amendment, but which may be quoted as an instance of a so-called disclaimer really amounting to an extension, a patentee of "improvements in embossing fabrics" claimed the use of grooved, fluted, or indented rollers of metal, wood, or other suitable material, driven at a greater speed than the bowl or bowls connected with them, so as to exert a rubbing action on the fabric, and thereby produce an indefinite variety of patterns. Subsequently he disclaimed the use of any pattern rollers with the exception of metal rollers and circular grooves. It appeared in evidence that only circular grooves would produce the effect required, and further that the making the roller and bowl revolve at different speeds was not new at the date of the patent. As Lord *Chelmsford* observed, the rollers were not specially described in the original specification, but were merely involved in the general terms which were used, and the plaintiff had consequently not complied with the condition of the letters patent in particularly describing and ascertaining the nature of the invention. When, therefore, by his disclaimer, he confined

(*m*) *E.g.*, Dobbie's Patent (1909), not reported.

(*n*) Hattersley and Jackson's Patent (1904), 21 R. P. C. 233; but note the first claim of the specification, and see

Hattersley *v.* Hodgson (1904), 21 R. P. C. 517; 23 R. P. C. 192.

(*o*) (1865), 11 H. L. C. 225; see also cases referred to in the footnote (*n*), p. 109, *ante*.

Disclaimer. his claim to circular grooved rollers as his sole invention, though in one sense he might be said to narrow a right, yet he really extended it, because he thereby enlarged his alleged invention sufficiently to enable him to assert a right under the patent which he never could have successfully maintained upon the original specification (p).

*Ralston v. Smith* may be contrasted with *Seed v. Higgins* (q), where a patentee obtained a patent for an improvement in machinery used for sewing-cotton, and his specification appearing to claim the discovery of the application of the principle of centrifugal force for such purpose, he filed a disclaimer, declaring that he intended to claim only the application of centrifugal force in the particular manner described in the specification, and the House of Lords held that the disclaimer was legitimate and saved the patent.

A disclaimer which turns an ambiguous specification into a clear specification is allowable (r).

A disclaimer which, on the other hand, turns an insufficient description into a sufficient one will not be allowed when the patent was obtained on the personal application of the real inventor himself, though it might be allowed if the invention was one communicated from abroad, or where the inventor was a foreigner and his specification was mistranslated, and the foreign inventor came and satisfied the Comptroller or law officer that his agent had made a mistake in writing out or translating the description furnished to him by the foreign inventor (s).

The rule involved in *Seed v. Higgins* was applied by the Attorney-General in giving his judgment in an appeal from the decision of the Comptroller in *Rylands' Patent* (t), decided under the Act of 1883—viz., if on its face the specification is clearly capable of two or more constructions, it is open to a person, applying to amend, to satisfy the law officer or the Comptroller that he desires to limit the claim to one, or more, of two or more constructions to which the specification is open.

Thus in *Rylands' Patent* (u), the essence of *Rylands'* in-

(p) *Ralston v. Smith* (1865), 11 H. P. C. 661, 662.  
L. C. 255.

(q) (1860), 8 H. L. C. 550.

(r) *Johnson's Patent* (1896), 13 R.

(s) See *Ibid.*

(t) (1888), 5 R. P. C. 665.

(u) *Ibid.*

Disclaimer which turns an ambiguous into a clear specification is allowable, but not so a disclaimer which turns an insufficient into a sufficient description.

Rule in *Seed v. Higgins*.

vention was two modifications in which forms of boxes were constructed, wherein, instead of there being the ordinary hoop-iron, nailed on the flat or side, and so forming an angle with the corner, a groove was cut in the surface of the two sides of the right angle, and in this groove wire or hoop-iron was placed, and fastened in, the object being to prevent the edges of the wire catching any obstruction, or being caught by any obstruction in the course of transit, and thereby being torn off or injuring other property. It was agreed on both sides that the patentee contemplated fastening the iron by either *nails* or *loops*, but the opposer alleged that to limit the claim, as the applicant desired to do, to fastening the hoop-irons in the grooves by means of *loops* would be to make the amended specification claim an invention larger than, and different to, that described and claimed by the specification before amendment. The Attorney-General, however, did not take this view of the case, and, applying the above-stated principle, granted leave to apply at the Patent Office to make the amendment proposed. So again, in *Ashworth's Application* (x), it was objected that the proposed amendment would make the specification claim an invention different to that claimed by the original specification, but the Comptroller allowed the amendment. The Solicitor-General, in dismissing an appeal from the Comptroller's decision, expressed himself to be of opinion that the amendment only amounted to an explanation as to which of two possible constructions the patentee wished put on his claim, and that the specification, as a whole, before the amendment, indicated that the patentee really intended the construction to which by the alteration he desired to limit his claim. During proceedings in *R. v. Mill* (y) for the repeal of a patent for "improvements in instruments used for writing and marking, and in the construction of inkstands," the patentee filed a disclaimer of three of the claims. These claims related to pens, and to instruments used for marking with a stamp. Those which remained untouched were for improvements in pen-holders and pencil-cases, and for the construction of ink-stands. It was held by the Court of Common Pleas that the title of the letters patent was satisfied by the specification as amended by the disclaimer.

(x) (1886), Griff. L. O. C. 6.

(y) (1850), 10 C. B. 379.

**Disclaimer.**

Amended specification must be construed without reference to the disclaimer.

It must be remembered that the effect of a disclaimer is merely to strike out from the specification those parts which are disclaimed, and it cannot operate by way of a claim to the residue, nor can what remains of the specification be construed by the disclaimer (*z*); nor does the reason for a disclaimer form any part of the specification, by virtue of the disclaimer, so as to influence the construction to be put upon it (*a*). The amended specification must be construed, without reference to any deleted part, as though it had been originally filed in its amended form (*b*), but for the purpose of explaining an ambiguity (if any) in the amended specification reference may be made to the original (*c*); and when a specification is amended by disclaimer by referring to what is illustrated, it is read as a claim for a special construction, with the result that a different construction is no infringement (*d*).

Corrections and explanations are allowable when they do not exceed

**Correction and Explanation.**—A mistaken method or description of a process may be corrected by amendment—*e.g.*, where a patentee directed that “the last traces” of a substance should be removed from solution by cooling by ice, and the evidence showed that *all* the substance could not be removed by ice cooling, he was allowed to substitute the words “as much as possible” for the words “the last traces.” Had the specification directed the removal of “the last traces” by “any well-known means,” or “by any means,” or “by the best means,” the amendment would not have been allowed, as it would then have made an original insufficient into a sufficient description (*e*). In cases where an error has arisen from mis-translation it is usually necessary to file evidence in the form of statutory declarations.

The patentee must in all cases show that there is a real reason for requiring a correction or explanation before he will be permitted to make one. Thus, where an applicant asked

(*z*) Per Cresswell, J., *Tetley v. Easton* (1852), 2 C. B. N. S. 706, 730.

(*a*) *Cannington v. Nuttall* (1871), L. R. 5 E. & I. App. 205, 228.

(*b*) *Reason Manufacturing Co. v. Ernest F. Moy, Ltd.* (1902), 19 R. P. C. 409, 412, 415; *Moser v. Marsden* (1895), 13 R. P. C. 31; *Hattersley v. Hodgson* (1904), 21 R. P. C. 517; *Jandus Arc Lamp and Electric Co., Ltd. v. Arc Lamp Co.* (1905), 22 R. P. C. 277;

*Lake and Elliot v. Rotax Motor Accessories, Ltd.* (1911), 28 R. P. C. 532.

(*c*) *Moser v. Marsden* (1895), 13 R. P. C. 21, 31; *Dudgeon v. Thompson* (1877), L. R. 3 App. Cas. 40, 45; *Jandus Arc Lamp and Electric Co., Ltd. v. Arc Lamp Co.* (1905), 22 R. P. C. 277.

(*d*) *Foden v. Wallis & Stevens, Ltd.* (1908), 25 R. P. C. 786.

(*e*) *Johnson's Patent* (1896), 13 R. P. C. 663; p. 116, *ante*.



for leave to amend his specification by inserting an explanatory statement of the principle on which the invention was based, the law officer, on appeal, refused to allow the amendment, because he thought the principle of the invention was amply described in the original specification, and he was of opinion that no ground had been shown on which the amendment ought to be allowed (*f*).

Correction  
and Ex-  
planation.

*Morgan's Patent* (*g*) furnishes an instance of an amendment by way of explanation and correction. It appeared that one of the figures in the drawings had been misdescribed, and the figure was clearly included in the provisional specification and covered by the claim of the complete specification. The patentee was allowed to amend by inserting a proper description of the figure, but he was not allowed to add anything to his claim.

The function of a correction or explanation within sect. 21 of the Act of 1907 is to explain more clearly what was the meaning, *i.e.*, the intention of the patentee at the time he patented the invention; it is not intended that he should put in subsequently ascertained knowledge, and such an insertion will not be allowed (*h*).

the legitimate  
function of a  
correction or  
explanation.

An explanation which is requisite to remove an ambiguity as to the real meaning of the patentee is justifiable (*i*); but an extensive amendment which amounts to a rewriting of the specification will not be permitted (*k*).

The Master of the Rolls, as keeper of the records, had, prior to the Act of 1883, an original jurisdiction, in cases where he was satisfied that a specification as filed contained clerical errors, to order that such errors should be rectified (*l*).

Clerical  
errors: juris-  
diction of  
the Master  
of the Rolls.

Corrections were made, on the authority of the Master of the Rolls, where "October" was written by mistake for "November" (*m*); where "Charles" was written for "George" (*n*); where reference numbers were transposed (*o*); where "recovery"

(*f*) Nordenfelt's Patent (1887), Griff. L. O. C. 18.

(*g*) (1886), Griff. L. O. C. 17.

(*h*) Beck and Justice (1877), No. 4114, Griff. L. O. C. 10; Johnson's Patent (1909), 26 R. P. C. 780.

(*i*) Ashworth's Patent (1886), Griff. L. O. C. 6.

(*k*) Nairn's Patent (1891), 8 R. P. C. 444.

(*l*) Sharp's Patent (1840), 1 W. P. C. 641, 646; 3 Beav. 245; Johnson's Patent (1877), L. R., 5 Ch. D. 503.

(*m*) Rubery's Patent (1837), 1 W. P. C. 640, n.

(*n*) Dismore's Patent (1853), 18 Beav. 538.

(*o*) Redmond's Patent (1828), 1 W. P. C. 649, n.; 5 Russ. 44.

Correction  
and Ex-  
planation.

had been written for "covering" (*p*); where "wire" was inserted for "fire," and the mistake was not discovered for five years; and where there was an apparent error in the drawings attached to the specification (*q*).

The Master of the Rolls had never authority to permit or order an erroneous claim or statement to be expunged or amended merely in his capacity of keeper of the records, his authority in such capacity to allow corrections being strictly limited to verbal or clerical errors.

But in *Re Berdan's Patent* (*r*), where a disclaimer had been filed without the consent of the patentee, it was held that the Master of the Rolls had jurisdiction, without bill filed, to order it to be taken off the file. The case was distinguished from *In re Sharp's Patent* (*s*), on the ground that in the latter the application was not to take an improperly filed document off the file, but to alter an enrolment.

The Acts of 1883 and 1907 do not appear to have taken away this jurisdiction of the Master of the Rolls to allow an amendment of merely verbal or clerical errors in a specification, both before and after it has been placed on the file (*t*).

Present prac-  
tice as to  
correction of  
clerical errors.

In *Re Gare's Patent* (*u*) the Master of the Rolls allowed the correction of a clerical error in a specification which had been filed under the Patent Law Amendment Act of 1852, and gave it as his opinion that the Act of 1883 does not affect the power of the Master of the Rolls, as keeper of the records, to allow the amendment of a clerical error in a specification, which is to be considered as under his authority. The Master of the Rolls expressed the further opinion that so long as the specification is in the Patent Office, and before the patent is sealed, the proceedings of sect. 18 of the Act of 1883, now sect. 21 of the Act of 1907, should be the only proceedings taken by any one asking for amendment.

Sect. 21 of the Act of 1907 also regulates the correction of clerical errors as well as all other matters of legitimate correction after the patent is sealed, for the amendment of a clerical error is included in the term "correction" in sub-

(*p*) *Nickell's Patent* (1841), 1 W. P. C. 650; 4 Beav. 563.

(*q*) *Abel's* (1874). No. 2081.

(*r*) (1875), L. R. 20 Eq. 346.

(*s*) (1840), 1 W. P. C. 641.

(*t*) *Re Gare's Patent* (1884), L. R. 26 Ch. D. 105; *Re Morgan's Patent* (1876), 24 W. R. 245; Judicature Act, 1873, s 17, sub-s. 6.

(*u*) L. R. (1884) 26 Ch. D. 105.

sect. (1), and consequently it is not necessary to invoke the authority of the Master of the Rolls to rectify a clerical mistake. Sect. 70 expressly gives the Comptroller power to correct clerical errors in, or in connection with, any application for a patent, or in any patent or any specification (*x*).

Correction  
and Ex-  
planation.

It is the practice of the Comptroller to allow corrections of clerical errors in the specification under sect. 70 before the patent is sealed, but after sealing to insist on the amendment being filed under sect. 21 and advertised, except in such cases as mere misspelling.

The amendment of a clerical error in a specification, as also other amendments, may be refused on the ground of delay (*y*). Thus in *Re Blamond's Patent* (*z*), the Lord Chancellor, though doubting whether he had power under 15 & 16 Vict. c. 83 to order the amendment of a clerical error in the spelling of the patentee's name, refused to do so on the ground that the applicant had shown gross negligence in not applying to rectify the mistake earlier, as the patent was five years old, and it was impossible to say what interests might be affected by doing what was desired.

Delay may be  
a bar to  
amendment.

So far there has been no reported case of an application for leave to amend a specification by the insertion of a drawing not described in the specification. It is submitted that, if the insertion of a drawing be desirable in order to make clear what the patentee intended when he filed his specification, it would be allowed, on the ground that a drawing is part of the specification, and its insertion merely amounts to a legitimate explanation (*a*).

Amendment  
by inserting  
drawings.

When a claim is ambiguous it may be amended by way of explanation, so as to make perfectly clear what was the real meaning of the patentee, taking into account the fact that the claim must be construed with reference to the context and drawings of the specification (*b*).

Explanation  
of ambiguous  
claim.

**Conditions.**—The Comptroller and law officer have the power to impose conditions when granting leave to amend (*c*);

(*x*) See Patents Rules (1908), r. 95.  
(*y*) *Blamond's Patent* (1860), 3 L. T. N. S. 800; *Lang's Patent* (1890), 7 R. P. C. 469; *Johnson's Patent* (1896), 13 R. P. C. 659.  
(*z*) (1860), 3 L. T. N. S. 800.

(*a*) *Lang's Patent* (1890), 7 R. P. C. 469, 471.  
(*b*) *Ashworth* (1873), No. 3513, Griff. L. O. C. 6.  
(*c*) 7 Edw. 7, c. 29, s. 21; *Hearson's Patent* (1884), 1 R. P. C. 214; *Pietsch-*

Conditions. and the Court, in cases where a patentee desires to amend during an action for infringement or a petition for revocation, has jurisdiction to impose terms as to costs and otherwise as a condition of the order allowing the patentee to amend by way of disclaimer (*d*).

Condition that no action be brought in respect of infringements before a certain date.

Before the Act of 1883 it was not an uncommon condition that no action should be brought on the amended specification in respect of infringements committed before amendment (*e*), or in respect of certain continued infringements after amendment (*f*). The matter is one of discretion to be exercised in view of the peculiar circumstances of each case. The Comptroller and law officers, as also the Court, usually consider that persons who have infringed the patent before amendment are sufficiently protected by the terms of sect. 23 of the Patents and Designs Act, 1907, which is a reproduction of sect. 20 of the Act of 1883, and provides that in an action founded on an amended specification, no damages shall be given in respect of the use of the invention before amendment unless the patentee establishes to the satisfaction of the Court that his original specification was framed in good faith and with reasonable skill and knowledge.

Any party is, however, at liberty to bring forward any special circumstances which require a special condition for his benefit (*g*).

During the argument in *Ashworth's Application* (*h*) the Solicitor-General said that if he saw, or if there was any evidence before him, that the patent had been used for the purpose of endeavouring to obtain a monopoly larger than that which the specification as amended claimed, he should consider that a special circumstance, and impose the condition that no action should be brought for anything done at any time before

man's Patent (1884), Griff. P. C. 314; Davies v. Davies (1911), 28 R. P. C. 50.

(*d*) 7 Edw. 7, c. 29, s. 22.

(*e*) P. 123, *post*.

(*f*) P. 123, *post*; Holmes v. L. & N. W. Ry. Co. (1852), Macr. P. C. 31; Smith's Patent (1855), Macr. P. C. 232; *Re Medlock's Patent* (1865), Newton, L. J., vol. xxii. p. 69.

(*g*) In the following cases special conditions were asked for, but were

refused: Ashworth's Patent (1886), Griff. L. O. C. 6; Allen's Patent (1887), Griff. L. O. C. 3; Ainsworth's Patent (1895), 13 R. P. C. 76; Allison's Patent (1898), 15 R. P. C. 408; Pitt's Patent (1901), 18 R. P. C. 478; (1911) (A.), 28 R. P. C. App. p. i.; Davies and Davies' Patent (1911), 28 R. P. C. 50.

(*h*) Ashworth (1886), Griff. L. O. C. 6; Davies and Davies' Patent (1911), 28 R. P. C. 50.

the amendment; for instance, if the patentees had been threatening persons, and endeavouring to prevent persons from making or selling wire hardened and tempered in a mode different to that described and claimed by the amended specification. Conditions.

Under the old practice, in order to protect the interests of manufacturers who had embarked large capital in a trade on the strength of a patent having been allowed to remain in its imperfect state for a long time, the law officers frequently imposed conditions for their protection. Such conditions were that the patentee should not sue in respect of infringements committed before amendment (*i*), or in respect of certain continued infringements by the use of certain specified machines actually in use before the amendment (*k*), or in respect of fresh infringements by certain persons in virtue of the continued use of a process employed by them prior to the amendment (*l*), or in respect of infringements by machines made under specified contracts (*m*). Like conditions with the same object in view may be imposed by the Comptroller and law officer, as also by the Courts pending litigation (*n*), under the present practice.

A condition that no action be brought in respect of infringements prior to a certain date protects the continued user of infringing articles made before that date, and also the sale of such articles unsold at the fixed date (*o*).

But a condition that no action be brought in respect of the infringement of a patent, of which the amendment of the specification is sought, does not prevent the patentee from bringing an action on another patent belonging to him, if those articles infringe such other patent (*p*).

When the condition is imposed that no action be brought in respect of certain specified machines, it is usual to order that such machines be marked with distinguishing marks (*q*).

(*i*) Lucas' Patent (1854), Macr. P. C. 234, 239; Smith's Patent (1855), Macr. P. C. 232.

(*k*) Harrison's Patent (1853), Macr. P. C. 31; Westinghouse's Patent (1885), Griff. P. C. 315; Crabtree's Patent, Eng. Rep. Jan. to Mar. 1881; Fox's Patent (1878), No. 3988.

(*l*) *Re* Medlock's Patent (1865),

Newton, Lond. Journ. N. S. vol. xxii. p. 69.

(*m*) Fox's Patent (1878), No. 3988.

(*n*) See p. 124, *post*.

(*o*) Cheeseborough's Patent (1884), Griff. P. C. 303.

(*p*) United Telephone Co. v. London and Globe Telephone Co. (1884), L. R. 26 Ch. D. 766.

(*q*) Edison's Patent (1877), No. 2909;

Conditions.

Actions commenced after the amendment of the specifications in respect of infringements committed before amendment are, in certain cases, justifiable, on the ground that it is not right that a person should gain his information from a patentee, and, acting on that information, copy and use his invention. He must not presume upon some defect in the specification, and infringe upon the valuable part of the patent (*r*).

Terms imposed by the Court.

The terms which the Court will impose upon granting an order for amendment of the specification by way of disclaimer will, no doubt, be similar to those formerly imposed by the Court when granting leave under the old sect. 19 of the Act of 1883 to apply at the Patent Office for leave to amend by way of disclaimer.

The following are reported cases of actions for infringement pending which, under the Act of 1883, leave to apply at the Patent Office for leave to amend by way of disclaimer, or under the Act of 1907 leave to amend by way of disclaimer, was given by the Court upon the terms and conditions stated:—

In *Winter v. Baybut* (*s*), a case tried in the Court of the County Palatine of Lancaster, the Vice-Chancellor only imposed the terms that the plaintiffs should pay the defendant's taxed costs of the motion and of the action up to, and inclusive of, the hearing of the motion; and that proceedings in the action should be stayed pending the application to the Patent Office.

In *Singer v. Stassen* (*t*), the Court of Appeal held that sect. 19 of the Act of 1883 applied in the case of an action commenced before the Act came into operation, and gave liberty to apply to amend the plaintiff's specification upon the terms that the costs of, and occasioned by, the amendment should be the defendant's in any event; and that the specification, as amended, should not be receivable in evidence in the action; and that the costs of the appeal should be costs in the action, as there had been a substantial failure and a substantial success by both parties.

In *Codd v. Bratby* (*u*), *Chitty, J.*, granted leave to apply

Westinghouse's Patent (1885), *Griff. P. C.* 315; Haddan's Patent (1885), *Griff. L. O. C.* 12, 13; Crabtree's Patent, *Eng. Rep.* Jan. to Mar. 1881.

(*r*) See Lucas' Patent (1854), *Maor. P. C.* 234.

(*s*) (1884), 1 *R. P. C.* 76.

(*t*) (1884), 1 *R. P. C.* 121.

(*u*) (1884), 1 *R. P. C.* 209.

under sect. 19 of the Act of 1883, on the terms that the specification, when amended, should not be given in evidence at the trial of the action, and that no evidence should be given of any infringement prior to the date of the filing of the amended specification; and that the costs of the motion, and of the previous application to the Comptroller, thrown away by reason of the amendment, be paid by the plaintiff. Conditions.

In *Fusee Vesta Co. v. Bryant and May* (x), Kay, J., granted the plaintiffs leave to apply to amend before they had delivered their statement of claim, upon the terms that they paid all costs, in any event, of the defendants of the action up to and including the application consequent on the amendment of the specification; that no further proceedings should be taken till the disclaimer had been properly made; that the plaintiffs should undertake, forthwith, to take proceedings for disclaimer, and then to amend the action by stating the disclaimer pending the action on the specification as amended; failing this, the action to be dismissed.

In *Allen v. Doulton* (y), Huddleston, B., held, on the authority of *Bray v. Gardner*, that leave to apply to amend should be given to the plaintiffs only on condition that the specification, as amended, should not be receivable in evidence in the action. Upon appeal to the Divisional Court the learned Judges were divided in opinion, and upon appeal to the Court of Appeal it was held that sects. 18 and 19 of the Patents Act of 1883 give a discretion to the Court or a Judge, to be exercised on the circumstances of each particular case, and which is not fettered by authority; and that, although there had been no exercise of discretion by the Judges below, yet, having regard to the nature of the proposed amendment, the Court, in the exercise of their discretion, would not interfere with the order.

In *Haslam Foundry and Engineering Co. v. Goodfellow* (z), Kay, J., granted leave under sect. 19 of the Patents, &c. Act of 1883, on the following terms: The plaintiffs to pay the costs of the application and the costs of, and occasioned by, the disclaimer; the plaintiffs and defendants to be allowed to make all necessary amendments in their pleadings after disclaimer;

(x) (1887), 4 R. P. C. 71.

(y) (1887), 4 R. P. C. 377.

(z) (1888), 5 R. P. C. 28; L. R. 37  
Ch. D. 118.

Conditions. the plaintiffs to undertake, forthwith, to amend the pleadings, confining their action to the specification as amended by the disclaimer, or to consent to the action being dismissed with costs.

In *Gaulard v. Lindsay* (a), which was an action for infringement of five patents, a petition for the revocation of one of such patents having been previously presented, and leave to apply for liberty to disclaim having been granted in the petition, *Kekewich, J.*, refused to grant similar leave in the action, but subsequently it was granted by consent by the Court of Appeal. The patentees were allowed to give the amended specification in evidence, but the terms imposed were that the plaintiffs should consent to pay all costs of the action up to the application, and waive all claim to relief in respect of any infringement before the date of disclaimer; and that they should pay the costs of the application, but not on the higher scale.

In *Lang v. Whitecross Co.* (b), *Wills, J.*, gave the plaintiffs leave to apply at the Patent Office for liberty to amend their specification by way of disclaimer. The Judge also gave the plaintiffs leave to use the amended specification as evidence, on condition that no damages should be recovered, or claim for an injunction founded, on anything done before disclaimer, and that the costs of the action up to the time (if disclaimer used) be the defendants' costs in the cause. The Judge further ordered that the costs of the application and the costs caused in the action by the disclaimer should be the defendants' in any event, and that proceedings should be stayed pending the disclaimer. The plaintiffs appealed from this order, and contended that the conditions imposed would prevent them from deriving any advantage from continuing the present action, and that the condition as to damages was not within the jurisdiction of the Judge at Chambers; but the Divisional Court and the Court of Appeal held that the Judge had absolute discretion, under sect. 19 of the Act of 1883, to impose terms, and that the order ought not to be interfered with.

In *Deeley v. Perks* (c), the House of Lords ordered that if

(a) (1858), 5 R. P. C. 192.

(b) (1889), 6 R. P. C. 570.

(c) [1896] A. C. 496; 13 R. P. C. 581.



the specification be amended no action should be brought for infringement of the patent in respect of any guns or parts of guns made prior to the date of the application to the House of Lords. Conditions.

In *Corrigall v. Armstrong, Whitworth & Co.* (*d*), the Court did not consider sect. 20 of the Act of 1883 sufficient protection to the defendants, and only granted leave to apply upon the plaintiff waiving all claim to damages or relief in respect of infringements prior to amendment.

In *Jandus Arc Lamp and Electric Co., Ld. v. Arc Lamp Co.* (*e*), the Court thought the order made in *Ludington Cigarette Machine Co., Ld. v. Baron Cigarette Machine Co., Ld.* (*f*), was suitable and made a similar order, but expressly stated that the order must not be considered a settled form though it is one which works well and has stood the test of the House of Lords.

In *Gillette Safety Razor Co. v. Luna Safety Razor Co., Ld.* (*g*), leave to amend by disclaimer was given upon the terms that the applicants should pay the costs of the application, and under R. S. C. Ord. 53A, r. 23, all pending actions for infringement should be discontinued, the applicants paying the costs; the applicants to seek no relief by action or claim for injunction in respect of [*the patented articles*] made in or imported into the United Kingdom before [*the date of the order*], if the Judge at the trial should hold that the original claim was not framed in good faith and with reasonable skill and knowledge, and also undertaking not to claim any relief in respect of any [*patented articles*] purchased or in the hands of the public as distinguished from the trade prior to the [*date of the order*].

The following are reported cases of petitions for revocation pending which, under the Act of 1883, leave to apply at the Patent Office for leave to amend by way of disclaimer, or under the Act of 1907 to amend by way of disclaimer, was given by the Court upon the terms and conditions stated:—

In *the Matter of Gaulard and Gibbs' Patent* (*h*), was a petition for the revocation of *Gaulard and Gibbs'* patent for a

(*d*) (1903), 20 R. P. C. 523.

(*e*) (1903), 21 R. P. C. 115.

(*f*) See p. 128, *post*.

(*g*) [1910] 2 Ch. 373; 27 R. P. C. 527.

(*h*) (1888), 5 R. P. C. 189.

Conditions. system of distribution of electricity. *Kekewich*, J., granted the respondents leave to apply at the Patent Office to amend, on condition that they paid the petitioner's costs up to date; and that they applied at the Patent Office forthwith, and prosecuted their application with due diligence. His Lordship also gave the petitioner leave, within fourteen days after the amendment, or after it should be ascertained that no amendment would be made, to discontinue by notice, or, if he did not do that, to have fourteen days to amend the petition and the particulars of objection.

*In the Matter of Chatwood's Patent (i)*, *Byrne*, J., gave leave upon the following terms: the respondents, in any event, to pay the costs of the application, and the costs of the petition up to and occasioned by the disclaimer, except only so far as the proceedings in the matter might thereafter be utilised for the purpose of the hearing of the petition, should the same be heard. The petitioners within fourteen days after the amendment (if allowed) to elect whether to go on or not. In the event of the petitioners electing not to proceed with the petition, the respondents to pay all the costs of the proceedings.

*In the Matter of Allison's Patent (k)*, *Cozens-Hardy*, J., held that under the circumstances leave should be given on the terms that no action should be brought against the respondents or their customers in respect of certain articles used or sold up to the date of the notice of motion, whether prepared according to the patentees' process or not, and on the usual terms as to costs.

*In Ludington Cigarette Machine Co., Ltd. v. Baron Cigarette Machine Co., Ltd. (l)*, a petition and also an action both being pending, *Kekewich*, J., made one order to be headed in the action and in the petition that provided: Leave to the plaintiff in the action (respondents in the petition) to apply at the Patent Office for leave to amend the specification by way of disclaimer; leave to the petitioners after disclaimer to amend their petition; leave to the plaintiffs and defendants to amend their pleadings after disclaimer; plaintiffs not to issue any threats until after disclaimer; no action to be brought or maintained for infringement of the patent in respect of

(i) (1899), 16 R. P. C. 370.

(k) (1900), 17 R. P. C. 298, 513.

(l) (1899), 17 R. P. C. 25, 214,  
745.

any machines or parts of machines made prior to date of order; Conditions.  
 costs of both applications and costs of the petition to date of disclaimer, and also costs of action so far not utilised for the purpose of the trial under the leave to amend, to be the defendants' costs in any event. The Court of Appeal held that under the special circumstances of the case this order was right; and that there is no settled form of order applicable to all cases. The House of Lords held that no case was made out for interfering with the discretion of the Court below; and *semble* the order in *Deeley v. Perks* (*m*) would not have been made had it been a mere case of infringement.

*In the Matter of Geipel's Patent* (*n*), the Court having heard the petition to judgment made the order in the form that "if the specification be amended, no injunction shall be asked for in any action brought for the infringement of the patent in respect of any steam traps made prior to this date (the date of order) 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."

*In the Matter of Alsop's Patent* (*o*), the Court of Appeal followed, substantially, the order made in *Ludington Cigarette Machine Co., Ltd. v. Baron Cigarette Machine Co., Ltd.* (*p*), and made it a term that the appellants should not threaten any persons with legal proceedings under the letters patent until after the amendment of the specification should be made.

*In the Matter of Klaber's Patent* (*q*), which was the first application under sect. 22 of the Patents and Designs Act, 1907, *Neville, J.*, adopted the form of order made in *Geipel's case, supra*, and ordered the applicant to pay the Comptroller's costs, and made the petitioners' costs on the application their costs in any event.

**Retrospective Effect of Amendments.**—Under the law prior to the Act of 1883, amendments by disclaimer were retrospective, except when entered pending an action for infringement, in which case it was specially provided that the amended specification should not be given in evidence at the

(*m*) (1896), 13 R. P. C. 581.

(*n*) (1903), 20 R. P. C. 558; 21 R. P. C. 379.

(*o*) (1905), 23 R. P. C. 78.

(*p*) See p. 123, *ante*.

(*q*) [1908] 1 Ch. 845; 25 R. P. C. 334.

**Retrospective Effect of Amendments.**

trial (*r*). No action, however, could be brought at all in respect of infringements committed before amendment without the leave of the law officer, certified by his fiat (*s*). Cases in which amendments were made retrospective, and power was given to the patentee to proceed against those who had infringed before the disclaimer was filed, were the exception, and not the rule, and it lay on the party applying for a certificate giving a disclaimer a retrospective power to make out a case entitling him to that certificate (*t*).

The terms of sub-sect. (7) of sect. 21 of the Act of 1907, as also the conditions usually imposed by the Court, in granting an order for amendment under sect. 22, are a clear indication that the amendment speaks from the date of the patent, and that there are cases where the Court, in its discretion, ought to, and would, under the present law, allow an amended specification to be given in evidence in a pending action (*u*).

If a patentee obtains an injunction against an infringer, before he amends the specification, he cannot enforce his injunction after the amendment, but must proceed *de novo* (*x*).

When leave to amend has been given, even though on condition and the patentee's assent to the condition has not been notified, an action on the amended specification can be sustained though the amendment of the specification itself was not actually made by the Patent Office officials till after the commencement of the action (*y*). And if proceedings before amendment have been duly taken, an action is maintainable upon the amended specification though the writ was issued pending the proceedings before leave to amend was given (*z*).

**Amendment after Action for Infringement.**—From a consideration of the principles discussed in the foregoing pages of this chapter, and also from the fact that a judgment adverse to the validity of the patent on the ground of defective specification amounts at most to a declaration of the Court to the effect that the specification as it stands is wholly, or in part,

(*r*) 5 & 6 Will. 4, c. 83, s. 1; *Perry v. Skinner*, 2 M. & W. 471; *R. v. Mill* (1850), 10 C. B. 379.

(*s*) 15 & 16 Vict. c. 83, s. 39.

(*t*) *Lucas' Patent* (1854), Macr. P. C. 234, 239.

(*u*) See *Bray v. Gardner* (1887), 4 R. P. C. 41, 42.

(*x*) *Dudgeon v. Thompson* (1877), L. R. 3 App. Cas. 34.

(*y*) See *Andrew v. Crossley* (1892), 9 R. P. C. 165.

(*z*) *Stepney Spare Motor Wheel, Ld. v. Hall*, [1911] 1 Ch. 514; 28 R. P. C. 381.

as the case may be, bad, and is not an order for revocation, it is clear that a patentee may be allowed to amend after judgment. If after amendment any portion of the specification which the Court held to be bad is not removed either by excision or alteration in meaning consequent on some amendment made, the judgment would of course act as an estoppel against the patentee as being *res judicata* in any subsequent proceedings against the same defendant (a).

**Amendment after Action on, or Petition against, the Patent.**

**Amendment after Order for Revocation.**—In the event of a petition for revocation being presented to the Court, the Court is bound on proof of the existence of any one fatal defect in the specification, however meritorious the real invention may be, to hold that the patent is bad, and to make some order as to its revocation. It is only just that, if the removal by amendment of the defect in the specification on the strength of which the Court comes to a conclusion against the patent, would leave proper subject-matter, the patentee should have an opportunity of amending. Should the Court make an order for revocation without any condition it may be doubtful whether the Comptroller-General has, under any circumstances thereafter, jurisdiction to allow any amendment to be made, seeing that it may well be that the order for revocation operates as an immediate revocation, and so there is no patent in existence for the Comptroller to deal with (b).

PART II.—PRACTICE.

**No Action for Infringement or Petition for Revocation pending.**—When there is no pending action for infringement or petition for revocation the procedure for amendment and the kind of amendments allowable are regulated by sect. 21 of the Patents and Designs Act, 1907, and the Patents Rules, 1908, rr. 60—67.

Sect. 21 of Act of 1907 applies when there is no pending action for infringement or petition for revocation.

The Comptroller cannot exercise any discretionary power adversely to an applicant for leave to amend a specification without (if so required within the prescribed time) giving the applicant an opportunity of being heard personally or by his agent (c).

Applicant's right to be heard.

(a) See Vol. I. p. 415.

pp. 305—307.

(b) See *Deeley v. Perks* (1896), 13 R. P. C. 589, 590; see also Vol. I.

(c) 7 Edw. 7, c. 29, s. 73; P. R. 1908, rr. 102—105.

Practice when no Action or Petition is pending.

Who may be an applicant.

Under the old law it was competent for the grantee of a patent to enter a disclaimer, even though he had partially (*d*) or wholly (*e*) parted with his interest; but this is not so now, as, according to the provisions of the Act of 1907 (*f*), only an applicant or a patentee is entitled to apply for leave to amend, and the term "patentee" is expressly defined as meaning the person for the time being entitled to the benefit of the patent (*g*). An assignee of a patent is consequently entitled to apply for leave to amend the specification. It would appear that in the case of co-owners, whether as original grantees or as assignees, they should all join as petitioners on an application to amend; though the petition would not be refused in the absence of co-owners not on the register.

Mortgagee need not be a party.

It is submitted that a mortgagee need not be made a party to an application by the beneficial owner of a patent for leave to apply to amend the specification, and that he could not make the application himself without the beneficial owner being a party (*h*). The mortgagor is, it is submitted, "the person for the time being entitled to the benefit of the patent" within the meaning of sect. 93, and so entitled to apply under sect. 21 of the Act of 1907. As being entitled to the benefit of the patent he can sue alone in respect of infringement to *his* patent (*i*). Of course the mortgagee, as a person interested, could claim to be heard on the application to amend and object to the amendment; but it does not appear to follow that the beneficial owner of the patent, by creating a debt and securing it by a mortgage of *his* patent, fetters his right to apply alone for leave to amend the specification of the patent which remains his own (*k*).

Reasons for requiring amendments are to be stated in writing.

A patentee desirous of amending his specification, under the provisions of sect. 21 of the Act of 1907, is required to state in writing his reasons for the same (*l*), but such reasons form no part of the specification when amended (*m*); nor will leave to amend be refused merely on the ground that the reasons

(*d*) *Spilsbury v. Clough* (1842), 1 W. P. C. 255.

(*e*) *Wallington v. Dale* (1852), 7 Exch. 888.

(*f*) Sects. 21, 22.

(*g*) Sect. 46.

(*h*) *Van Gelder Co. v. Sowerby Co.* (1889), 7 R. P. C. 208.

(*i*) *Ibid.*

(*k*) *Van Gelder Co. v. Sowerby Co.* (1889), 7 R. P. C. 208; but see *Goltstein's Patent* (1910), 27 R. P. C. 294.

(*l*) 7 Edw. 7, c. 29, s. 21 (1).

(*m*) *Cannington v. Nuttall* (1871), L. R. 5 H. L. App. 205, 208.

given by the applicant in his application are insufficient (*n*). It is to be noticed that sect. 21, sub-sect. (2), of the Act of 1907 does not in terms say that the reasons on the strength of which the applicant or patentee desires to be allowed to amend the specification are to be advertised, but probably because the reasons are considered part of the request (*o*), it is the practice to advertise the reasons as well.

Practice when no Action or Petition is pending.

The request for leave to amend must be signed by the applicant or patentee and must be accompanied by a duly certified printed copy of the original specification and drawings, showing in red ink the proposed amendment (*p*). The request, which states the nature of the desired amendment and the applicant's reasons for making the same (*q*), is then advertised in the official journal of the Patent Office, and in such other manner (if any) as the Comptroller may in each case direct (*r*). When the complete specification has not been accepted the advertisement is not required but the applicant is obliged to file a stamped form of request, which is regarded as a fine inflicted on the applicant in view of the extra trouble imposed on the Patent Office. So where an applicant has left a complete specification after a provisional specification and subsequently desires to file an entirely different complete specification he is allowed to do so (provided the six months, or, if he pays the fine, seven months from the date of filing the provisional specification have not expired), and has to file a stamped form of request as in an ordinary application for leave to amend. In this case the complete specification is treated as if filed on the later date, but the amendment is not subject to the limitations imposed by sub-sect. (6) of sect. 21 of the Act of 1907. If at the time that the new complete specification is lodged the examiner has not commenced the investigation the requirement to file a stamped form of request is usually waived though the complete specification is post-dated.

Signature and advertisement of request.

It is open to any person interested at any time within one month from the first advertisement of the request for and the nature of the proposed amendment to give notice at the Patent Office of opposition to the amendment (*s*).

Any one interested may oppose.

(*n*) Ashworth (1878), No. 3513, Griff. L. O. C. 6, 7.

(*o*) *Ibid.*

(*p*) P. R. (1908), r. 60.

(*q*) 7 Edw. 7, c. 29, s. 21.

(*r*) P. R. (1908), r. 60.

(*s*) 7 Edw. 7, c. 29, s. 21 (2).

Practice  
when no  
Action or  
Petition is  
pending.

Notice of  
opposition.

Evidence.

Hearing by  
the Comptroller.

Appeal to the  
law officer.

The notice of opposition must state the ground or grounds on which the opponent intends to oppose the amendment and must be signed by him. Such notice must state the opponent's address for service in the United Kingdom and be accompanied by an unstamped copy (*t*). The notice must be upon Patents Form No. 18 (*u*). The unstamped copy is forthwith forwarded by the Comptroller to the applicant (*x*).

Within fourteen days after the expiration of one month from the first advertisement of the application for leave to amend, the opponent may leave at the Patent Office statutory declarations in support of his opposition; and on so leaving them he must deliver to the applicant a copy thereof (*y*). The provisions of Rules 43, 46 and 47 of the Patent Rules, 1908, then apply to the case (*z*). If the opponent does not so leave statutory declarations, the applicant may within two months from the date of the first advertisement of the application for leave to amend leave at the Office statutory declarations in support of his application, and if he does so he must deliver to the opponent copies thereof (*a*). If the applicant leaves such declarations the provisions of Patents Rules 45, 46 and 47 then apply to the case (*b*).

The Comptroller, upon the date fixed in the notice of hearing, hears and decides the case, subject to an appeal to the law officer, whether the parties appear or not (*c*).

The Comptroller has power to take evidence *vivâ voce*, if he thinks fit, in lieu of or in addition to evidence by declaration, or to allow any declarant to be cross-examined on his declaration; and he is in the same position as an official referee in respect of requiring the attendance of witnesses and taking evidence on oath (*d*).

The practice upon appeal to the law officer as regards notices, evidence, cross-examination of witnesses, hearing, &c. is regulated by the Law Officers' Rules (*e*). Though the respondent is entitled to service of the notice of appeal, yet if he appears without having received the notice the law officer will not refuse to hear the case (*f*).

(*t*) P. R. (1908), r. 61.

(*u*) P. 403, *post*.

(*x*) P. R. (1908), r. 61.

(*y*) P. R. (1908), r. 62.

(*z*) P. R. (1908), r. 63.

(*a*) P. R. (1908), r. 64.

(*b*) P. R. (1908), r. 65.

(*c*) 46 & 47 Vict. c. 57, s. 18, sub-s. 3; Patents Rules (1903), r. 41.

(*d*) 7 Edw. 7, c. 29, s. 77.

(*e*) P. 424, *post*.

(*f*) See Rylands' Patent (1888), 5 R. P. C. 668.



If the Comptroller decides against an applicant or patentee applying for leave to amend his specification, the applicant or patentee must not delay exercising his right of appeal and must file the fourteen days' notice required by the Law Officers' Rules (*g*), or the appeal may not be heard, on the ground that it is too late.

Practice when no Action or Petition is pending.

Thus in *Arnold's Application* (*h*) the Comptroller decided against the applicant, who two years afterwards applied again, and then appealed to the law officer. The Attorney-General said that he thought he should have allowed the proposed amendment, which included an alteration in the title, but the affidavit of the applicant, to the effect that he was ignorant of the patent law and that he could have appealed against the former decision of the Comptroller, did not satisfy him that any sufficient reason existed why proceedings were not taken to question the previous decision of the Comptroller, and he refused to allow the appeal.

Sub-sect. (3) of sect. 21 of the Act of 1907, which regulates the practice before the Comptroller on an application for leave to apply to amend, does not appear at first sight to give the applicant any right to object to the opposer as being a person not entitled to be heard in opposition, whereas sub-sect. (5), which relates to an appeal to the law officer, provides that he (the law officer) shall hear the applicant and the opposer, if he is, "in the opinion of the law officer, entitled to be heard in opposition," thus giving the applicant the right to object to the opposer as a person not entitled to be heard. The words "in his opinion a person entitled to be heard," which occur in sub-sect. (3) of sect. 11 of the Act of 1907 [and *sic* the similar words in sub-sect. (3) of sect. 21], have a retrospective effect and enable the objection to be taken before the Comptroller as well as before the law officer (*i*). The law officer is appointed as the final authority to decide various questions under the Acts—*inter alia* the question of the *locus standi* of an opponent to a proposed amendment of a specification (*k*). In accordance with the practice, and upon

Right to question *locus standi* of opponent.

(*g*) L. O. Rules, r. 1; p. 424, *post*.

(*h*) (1882), Griff. L. O. C. 5.

(*i*) See *R. v. Comptroller-General of Patents* (1899), 16 R. P. C. 233; *Stewart's Patent* (1896), 13 R. P. C. 627; *Bell's Patent* (1887), Griff. P. C.

285; *Heath and Frost's Patent* (1886), Griff. P. C. 288; *Hookham's Patent* (1886), Griff. L. O. C. 32; *Macevoy's Patent* (1888), 5 R. P. C. 285.

(*k*) See *R. v. Comptroller-General of Patents* (1899), 16 R. P. C. 233.

Practice when no Action or Petition is pending.

the law officer's decisions, only persons with an interest in the matter are recognised as possessing a *locus standi* before the Comptroller or law officer upon an opposition under sect. 21 of the Act of 1907 (*l*).

A prior patentee is a person entitled to oppose an application for leave to apply to amend the specification of a subsequent patent on the ground that the amendment, if allowed, would prejudice the patentee's rights under the prior patent (*m*).

Decision of Comptroller when there is no opposition.

When there is no notice of opposition, or the opponent does not appear, the Comptroller determines whether, and subject to what conditions (*n*), if any, the amendment ought to be allowed. If leave to amend is refused by the Comptroller the applicant may appeal to the law officer, who must, if required, hear the applicant and the Comptroller, and may make an order determining whether, and subject to what conditions, if any, the amendment ought to be allowed (*o*); and the decision of the law officer is final (*p*).

Amended specification to be left at the Patent Office.

When leave to amend is given, the applicant must, if the Comptroller so require, and within a time to be limited by him, leave at the Patent Office a new specification and drawings as amended, and prepared in accordance with the prescribed rules (*q*). Every amendment of a specification is forthwith advertised by the Comptroller in the official journal of the Patent Office (*r*).

Leave to amend is conclusive of right to amend.

Leave to amend is conclusive of the applicant's or patentee's right to make the amendment, except in the case of fraud (*s*), *e.g.*, where a disclaimer was filed without the consent of the patentee (*t*).

Costs.

The Patents and Designs Act, 1907, sect. 39, gives the Comptroller 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. Before 1907 the Comptroller had no power over the costs of an application to amend, though the law officer had power over the costs of an appeal to him.

(*l*) See *R. v. Comptroller-General of Patents* (1899), 16 R. P. C. 233; *Bell's Patent* (1887), Griff. L. O. C. 10; see also *Meyer's Patent* (1899), 16 R. P. C. 526.

(*m*) *Hampton and Facer* (1885), Griff. L. O. C. 15.

(*n*) Pp. 121–129, *ante*.

(*o*) 7 Edw. 7, c. 29, s. 21 (4), (6).

(*p*) See p. 107, *ante*.

(*q*) P. R. (1908), r. 66.

(*r*) *Ibid.* r. 67.

(*s*) 7 Edw. 7, c. 29, s. 21 (7).

(*t*) *Re Berdan's Patent* (1875), L. R. 20 Eq. 346.

The order of the Comptroller fixes the amount of costs and directs how and by whom they are to be paid (*u*).

As a general rule, costs of an appeal to the law officer are given against the unsuccessful party, but, in the case of a second amendment, costs will most probably not be given against the opponents, on the ground that second amendments are not to be encouraged if they can possibly be avoided (*x*).

Where an applicant appeals from the decision of the Comptroller, on an unopposed application, and the Comptroller is represented at the hearing, the Comptroller does not, except in very special circumstances, either give or receive costs (*y*).

When an application was refused by the Comptroller on the ground that an action was pending and the leave of the Court or Judge had not been obtained, on an application to the Court for leave to apply again to the Comptroller, the Judge made it a condition that the plaintiffs should pay the costs of the first application (*z*).

Where, under the law before the Act of 1907, in an action for infringement, the plaintiff obtained the leave of the Judge to apply at the Patent Office for leave to amend, and did so, but subsequently abandoned the action, and then applied, under sect. 18 of the Act of 1883, to make a different amendment, the Comptroller and the law officer both refused to make it a condition of allowing the amendment that the applicant should pay the costs of the opponents (who were the defendants in the action) incurred in respect of the opposition to the abandoned application (*a*).

In *Morgan's Application* (*b*) the Comptroller refused to allow an amendment, on the ground that he thought it would enlarge the scope of the invention; but the law officer, on appeal, allowed the amendment, being of opinion that the provisional specification was comprehensive enough to cover the claim to the thing shown in a certain drawing and indicated by the corrected description.

In this case an application was made for a return of the stamp on the notice of appeal, but the law officer refused the

Practice  
when no  
Action or  
Petition is  
pending.

(*u*) As to enforcement of the order, see p. 42, *ante*.

(*x*) See *Haddan* (1885), Griff. L. O. C. 12.

(*y*) *Lake* (1887), Griff. L. O. C. 16.

(*z*) *Codd v. Bratby* (1884), 1 R. P. C. 209, 211.

(*a*) *Bell* (1887), Griff. L. O. C. 10.

(*b*) (1886), Griff. L. O. C. 17.

**Practice  
pending  
Action or  
Petition.**

application, on the ground that there was sufficient difficulty to justify the Comptroller in declining to allow the amendment, and leaving it to the law officer.

When leave to amend had been obtained, but the amended specification was found defective and the patent revoked on petition on subsequent notice, costs of the motion for leave to amend were not given to either side, though on the one hand the application to amend had succeeded in procuring the amendment, and on the other hand the amendment had failed to render the patent valid (*c*).

Sect. 22 of Act of 1907 applies when there is a pending action for infringement or petition for revocation.

**Amendment pending Action for Infringement, or Petition for Revocation.**—The foregoing provisions of sect. 21 of the Patents and Designs Act, 1907, do not apply when and so long as any action for infringement or proceeding before the Court for revocation of a patent is pending (*d*). Under such circumstances the patentee is only allowed to amend his specification by way of disclaimer, and he must obtain the order of the Court allowing him to do so in accordance with the provisions of sect. 22 of the Act, and subject to such conditions (see p. 121, *ante*) as the Court may see fit to impose.

The procedure to obtain the order of the Court is by motion in the proceeding pending before the Court, and notice of such motion, together with a King's Printer's copy of the specification showing in red ink the amendment proposed to be made, must be served on the parties to the proceedings, and in the first instance upon such parties only (*e*). On the hearing of the motion the Court decides whether, and on what terms as to costs or otherwise, the application shall be allowed to proceed, and if the application be allowed to proceed, the Court gives directions as to whether such application shall be heard on oral, or affidavit evidence, and if on affidavit evidence fixes the times within which affidavits are to be filed by the parties respectively, and by any other person entitled to be heard under the Act or the Rules of the Supreme Court (*f*). If the application is allowed to proceed, the requirements of R. S. C., Ord. LIII. r. 23 (*c*), (*d*) and (*e*), as to service, advertisements and setting the application down in the witness

(*c*) *Perks v. Deeley* (1896), 14 R. P. C. 3.  
(*d*) 7 Edw. 7, c. 29, s. 21 (8).

(*e*) R. S. C., Ord. liia. r. 23 (a).  
(*f*) R. S. C., Ord. liia. r. 23 (b).

or non-witness list must be complied with. Any person giving notice in accordance with R. S. C., Ord. LIII. r. 23 (e), is entitled to be heard in opposition, and, provided he gives an address for service in the United Kingdom, to be served with a copy of the notice of motion together with a copy of the specification with the proposed amendment in red ink, and a copy of the order allowing the application to proceed.

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Action or  
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When the Court allows a specification to be amended, the applicant is required to forthwith lodge with the Comptroller an office copy of the order allowing the amendment, and the Comptroller must advertise the same at least once in the Illustrated Official Journal (Patents). The applicant must also, if required so to do by the Court, or by the Comptroller, leave at the Patent Office a new specification and drawings as amended, the same being prepared in accordance with the rules of the Patent Office for the time being in force (g).

The Court in deciding whether or not to allow an amendment gives to the word "disclaimer," as used in sect. 22 of the Act of 1907 (h), a narrow meaning and refuses the application when the proposed amendment obviously in fact goes beyond a mere disclaimer and amounts to a correction or explanation, other than an explanation necessary to define the disclaimer (i).

The terms "action for infringement" and "proceeding for revocation" in the connection mean an action for infringement and proceeding for revocation before judgment (k).

Meaning of  
"pending  
action for in-  
fringement or  
petition for  
revocation."

In *Cropper v. Smith and Hancock* (l) the plaintiffs, at the trial, obtained judgment against both defendants, which, however, the Court of Appeal reversed as against the defendant *Hancock*. The plaintiffs thereupon applied to the Comptroller, under sect. 18 of the Act of 1883, for leave to apply at the Patent Office to amend the specification by disclaimer, and the defendants opposed the application. The defendant, *Hancock*, subsequently appealed to the House of Lords, and the Comptroller, being doubtful whether the appeal was a pending action within sect. 18, sub-sect. (10), of the Act of 1883, refused to proceed with the application until the consent of

(g) R. S. C., Ord. liia. r. 23 (f).

(h) See *infra*.

(i) See *Owen's Patent* (1898), 43 S. J. 43; 15 R. P. C. 755.

(k) *Cropper v. Smith* (1884), 1 R. P.

C. 254; L. R. 28 Ch. D. 146; *Lawrence v. Perry* (1885), 2 R. P. C. 179, 188; *Haslam v. Hall* (1888), 5 R. P. C. 1, 24.

(l) (1884), 1 R. P. C. 254.

Practice  
pending  
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the Court had been obtained. Accordingly the plaintiffs took out a summons under sect. 19 of the Act of 1883 that they might be at liberty to apply at the Patent Office to disclaim. *Chitty, J.*, held that "an action for infringement pending" means an action before judgment, and, further, that, final judgment having been given, there was in the present case no action for infringement pending; and the summons was consequently dismissed, but, under the circumstances, without costs.

In *Brooks (J. B.) & Co., Ld. v. Lycett's Saddle and Motor Accessories Co., Ld. (m)*, the facts were these: In an action for infringement of a patent, the specification of which had been amended, the defendants pleaded that the amendment was invalid because at the time when it was applied for a previous action for infringement was pending and the leave of the Court for leave to apply at the Patent Office for leave to amend had not been obtained. It appeared, that owing to an agreement for settlement, which shortly after fell through, the first action had more than two years before the amendment been marked to stand out of the list generally with liberty to either party to apply to restore it. After the amendment had been made the defendants to the action obtained leave to restore it, and an order was subsequently made giving leave to the plaintiffs to discontinue without costs to either party, it being held that there had been a tacit agreement to abandon the action. The Court decided that the action in question was "pending" at the date of the application at the Patent Office for leave to amend, and that by reason of sub-sect. (10) of sect. 18 of the Patents Act, 1883, the amendment was invalid. On the plaintiffs applying to the Court for liberty to apply at the Patent Office for leave to amend such liberty was given them, the action to stand over in the meantime and the costs and question of terms were reserved.

The "Court"

The power conferred upon the "Court" by sect. 22 of the Patents and Designs Act, 1907, may be exercised by any Lord Ordinary of the Court of Session of Scotland (*n*), and by the High Court in Ireland (*o*). It would appear that the Vice-Chancellor of the County Palatine of Lancaster has jurisdic-

(*m*) (1904), 21 R. P. C. 651.

(*n*) 7 Edw. 7, c. 29, s. 54 (4).

(*o*) 7 Edw. 7, c. 29, s. 95 (2).

tion under sect. 22 of the Act of 1907, and sect. 3 of the Chancery of Lancaster Act, 1890, to order an amendment of a specification by way of disclaimer pending an action in his Honour's Court. Under sect. 19 of the Act of 1883, he had jurisdiction to grant leave to apply at the Patent Office for leave to amend (*p*).

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Apparently, since "the Court," subject to the provisions as to Scotland, Ireland, and the Isle of Man. means the High Court in England (*q*), the House of Lords has therefore no original jurisdiction under the section (*r*). Further, an appeal is not a "pending" action within the meaning of the Act (*s*).

When an amendment is actually made under the procedure referred to in sect. 21 of the Act of 1907, it is doubtful whether it can be objected to on the ground that before it was completed an action for infringement had been commenced (*t*). It was held, under the old law, that when an application had been made by a patentee for leave to amend his specification, there being at the time of the request in writing at the Patent Office no action for infringement or petition for revocation of the patent pending, the application might effectually proceed without the leave of the Court or a Judge, notwithstanding that an action for infringement or proceeding for revocation is subsequently commenced (*u*).

Proceedings for amendment begun under sect. 21, but not completed before commencement of action for infringement or petition for revocation.

As a rule, patentees who obtain an order of the Court allowing an amendment of the specification, pending an action for infringement or proceeding for the revocation of a patent, are not allowed to use the amended specification in evidence in the action or petition as the case may be. Nevertheless, the patentee may in such a case derive a great benefit from being allowed to make an amendment, for there may be other persons, not parties to the action or proceeding for revocation, who, relying on some defect in the specification, are continuing an infringement on the assumption that the patent is bad; and it may be of great importance to the patentee to remedy the defect, and place himself in a position to sue other parties

Advantages of amendments under sect. 22.

(*p*) *Winter v. Baybut* (1884), 1 R. P. C. 76; 53 & 54 Vict. c. 23, s. 2.

(*q*) 7 Edw. 7, c. 29, s. 92 (1).

(*r*) *Cropper v. Smith* (1884), L. R. 28 Ch. D. 148, 152; 1 R. P. C. 90.

(*s*) See p. 139, *ante*.

(*t*) See *Farbenfabriken vorms. F.*

*Bayer v. Bowker* (1891), 8 R. P. C. 389.

(*u*) *Woolfe v. Automatic Picture Gallery, Ltd.* (1902), 19 R. P. C. 425; 20 R. P. C. 117; overruling *Deeley's Patent* (1904), 11 R. P. C. 72.

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besides the defendants in the action or the petitioners in the proceeding for revocation.

To allow a plaintiff in an action for infringement or a respondent in a proceeding for the revocation of a patent to use in evidence a specification amended pending such action or proceeding would be to give him, when he had originally come to the Court with a patent which could not be relied on, power to put himself in a different position as against the defendant or petitioner; and though the consequences of amendment may be that the plaintiff or respondent is entitled to maintain an action in respect of previous acts, which are infringements of the patent as amended, yet an absolute discretion is vested in the Court to impose, as a condition of leave being granted, that the amended specification shall not be given in evidence so as to enable a patentee to sue on a patent which, at the time when he commenced his action, he could not sue on at all (*x*).

Court has an absolute discretion under sect. 22.

The Court has a discretion, unfettered by authority, to grant or refuse its order allowing amendment by disclaimer pending an action for infringement or petition for the revocation of a patent, and to impose such terms and conditions as it may think the justice of each particular case requires (*y*); and an appellate Court will not lightly interfere with the discretion of a Judge of first instance, unless it is clear that the Judge invested with the discretion has either exceeded it, or exercised it upon some principle inconsistent with general law, or there is a miscarriage of justice (*z*).

The result of the decisions appears to be that an order will not be made unless the Court sees its way to make full compensation to all opponents (*a*).

Re-amendment.

The patentee is not precluded from making any number of applications for leave to amend by disclaimer in the same action or petition for revocation as may be necessary to defend his patent (*b*).

(*x*) See remarks of Cotton, L.J., *Bray v. Gardner* (1887), 4 R. P. C. 43.

(*y*) See *Allen v. Doulton* (1887), 4 R. P. C. 377; *Lang v. Whitecross Co.* (1889), 6 R. P. C. 570; *Ludington Cigarette Machine Co. v. Baron Cigarette Machine Co.* (1900), 17 R. P. C. 214, 745; *Allison's Patent* (1900), 17 R. P. C. 284; see p. 121, *ante*.

(*z*) *Ludington Cigarette Machine Co. v. Baron Cigarette Machine Co.* (1900), 17 R. P. C. 748; *Geipel's*

*Patent* (1903), 20 R. P. C. 556; 21 R. P. C. 379; *Armstrong's Patent* (1897), 14 R. P. C. 747; *Allison's Patent* (1899), 17 R. P. C. 513.

(*a*) See *In the Matter of Gaulard and Gibbs' Patent* (1888), 4 R. P. C. 191; *Bray v. Gardner* (1888), 5 R. P. C. 40; *Gaulard v. Lindsay* (1888), 5 R. P. C. 192.

(*b*) See *Chatwood's Patent Safe and Lock Co. v. Mercantile Bank of Lancashire* (1899), 17 R. P. C. 23.



It is submitted that if there be more than one action for infringement or more than one petition for revocation of a patent, or an action for infringement and a petition for revocation pending, leave may be given, under sect. 22 of the Act of 1907, in one such proceeding without application being made in any other proceedings (*c*); though no doubt the parties to the other proceedings would be protected by the terms imposed by the Court when granting the order. Leave given in one of several proceedings does not apply in all, and if the advantage of amendment is desired in the other pending proceedings, a special application must be made to the Court or a Judge in each (*d*).

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pending  
Action or  
Petition.**

When several actions or petitions are pending leave is only necessary in one.

(*c*) See *In the Matter of Hall and others* (1888), 5 R. P. C. 306, 310; L. R. 21 Q. B. D. 137; but see *Gaulard v. Lindsay* (1888), 5 R. P. C.

192, 196.

(*d*) See *Chatwood's Patent Safe and Lock Co. v. Ratner Safe Co.* (1899), 16 R. P. C. 449.

## CHAPTER IV.

## ASSIGNMENT OF LETTERS PATENT.

## ORIGIN OF POWER TO ASSIGN.

Rights of an author.

THE author of a literary, or musical, composition actually *creates* the work which is the produce of his mental labour. The law recognises that he has as much natural and moral right to the results created by his mental exertions as he has to the proceeds of his manual industry, and, *independently of any grant from the Crown*, gives him an exclusive copyright in his book or musical composition (*a*). The right is the creation of statute and is not deducible from common law (*b*).

Rights of an inventor.

It cannot, however, be contended that an inventor has any natural, or even moral, right in his invention, for he does not create in the same sense as an author does.

In the case of a book, the result of the author's skill and industry has no existence before the author commits his thoughts to paper; but in the case of an invention, in the patent law sense, all that the inventor does is to make use of natural laws, which must necessarily have been pre-existent, though perhaps undiscovered, and, by a new application of them, produce a manufacture or article of commerce, which has either not been produced before or not been produced in the same way.

Distinction between a literary composition and an invention.

The distinction between the production of a great literary composition and the discovery of a great invention is made apparent by a contrast of a play of Shakespeare—"Hamlet," for instance—with a world-revolutionising invention, such as the steam-engine of Watt. Had Shakespeare never written "Hamlet," it is practically certain that the play would never have existed, and the literature of the world would, undoubtedly, have been the loser; but had Watt never lived it

(*a*) See *Millar v. Taylor*, 4 Burr. 2303.

(*b*) See *Scrutton's Law of Copyright*, 3rd ed. p. 1.

can scarcely be doubted that the vast superiority of the plan of condensing the steam in a steam-engine in a separate vessel, instead of in the cylinder, would have been perceived and communicated to the world by some other inventor.

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Power to  
Assign.

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It is thus evident that an inventor merely produces a new art, consisting of a novel application of previously existing, though it may be undiscovered, physical laws to the production of a new article of commerce, or of an old article of commerce in a new manner. The law does not recognise any natural, or moral, right in the inventor to the exclusive use of the invention, and will not, except on certain conditions, attempt to guarantee him a monopoly in the profitable exercise of it.

The law only  
gives a right  
in an inven-  
tion on con-  
dition.

The conditions upon which the law will secure to an inventor an exclusive property in his invention for a limited period are, as we have seen (*c*), that he shall disclose the secret of it, so that the public may enjoy it after the expiration of the patent, and also that he shall describe the best means known to him of performing the invention, in order that the public may enjoy it to the same extent as himself, when the term for which the patent is granted expires.

The inventor may perhaps be able to keep the invention a profound secret, and make considerable profit by its use; but there are very few inventions, producing valuable results, which could be worked long without the method by which the results are arrived at becoming matter of public knowledge; in which event the law will not prevent any member of the public from exercising the invention for his own gains, provided he has not been guilty of a breach of trust (*d*). Undoubtedly the man who makes a useful discovery, or invention, and communicates it to the public is a benefactor; and it is because the law recognises this fact, as well as the desirability of encouraging the production of useful inventions for the public good, that it guarantees to the inventor, his executors, administrators, and assigns, the sole privilege of making, using, exercising, and vending the invention within this realm for a definite period, by means of a grant of Letters Patent from the Crown, upon condition, however, that the inventor discloses the best means known to him of performing the invention.

(*c*) Vol. I chap. vi.

(*d*) *Yovatt v. Winyard* (1820), 1 J. & W. 394.

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Power to  
Assign.

Effect of  
keeping an  
invention  
secret.

If an inventor endeavours to work the invention in secret the law will not compel him to disclose it, but, if it does leak out, subject to sect. 41 (2) of the Act of 1907, it cannot form the subject of Letters Patent, and the inventor cannot claim any monopoly or acquire any right or property in it which the law will protect or recognise.

This follows from the fact that one inventor has no natural right to prevent another from making the same invention, and deriving profit therefrom; the law only allows, as we have seen (*e*), the grant of a monopoly in the invention for a limited period to the first and true inventor, *i.e.*, the inventor who actually *first* communicates a knowledge of it to the public. Thus in *Canham v. Jones* (*f*), the plaintiff, as the proprietor of a receipt for the preparation of a certain vegetable syrup, which had been bequeathed to him by a person named *Swainson*, who purchased it from the inventor, sought to restrain the defendant from selling an article under the same name as the plaintiff's. Sir *Thomas Plumer*, V.-C., gave judgment in favour of the defendant, and used the following words: "This bill proceeds upon an erroneous notion of exclusive property, now subsisting in this medicine, which *Swainson*, having purchased, had a right to dispose of by his will, and, as it is contended, to give the plaintiff the exclusive right of sale of. If this claim of monopoly can be maintained without any limitation of time, it is a much better right than that of a patentee; but the violation of right, with which the defendant is charged, does not fall within the cases in which the Court has restrained a fraudulent attempt by one man to invade another's property—to appropriate the benefit of a valuable interest in the nature of a goodwill, consisting in the character of his trade or production, established by individual merit; the other representing himself to be the same person, and his trade or production the same as in *Hogg v. Kirby* (*g*), combining imposition on the public with injury to the individual. This is not that sort of case. The observation is correct, that the bill stating the defendant's medicine to be spurious asserts it not to be the same as the plaintiff's. The defendant does not hold himself out as the representative of *Swainson*, setting

(*e*) Vol. I. chap. ii.

(*g*) 8 Ves. 215.

(*f*) 2 Ves. & B. 218.

up a right in that character to the medicine purchased by him; but merely represents that he sells, not the plaintiff's medicine, but one of as good a quality. He is perfectly at liberty to do so. If any exclusive right in this medicine ever existed, it has long expired. The foundation of this bill therefore, the exclusive right asserted by the plaintiff, failing, all the consequential relief falls with it; and the demurrer must be allowed."

Origin of  
Power to  
Assign.

If a discoverer keeps his invention secret, not only does he run the risk of losing the monopoly of it by an inadvertent disclosure, but he puts himself in a position of evident disadvantage, if he should wish to dispose of it to another person, for the Court could not decree the specific performance of an agreement for the sale of a secret invention, or prevent the disclosure of it. Either it is or it is not a secret. If it is, what means has the Court of interfering, so as to enforce its own orders? If it is not, there can be no ground for interfering (*h*).

The Courts will neither decree specific performance of a contract for sale of, nor restrain the publication of, a secret invention.

The monopoly created by the grant of letters patent for a limited period is the only right or property which the law recognises an inventor as possessing in his invention; and the sole or exclusive privilege of using the invention which is vested in the patentee by the patent has existence only by virtue of the grant.

The monopoly in an invention exists only by virtue of the grant of letters patent.

The privilege is a mere naked right vested in the patentee, and it would not be assignable unless the letters patent expressly made it so, for it contains no property within itself making it of an assignable nature (*i*).

Notwithstanding the fact that an inventor has no property in his invention unless and until it is made the subject of a grant of letters patent, he has such an interest in an invention for which he intends to take out a patent as to be able to make and enforce an agreement concerning it. Thus, in the case of *Smith v. Dickinson* (*k*), it appeared that the defendant had, in fraud of the plaintiff, obtained a patent for an invention which had been communicated to him by the plaintiff under an agreement, whereby the defendant undertook, subject to a penalty, not to avail himself or take any advantage of such

Interest in an invention before the grant of letters patent.

(*h*) *Newbury v. James*, 2 Mer. 446, judgment of Lord Eldon, L.C.; see also *Williams v. Williams*, 3 Mer. 157.

(*i*) *Duvergier v. Fellows* (1828), 10 B. & C. 829.  
(*k*) (1804), 3 Bos. & Pul. 630.

Origin of  
Power to  
Assign.

communication, and the Court held that the plaintiff was entitled to maintain an action for the breach of this agreement (*l*).

Form of  
letters patent.

Every patent for an invention granted by the Crown is made in the form prescribed in the Patents Rules, 1908, which may be varied to meet special circumstances (*m*). The grant comprises the Royal licence, "full power, sole privilege, and authority, that the said patentee, by himself, his agents, or licensees, and no others, may at all times hereafter, during the continuance of the term of years herein mentioned, make, use, exercise, and vend the said invention within our United Kingdom of Great Britain and Ireland and Isle of Man." By a previous recital, the term "patentee," as used in the letters patent, is expressly defined to mean the grantee, his executors, administrators, and assigns.

Patent is  
assignable  
only in virtue  
of the terms  
of the grant.

Thus, the authority by which a patent right is created invests it with the quality of assignability; and there is now no limit to the number of persons to whom it may be assigned, though formerly it was made a condition that the grant should become void if the patent became vested in more than a specified number of assignees.

Assignment  
for a district.

A patentee may assign his patent for any place in or part of the United Kingdom or Isle of Man as effectually as if the patent were originally granted to extend to that place or part only (*n*).

A deed of assignment for a district should contain a covenant on the part of the assignor to pay the renewal fees within the prescribed times, and to give due notice to his co-owner of every such payment when made or permit him to pay the same, and to repay the sums so paid on demand, and until repayment to charge them, together with interest, on his share in the patent (*o*).

Assignment  
may be by  
deed or by act  
and operation  
of law.

A patent right may be assigned by deed by the patentee, or by act and operation of law.

(*l*) See also *McDougall v. Partington* (1890), 7 R. P. C. 216; *Punchard v. Dale* (1894), 11 R. P. C. 257.

(*m*) See p. 421, *post*.

(*n*) 7 Edw. 7, c. 29, s. 14 (1); see

*Action Gesellschaft für Cartonagen Industrie v. Temler* (1900), 18 R. P. C. 14.

(*o*) See *Morris' Patents Conveyancing*, p. 116.

ASSIGNMENT BY DEED.

Assign-  
ment by  
Deed.

Failing an act and operation of law, which will be discussed later (*p*), a legal assignment of Letters Patent can only be made by deed (*q*), and such an assignment purporting to be made by an agent on behalf of the patentee is only valid if the agent is authorised by deed to make it (*r*). Though the Letters Patent provide that a licence to use the invention must be under the hand and seal of the patentee, they do not specify any particular form or manner in which assignments are to be made. It is, however, necessary that the grant of Letters Patent shall be under seal (*s*), and it is a rule of law that things which can only be granted or created by deed are assignable only by deed (*t*).

Legal assign-  
ments must be  
by deed fail-  
ing act and  
operation  
of law.

In the words of Lord *Ellenborough*, C.J. (*u*): "If the licence, which is the lesser thing, must be in writing, *à fortiori*, the assignment, which is the greater thing, must also be."

No particular form of words is necessary to effect an assignment of a patent right, and it has been held that where a patentee has covenanted, under his hand and seal, to assign a patent on the happening of a certain event, the covenant, on the happening of the event, amounts to an actual assignment (*x*).

No particular  
form of words  
is necessary.

Since a patent must be considered "property" within the meaning of sect. 59, sub-sect. (1), of the Stamp Act of 1891 (*y*), a deed or agreement of assignment is chargeable with *ad valorem* duty under that section. This is so whether the patent is a British or a foreign one, for the property in a patent has no *locus* (*z*).

An equitable assignment of a patent may, without a deed, arise from the conduct of the parties when there is consideration, and though the consideration be a past service, the equitable agreement may be enforced. Thus, a letter contain-

Equitable  
assignments  
may arise  
from conduct  
when there  
is considera-  
tion.

(*p*) P. 172, *post*.  
(*q*) *Cook's Case*, *Power v. Walker*, 3 M. & S. 9; *Stewart v. Casey* (1892), 9 R. P. C. 9; [1892] 1 Ch. 104.  
(*r*) *Hazlehurst v. Rylands* (1891), 9 R. P. C. 7.  
(*s*) Co. Litt. 9b, 172a; *Shep. Touch.* 229—231.  
(*t*) 3 Co. R. 63a, *Lincoln Coll. Cas.*

(*u*) *Power v. Walker* (1814), 3 M. & W. 9.  
(*x*) *Cartwright v. Amatt* (1799), 2 Bos. & Pul. 43.  
(*y*) *The Smelting Co. of Australia v. Commissioners of Inland Revenue*, [1896] 2 Q. B. 179; [1897] 1 Q. B. 175.  
(*z*) *Ibid.*

**Assign-  
ment by  
Deed.**

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ing an agreement to give a share of a patent in consideration of a past service is an equitable assignment of the share. The principle on which this is so is that a past service raises an implication that it was to be paid for, and a subsequent promise to pay, if not supportable by the consideration of the past service, can be supported as a statement of the remuneration to be accepted in lieu of, or as fixing, the remuneration which the law implies in the first instance on the performance of the service (a).

**Considera-  
tion.**

When the assignment of a grant of Letters Patent is by deed, no consideration need be stated.

**No obligation  
on an assignee  
to maintain  
the patent.**

Sometimes patents are assigned in consideration of a royalty reserved to the assignor, and where such is the case it is not, in the absence of covenants to that effect, obligatory on the part of the assignee to pay the duties necessary to keep the patent on foot. Thus, in *Re Railway and Electric Appliances Co.* (b) it appeared that on the sale of a patent by the patentees to the company a deed of assignment was executed by the parties, by which, after a recital that the patentees had agreed to sell the patent to the company for 250*l.*, "and for the other considerations herein appearing," the patentees assigned the patent to the company absolutely, and after covenants for title by the patentees, including a covenant for quiet enjoyment "during the time subsisting therein," the company covenanted to pay to the patentees a royalty for every article which should be manufactured or sold by the company under the patent "while subsisting," and also a proportion of the profits arising from the manufacture or sale and from licences granted for the manufacture or sale of articles to be manufactured under the patent "while subsisting." The deed contained no express covenant by the company to keep the patent on foot or to manufacture or sell articles under it. On the expiration of the first four years of the patent, the company duly paid the first renewal fee, but on the expiration of the fifth year, by inadvertence, omitted to pay the second renewal fee, and consequently the patent lapsed. After an ineffectual attempt to obtain a private Act of Parliament to revive the patent, the company passed resolutions for a volun-

(a) *Stewart v. Casey* (1892), 9 R. P. C. 9, 14; [1892] 1 Ch. 184, judgment

of Bowen, L.J.

(b) (1888), L. R. 38 Ch. D. 597.



tary winding up, and the patentees thereupon sent in a claim for damages for the loss, through the lapse of the patent, of the royalties reserved by the assignment, contending that a covenant to keep the patent on foot should be implied in the assignment. The Court, however, held that no such covenant could be implied; and that, even if it could, the patentees could not obtain more than nominal damages, the company being under no obligation, express or implied, to manufacture the patented articles.

**Assign-  
ment by  
Deed.**

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By sect. 30 of the Patents and Designs Act, 1907, the Secretary of State for War, and the Admiralty, are respectively empowered, either for or without valuable consideration, to acquire by assignment, on behalf of his Majesty, all the benefit of an invention and of any patent obtained or to be obtained for any improvement in instruments or munitions of war; and where any such assignment has been made the Secretary of State for War or the Admiralty may at any time before the application for a patent for the invention, or before the publication of the specification or specifications, certify to the Comptroller that, in the interests of the public service, the particulars of the invention and of the manner in which it is to be performed should be kept secret; and if the Secretary of State for War or the Admiralty so certifies, the specifications of the invention will not be published or open to public inspection at any time, unless the Secretary of State for War or the Admiralty waives the benefit of the section. The full provisions of sect. 30 are as follows:—

**Power of  
Secretary of  
State for War  
and the  
Admiralty to  
acquire  
inventions by  
assignment.**

- (1) The inventor of any improvement in instruments or munitions of war may (either for or without valuable consideration) assign to the Secretary of State for War or the Admiralty on behalf of his Majesty all the benefit of the invention and of any patent obtained or to be obtained for the invention; and the Secretary of State or the Admiralty may be a party to the assignment.
- (2) The assignment shall effectually vest the benefit of the invention and patent in the Secretary of State or the Admiralty on behalf of his Majesty, and all covenants and agreements therein contained for keeping the invention secret and otherwise shall be valid and effec-

**Assign-  
ment by  
Deed.**

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tual (notwithstanding any want of valuable consideration), and may be enforced accordingly by the Secretary of State or the Admiralty. .

- (3) Where any such assignment has been made, the Secretary of State or the Admiralty, may at any time before the publication of the complete specification certify to the Comptroller that, in the interest of the public service, the particulars of the invention and of the manner in which it is to be performed should be kept secret.
- (4) If the Secretary of State or the Admiralty so certify the application and specifications, with the drawings (if any), and any amendment of the complete specification, and any copies of such documents and drawings shall, instead of being left in the ordinary manner at the Patent Office, be delivered to the Comptroller in a packet sealed by authority of the Secretary of State or the Admiralty.
- (5) The packet shall, until the expiration of the term during which a patent for the invention may be in force, be kept sealed by the Comptroller, and shall not be opened save under the authority of an order of the Secretary of State or the Admiralty or of the law officer.
- (6) The sealed packet shall be delivered at any time during the continuance of the patent to any person authorised by the Secretary of State or the Admiralty to receive it, and shall if returned to the Comptroller be again kept sealed by him.
- (7) On the expiration of the term of the patent, the sealed packet shall be delivered to the Secretary of State or the Admiralty.
- (8) Where the Secretary of State or the Admiralty certify as aforesaid, after an application for a patent has been left at the Patent Office, but before the publication of the complete specification, the application and specifications, with the drawings (if any), shall be forthwith placed in a packet sealed by authority of the Comptroller, and the packet shall be subject to the foregoing provisions respecting a packet sealed

by authority of the Secretary of State or the Admiralty.

Assign-  
ment by  
Deed.

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- (9) No proceeding by petition or otherwise shall lie for revocation of a patent granted for an invention in relation to which a certificate has been given by the Secretary of State or the Admiralty as aforesaid.
- (10) No copy of any specification or other document or drawing, by this section required to be placed in a sealed packet, shall in any manner whatever be published or open to the inspection of the public, but, save as in this section otherwise directed, the provisions of this Act shall apply in respect of any such invention and patent as aforesaid.
- (11) The Secretary of State or the Admiralty may at any time waive the benefit of this section with respect to any particular invention, and the specifications, documents, and drawings shall be thenceforth kept and dealt with in the ordinary way.
- (12) The communication of any invention for any improvement in instruments or munitions of war to the Secretary of State or the Admiralty, or to any person or persons authorised by the Secretary of State or the Admiralty to investigate the same or the merits thereof, shall not, nor shall anything done for the purposes of the investigation, be deemed use or publication of such invention so as to prejudice the grant or validity of any patent for the same.
- (13) Rules may be made under this Act, after consultation with the Secretary of State and the Admiralty, for the purpose of ensuring secrecy with respect to patents to which this section applies, and those rules may modify any of the provisions of this Act in their application to such patents as aforesaid so far as may appear necessary for the purpose aforesaid.

The provisions of sub-sect. (13) are new, and the rest of the section is a repetition of the provisions of sect. 44 of the Act of 1883 but extended to the Admiralty. The rules at present in force under the provisions of sub-sect. (13) are Patents Rules, 1908, rr. 97—99.

**Assign-  
ment by  
Deed.**

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In a contract to which the Secretary of State for War is, as such, a party, it is sufficient to describe him by the style or title of his Majesty's Principal Secretary of State for the War Department, and a contract signed by him, or a deed signed, sealed, and delivered by him binds his successors in office (c).

**Equitable and  
legal interests  
of a licensee.**

The equitable interests of a licensee in relation to the district comprised in the licence are co-extensive with those of the grantee or assignee of the letters patent, yet his legal title is very different. Though an exclusive licensee may perhaps sue in his own name for infringements (d) he cannot apply to amend the specification or obtain an extension of the patent, and a mere licensee is not able to sue for infringements in his own name.

**Different  
inventions  
included in  
one patent.**

Before the passing of the Act of 1883 it was not uncommon to include more than one invention in a grant of letters patent, but the practice is not so frequent now, for it was provided by that Act, as it is by the Act of 1907 (e), that every patent shall be granted for one invention only, but the specification may contain more than one claim. The Act, however, declares (g) that it shall not be competent for any person in an action or other proceeding to take any objection to a patent on the ground that it comprises more than one invention. It is consequently possible that a patent granted under the present practice may comprise more than one invention. If the patent comprise two or more inventions separate and distinct in their nature, valid assignments may be made of the different parts of the patent to different persons, and it is competent to the assignee of a separate and distinct portion of a patent to sue for an infringement of that part, without joining one who has an interest in another part, the damages recovered in the action accruing to the former alone (h).

**Covenants by  
an assignor in  
restraint of  
trade.**

Sometimes the assignor covenants with the assignee that he will not trade in competition with him. Such a covenant should be carefully drawn so as not to be contrary to the doctrine of covenants in general restraint of trade. If the restraint is not wider than is necessary for the protection of the covenantee, and is not an injury to the public, the covenant can be en-

(c) 18 & 19 Vict. c. 117, s. 5.

(d) P. 209, *post*.

(e) 7 Edw. 7, c. 29, s. 14 (2).

(g) *Ibid*.

(h) *Dunncliff v. Mallett* (1859), 7 C. B. N. S. 209; *Walton v. Lavater* (1860), 8 C. B. N. S. 162, 184.

forced (i). Thus, a patentee and manufacturer of guns and ammunition for purposes of war covenanted with a company to which his patents and business had been transferred that he would not for twenty-five years engage, except on behalf of the company, either directly or indirectly, in the business of a manufacturer of guns or ammunition. The House of Lords held, affirming the Court of Appeal, that this covenant, though unrestricted to space, was not, having regard to the nature of the business and the limited number of customers (namely, the Governments of this and other countries), wider than was necessary for the protection of the company, nor injurious to the public interests of this country; and that it was, therefore, valid, and might be enforced by injunction (k).

Assign-  
ment by  
Deed.

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A patentee may assign the patent but reserve to himself the right to use the invention. When this is done questions may sometimes arise as to the power of the assignee to restrain persons claiming to act as the agents of the assignor from manufacturing or selling articles manufactured according to the invention. Thus, in one case (l), the patentee assigned two patents, reserving to himself the right to work the patents personally, which right was not to be transferable. After the death of the assignee the patents became vested in a company. The assignor entered into partnership with two other persons, and by an agreement between him and his firm he agreed to employ the firm, on certain terms, to manufacture articles under the patents on his behalf, and to sell them for him, which they did. In an action by the company against the firm for an infringement of the two patents by working under the agreement, it was held that according to the true construction of the agreement, although the firm were the agents of the assignor as far as selling was concerned, they were manufacturing, not as his agents, but as contractors for him, and had thereby infringed the rights of the plaintiff company, and an injunction was granted in special terms.

Reservation  
by an assignor  
of right to use  
the invention.

(i) Nordenfelt v. Maxim-Nordenfelt  
Guns and Ammunition Co., [1894]  
A. C. 535; Dubowski v. Goldstein,  
[1896] 1 Q. B. 478.

(k) Nordenfelt v. Maxim-Nordenfelt  
Guns and Ammunition Co., [1894]  
A. C. 535.  
(l) Howard v. Tweeddales (1895), 12  
R. P. C. 519.

Co-owners.

## CO-OWNERS.

Interest of  
co-grantees.

The Patents and Designs Act, 1907, s. 37, contains the following new statutory provisions, viz.: "Where after the commencement of the 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 devolution of the legal interest therein, as joint tenants, but, subject to any contract to the contrary, each such person shall be entitled to use the invention for his own profit without accounting to the others, but shall not be entitled to grant a licence without their consent, and if any such person dies, his beneficial interest in the patent shall devolve upon his personal representatives as part of his personal estate."

It is to be noticed that the section does not provide that all patents are to be granted in a form which creates a joint tenancy, for it may be "otherwise specified" in the patent, and sect. 14 (2) of the Act provides that every patent shall be in the "prescribed form" (*m*).

The form of patent which was in use at the commencement of the Act, and now constitutes Form A in the third schedule to the Patents Rules, 1908, apart from the provisions of the section, according to judicial interpretation, creates and gives a joint interest which survives to the remaining grantee or grantees upon the death of one or more of the original grantees, unless there was a severance of the joint interest before the death of such grantee or grantees; and it was always open to joint owners at any time to sever their joint interest and create a tenancy in common (*n*). The section, therefore, upon this point, embodies in the statute what formerly rested upon judicial decision, but the section does more than this, for it provides that, subject to any contract to the contrary, the beneficial interest passes to the legal representatives of a deceased joint tenant as part of his personal estate, and so removes all question as to whether the surviving joint tenant holds as trustee for the representatives of the deceased joint tenant.

Before the Act of 1907 the Courts had decided that each

(*m*) See also P. R. (1908), rr. 49—51.  
(*n*) See National Co. for the Distribution of Electricity by Secondary

Generators *v.* Gibbs (1899), 16 R. P. C. 339; 17 R. P. C. 302.

of a number of joint grantees, or co-owners by assignment, Co-owners. could, in the absence of agreement to the contrary, use the invention himself without obligation to account to his co-owners (*o*). In this respect, again, the section gives statutory effect to previous judicial decision.

Before the Act the question whether or not one of several co-owners could grant licences alone without the consent of his co-owners depended upon the form of the patent, and it was held that when the patent was in a form similar to that usually employed at present he could not do so (*p*). The section, therefore, makes no real alteration in the law in this respect, for it merely provided that unless otherwise specified in the patent, each joint owner, subject to any contract to the contrary, shall not be entitled to grant licences without the consent of his joint owners.

Patents granted before the 28th August, 1907, which is the date of commencement of the Act of 1907, are not included in the foregoing new statutory provisions.

A patent may be assigned to different persons in different portions as joint tenants, or as tenants in common (*q*). An assignee whether of the entirety of a patent, or of a part or share in it, takes the legal interest, and is not to be considered merely as a licensee (*r*). Assignment to several persons.

When a share in a patent is assigned, it is advisable that the deed of assignment should contain covenants binding not only the parties, but all future owners, to account to each other for the profits made by them respectively, and to grant, or concur in granting, licences in a manner prescribed (*s*). A deed of assignment of a share of a patent should also contain a covenant by the assignee to perform and observe the stipulations (if any) which bind the assignor and to indemnify him from future breaches thereof (*t*); and each owner should covenant to pay his proper proportion of the renewal fees, and should charge his share in the patent with the payment of any moneys which may be paid by any other owner on his

(*o*) *Mathews v. Green* (1865), L. R. 1 Ch. 29; *Steers v. Rogers* (1893), 10 R. P. C. 245.

(*p*) *Mathews v. Green* (1865), L. R. 1 Ch. 29.

(*q*) *Walton v. Lavater* (1860), 8 C. B. N. S. 162; *Smith v. London and*

*North-Western Ry. Co.* (1853), Macr. P. C. 203.

(*r*) *Walton v. Lavater* (1860), 8 C. B. N. S. 162, 187, 189.

(*s*) See *Morris' Patents Conveyancing*, p. 120.

(*t*) *Ibid.*

Co-owners. behalf in this respect (*u*). There should also be a provision to the effect that licences should be granted by the co-owners jointly, and that all benefits arising therefrom should be shared by such co-owners in proportion to their shares (*x*). If a deed of assignment of a share of a patent provides for the sole working of the patent by one of the co-owners alone, it is well to reserve to the other co-owners the right to use the share or shares assigned on agreed conditions; and to enter a notification of such the right on the Register of Patents (*y*).

A co-owner in fee of one moiety of a patent and mortgagee of the other moiety is entitled to work the patent himself without liability to account to the mortgagor; though if he grant licences he would, probably, in an action for redemption be bound to account to the mortgagor for royalties received as being profits received by him when mortgagee in possession (*z*).

It is clear that one of two co-patentees cannot dispose of the rights of the other. Thus, if A. and B. are patentees, and B. wants to get rid of A., the only way in which he can do so is by getting A. to assign his rights to him: he cannot assign the whole patent to C., and then say that A. has no right to use it at all (*a*).

Co-owner's  
right to sue  
for infringement.

It is submitted that when a patent for an invention is held by several persons, either as joint tenants or as tenants in common, it is competent for one of such co-owners to sue alone in respect of an infringement (*b*).

In *Smith v. London and North-Western Railway Co.* (*c*) it was held that where a patent is assigned to two persons as tenants in common they may maintain a joint action in respect of infringements, and the right of action survives, so that after the death of one tenant in common the survivor may sue for and recover the whole of the damages in respect of infringements committed during the lifetime of the deceased tenant in common. It must be noticed that one ground for the decision in favour of the plaintiff *Smith*, who was a surviving tenant in common, being entitled to sue in respect of the

(*u*) See *Morris' Patents Conveyancing*, p. 123.

(*x*) *Ibid.*

(*y*) *Ibid.* 126.

(*z*) See *Steers v. Rogers* (1892), 9 R. P. C. 177; 10 R. P. C. 245.

(*a*) *Horsley and Knighton's Patent* (1869), L. R. 8 Eq. 475.

(*b*) *Sheehan v. Great Eastern Ry. Co.* (1880), L. R. 16 Ch. D. 59.

(*c*) (1853), 2 E. & B. 69; Macr. P. C. 188.



infringements in question, was that, had the action been brought during the lifetime of both tenants in common, it must have been brought by them both jointly, and the case is consequently to that extent an authority for saying that one of two co-assignees cannot sue for infringement without the other being a party to the action. There is, however, the authority of *Malins*, V.-C., for saying that one person interested in a patent is entitled to sue without making his co-owners parties to the action, either for an injunction or for an account (*d*). The damages to which the plaintiff would in such circumstances be held entitled would be, not the whole damage to the joint owners, but only such proportion as should appear to be the plaintiff's, having regard to the proportion of the patent vested in the other co-owners. And on the analogy of *Bergmann v. Macmillan* (*e*) the account must be taken in the presence of all the other parties interested. Moreover, it has been held that where an assignment is made of a share in profits (arising, *e.g.*, from the working of a patent by licences) the assignee is entitled to an account from the licensee, but that the account must be taken once for all in the presence of all the parties interested. Thus, if there be more than one assignee, all the assignees are necessary parties. And the assignee who asks for an account of the profits must place himself in the position of the assignor, by offering to pay to the accounting party anything which may be due to him from the assignee. Also an account of profits will not be directed if it is clear that no profits have been made (*f*).

Co-owners.

All parties interested in the patent, if they do not join as co-plaintiffs, may be, and for safety's sake should be, joined as defendants, in order that the finding of the Court as to validity of the patent may be binding upon all the co-owners as against the defendant, and the infringing defendant may not be called on to account more than once, first to the plaintiff, and then separately to the other persons claiming an interest in the patent (*g*).

A patent may be vested in one as trustee for another person or persons, and it is competent for trustees to sue alone in

Trustee and  
*cestuis que*  
*trustent.*

(*d*) *Sheehan v. Great Eastern Ry. Co.* (1880), L. R. 16 Ch. D. 62.

(*e*) (1881), L. R. 17 Ch. D. 427.

(*f*) *Bergmann v. Macmillan* (1881), L. R. 17 Ch. D. 423.

(*g*) *Westhead v. Keene* (1838), 1 Beav. 287; *Bergmann v. Macmillan* (1881), L. R. 17 Ch. D. 423; *Van Gelder Co. v. Sowerby, Ltd.* (1890), 7 R. P. C. 41.

Assign-  
ment  
of Future  
Improvements.

respect of infringements, but the Court or a Judge may at any stage of the proceedings order the *cestuis que trustent* to be made parties (*h*); also a person is entitled to bring an action in his own name when the patent is registered in the name of another, if that other is a trustee for the plaintiff (*i*).

ASSIGNMENT OF FUTURE IMPROVEMENTS.

Covenants to  
assign future  
improvements are not  
contrary to  
public policy.

When inventors have once turned their attention to a particular class of inventions, or to some problem, the successful solution of which is felt to be a desideratum, which must bring benefit to the public and remuneration to the discoverer, it is well known that they are very likely to go on inventing fresh methods and improvements in the same direction. It frequently happens, therefore, that a purchaser of an invention is desirous of acquiring the right to an assignment of all future inventions and improvements of a like nature to the invention sold, which may be the produce of the assignor's inventive talent, for, as far as the purchaser is concerned, the utter destruction of the value, from a commercial point of view, of the original invention may be the result, if the monopoly in a better method, or an improvement in the means of achieving the desired object, is allowed to pass into the possession of anybody but himself. To prevent this, a covenant by the vendor of a patent to assign to the purchaser all future patent-rights which the vendor may thereafter acquire, in whatever way, of a like nature to the patent sold, is frequently inserted in deeds of assignment; and such an agreement is not contrary to public policy (*k*). On the contrary, public policy is directly in favour of such an agreement, by means of which a needy and struggling inventor may obtain a present payment to put his intellectual gifts at the service of a purchaser, and thus become enabled, in comparative ease and affluence, to devote his attention to scientific research, whereas if such a contract were prohibited, he might be compelled to apply himself to some

(*h*) R. S. C., Ord. xvi. r. 8.  
(*i*) Speckhart v. Campbell, "Times,"  
Mar. 13, 1884.

(*k*) Printing and Numerical Registering Co. v. Sampson (1875), L. R. 19 Eq. 462.

menial, or mechanical, or lower calling, in order to gain a livelihood (*l*).

The purchaser of a patent can maintain an action for breach of an agreement to assign further improvements and inventions, but specific performance will not be ordered on an interlocutory application (*m*).

Covenants for the assignment to the purchaser of patents for improvements upon the invention which the assignor shall in future become possessed of should be carefully drafted. Great difficulty and difference of opinion between Judges may easily arise as to the meaning of the word "improvements" in such a covenant (*n*). It does not follow that because the directions given in a subsequent specification would, if carried out, amount to an infringement of a prior patent, therefore the subsequent patent is for an improvement on the prior patent (*o*). Neither does it follow that because a subsequent patent is no infringement of the prior patent, the subsequent invention is not an improvement upon the prior invention (*p*). In fact, the consideration of the question of infringement does not usually assist in the determination of the question whether a subsequent invention is an improvement upon a prior invention within the meaning of a particular covenant. In the case of a patented machine, an improvement of it may include any machine which, while retaining some of those essential or characteristic parts of the machine which are the subject of the monopoly claims, yet by addition, omission or alteration, better achieves the same or better results, whether such improvement infringes the monopoly claim of the patented machine or not (*q*).

Where an assignor covenanted that "any improvements on the said invention that he shall during the continuance of

(*l*) *Ibid.*; see judgment of Jessel, M.R., p. 465.

(*m*) *London and Leicester Hosiery Co., Ltd. v. Griswold* (1886), 3 R. P. C. 251.

(*n*) See *Wilson v. Barbour* (1888), 5 R. P. C. 245, 675; *Valveless Gas Engine Syndicate v. Day* (1899), 16 R. P. C. 97; *Davies v. Curtis and Harvey, Ltd.* (1902), 19 R. P. C. 580; 20 R. P. C. 561; *Neil v. Macdonald* (1902), 20 R. P. C. 213; *Linotype and Machinery*

*Co., Ltd. v. Hopkins* (1908), 25 R. P. C. 665; 26 R. P. C. 109; *Davies v. Davies' Patent Boiler Co., Ltd.* (1908), 25 R. P. C. 823.

(*o*) See *Valveless Gas Engine Syndicate v. Day* (1899), 16 R. P. C. 100, 102.

(*p*) *Linotype and Machinery Co., Ltd. v. Hopkins* (1908), 25 R. P. C. 665; 26 R. P. C. 109.

(*q*) *Ibid.*

Estoppel. the aforesaid patents become possessed of shall be considered and be held to be part of the property hereby assigned, &c.," the covenant was held to contemplate only improvements discovered or made by the assignor himself, which he would be in a position to patent and assign to the assignee, and not to apply to patents in which he had only a beneficial interest with other persons (*r*).

## ESTOPPEL.

Recitals and covenants by the assignor which operate as an estoppel.

If a deed of assignment recite that the assignor is the inventor, he is estopped from denying the validity of the patent in any subsequent action brought by the assignee, or any person deriving title through him, in respect of any infringement; for the principle of the law of estoppel 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 (*s*).

When there is fraud, or common mistake between the parties as to what was intended, then there is no estoppel (*t*).

It is the usual practice for the assignor to enter into covenants that he is the true and first inventor, and that the patent is valid, so far as his acts and omissions are concerned. A covenant for title is implied if the assignor is expressed to assign as beneficial owner or trustee (*u*).

There may be an estoppel by matter of recital (*x*), but an estoppel must be certain, and is not to be taken from argument or inference (*y*).

If the recital only amount to an assertion that the assignor is himself an assignee of the actual inventor, the assignor is not estopped from denying the validity of the patent in an action brought by the assignee on a covenant contained in an agreement (*z*).

(*r*) *Pneumatic Tyre Co. v. Dunlop* (1896), 13 R. P. C. 553.

(*s*) *Bowman v. Taylor* (1834), 2 A. & E. 278, 291; per Taunton, J., *Walton v. Lavater* (1860), 8 C. B. N. S. 162; *Dunnicliff v. Mallett* (1859), 7 C. B. N. S. 209; *Franklin Hocking & Co. v. Franklin Hocking* (1899), 6 R. P. C. 69, 72; see also rule in *Pickard v. Sears* (1837), 6 A. & E. 469.

(*t*) *Ashworth v. Law* (1889), 7 R. P. C. 234; *Hayne v. Maltby* (1789), 3 T.

R. 439; *Lovell v. Hicks* (1836), 2 Y. & C. 46.

(*u*) Conveyancing Act, 1881, s. 7.

(*x*) *Lainson v. Tremere* (1834), 1 A. & E. 792; *Bowman v. Taylor* (1834), 2 A. & E. 278, 293.

(*y*) Co. Litt. 352 b; *Bowman v. Taylor* (1834), 2 A. & E. 278, 294.

(*z*) *Hayne v. Maltby* (1789), 3 T. R. 438; 1 W. P. C. 291; *Bowman v. Taylor* (1834), 2 A. & E. 278.

The grantee and assignor of letters patent is estopped in an action brought by the assignee against him for infringement, from denying that he had any title to convey (a).

Estoppel.

It is competent, however, for the grantee and assignor to dissent, at the hearing of an action for infringement brought against him by his assignee, from a particular construction of the specification which would have the effect of sustaining the patent as against another construction which would invalidate it (b).

Assignor not estopped from denying a particular construction of the specification.

Also in such an action the defendant assignor, though not entitled to dispute the validity of the patent, may contend that the specification bears such a construction as to exclude what he is in fact doing from the ambit of the claim. Thus, in *Hocking & Co. v. Hocking* (c) the patent was for "an improved apparatus for heating water and other liquids, applicable also as a condenser, cooler, or refrigerator." The specifications had been amended by disclaimer and memorandum of alteration filed by other assignees and predecessors in title of the plaintiff company. The complete specification, as amended, described and claimed the construction of a condenser, cooler, or refrigerator, consisting of an arrangement of annular spaces (*i.e.*, steam-spaces), substantially as described and shown, the principle of annularity and concentricity being disclaimed. Reversibility of the steam- and water-spaces was also pointed out in the specification as a special feature. The plaintiffs alleged against the defendant infringement of the condensing apparatus. It appeared in evidence that the apparatus of the defendant, in its simple form, was composed of a helical steam-space between two water-spaces, all the spaces being concentric and annular, and his multiform arrangement consisted of a cluster of the simple forms inside a large cylindrical vessel, and neither of his forms admitted of reversibility. At the trial, the defendant denied infringement, and alleged that, if the patent was so construed as to cover the alleged infringement, it would be void for want of novelty. *Kekewich*, J., who was the Judge of first instance, held (1) that the Court would regard with extreme jealousy the defendant's claims, as being in derogation of his own grant, and would

(a) *Oldham v. Langmead* (1789), 1 W. P. C. 291. 4 R. P. C. 255, 434; 6 R. P. C. 69.  
 (b) *Hocking & Co. v. Hocking* (1887), W. P. C. 291. (c) (1887), 4 R. P. C. 255, 434; 6 R. P. C. 69.

Estoppel.

assume that the patent must have a reasonable meaning; (2) that the essence of the amended patent was the alternation of steam- and water-spaces of the particular character described and shown in the figures, combined, if convenient, but not of necessity, with concentricity; and (3) that the defendant's apparatus infringed, although it contained certain minor differences and additions, and in one form only a single steam-space, while in the rest the spaces were not concentric. The Court of Appeal (*dissentiente Fry*, L.J.), dismissed the appeal with costs, and the defendant thereupon appealed to the House of Lords. The House of Lords held that, although it approved of the principle that a grantee shall not defeat his own grant, the language of the specification must not be strained against the patentee, and that the effect of the disclaimer was to limit the patent to machines constructed substantially as described, and, therefore, the only question was whether the defendant's apparatus was so constructed. The House found as a matter of fact that the defendant's apparatus was not so constructed, and the decisions of the Court of Appeal and *Kelkewich*, J., were accordingly reversed with costs, in favour of the appellant and defendant in the action.

Assignor not estopped from assisting a defendant with evidence.

Though an assignor, who assigns under terms which amount to an express or implied warranty of the validity of the patent, is estopped from denying the patent in an action brought against him by the assignee, he cannot be restrained from assisting as a scientific witness or otherwise a defendant, other than himself, in an action instituted by the assignee, or from communicating to such defendant evidence tending to show the invalidity of the patent.

Thus, on an interlocutory application in *London and Leicester Hosiery Co., Ltd. v. Griswold* (d) the plaintiff sought to obtain an injunction of the Court to restrain the defendant in the action, who was the original patentee and assignor of the company's patents, from assisting, as a scientific witness or otherwise, the defendants in two other actions then pending for the infringement of the company's patents. *North*, J., in refusing the injunction asked for, pointed out that he could not, under any circumstances, grant an injunction to restrain the defendant from obeying the subpoena to attend as a

(d) (1866), 3 R. P. C. 251.

witness in Court and answering questions which might be properly put to him, the refusal to answer which might lead to his committal to prison for contempt. On the same application it was also sought by the plaintiffs to restrain the defendant from communicating to the defendants in other actions information in his possession which might enable them to show that the patents assigned were not valid patents. The Court refused to grant an injunction, and the learned Judge stated that, though it is well settled that a licensee of a patent is, during the continuance of the licence, estopped from disputing the existing patent, yet it is going a great deal further to say that a man, who has assigned a patent, is to be restrained from mentioning to any person, at any time, or under any circumstances, matters which might show that the patent, which was granted by the Crown in the belief that the invention claimed was a new invention, was not, as a matter of fact, a new invention.

Estoppel.

A bankrupt patentee, whose patent has been sold by his trustee in bankruptcy, is not estopped, in an action subsequently brought against him (the patentee) for infringement, from denying the validity of the patent, either by matter of record, on the ground that the letters patent were matters of record; or by deed, by reason of the specification being under his seal; or by matters *in pais*, on the ground of the statements in the declaration accompanying his application, there being nothing to show that the purchaser bought on the faith of those statements (e).

Assignment by trustee in bankruptcy does not raise an estoppel against the bankrupt patentee.

WARRANTY.

In cases arising on the breach of contracts by purchasers of letters patent, it is always most important to consider whether the contract contains any express or implied warranty, on the part of the assignor as to the validity of the patent, for, if there is no such warranty, the purchaser, in the absence of fraud, cannot repudiate the contract on the ground that he has subsequently discovered the patent to be void. A purchaser, without a warranty from the assignor, in the absence

Warranty may be express or implied.

In the absence of warranty the doctrine of *caveat emptor* applies.

(e) *Cropper v. Smith* (1884), L. R. 26 Ch. D. 700; L. R. 10 App. Cas. 249; 1 R. P. C. 81; 2 R. P. C. 17.

Warranty. of fraud, is bound to take the patent with all its faults, if it have any (*f*).

In *Hall v. Conder* (*g*), the leading case on this point, the facts were as follow:—By an agreement reciting that the plaintiff had invented a method for the prevention of boiler explosions, and had obtained a patent for the use of the same within the United Kingdom, and was desirous of taking out patents in France, Belgium, and such other places as might be found expedient, and that he had disposed of a moiety of the English patent, and had applied to the defendant to purchase the other moiety, and to assist him in taking out the foreign patents, it was agreed that the defendant should pay to the plaintiff a certain sum in such manner as should be mutually agreed on, and also a proportion of the net profits, and in consideration of such agreement on the part of the defendant, the plaintiff “agreed to make over and transfer; and did thereby accordingly make over and transfer to the defendant one half of the said foreign patents, when the same should be obtained, and the above-mentioned one half of the English patent thereinbefore referred to.” The action was brought for the specific performance of this agreement, and the defendant objected that the invention was wholly worthless, and of no public utility, and was not new in England, and that the plaintiff was not the true and first inventor. The Court of Common Pleas, however, held that, in the absence of any allegation of fraud, it must be assumed that the plaintiff was an inventor, and there was no warranty, express or implied, either that he was the true and first inventor, within the meaning of the statute of James I., or that the invention was useful or new; but that the contract was for the sale of the patent such as it was, each party having equal means of ascertaining its value, and each acting on his own judgment. In *Smith v. Buckingham* (*h*) it appeared that the defendant had agreed to purchase the patent rights of the plaintiff in an invention for which provisional protection had been obtained. The agreement contained a recital to the effect that the plaintiff had lately invented an improved composition or material to be used in waterproofing, or rendering woven

(*f*) *Hall v. Conder* (1857), 2 C. B. N. S. 22; *Smith v. Neale* (1857), 2 C. B. N. S. 67; *Heine v. Spong*

(1904), 22 R. P. C. 110.

(*g*) (1857), 2 C. B. N. S. 22.

(*h*) (1870), 21 L. T. N. S. 819.



fabrics impervious to moisture. The action was on the breach of the agreement, and the defendant pleaded that the plaintiff had not invented an improved, or any, composition or material which could be employed in rendering woven fabrics impervious to moisture; but the Court of Queen's Bench gave judgment for the plaintiff, holding that the plea did not show a total failure of consideration, and that there was no express or implied warranty, and that the defendant had got what he bargained for. Warranty.

When, upon an agreement for purchase, the validity of the patent is a subject specially contemplated by the parties, the agreement should make it clear whether the question of validity is to be decided by the opinion of the purchaser, or whether the patentee warrants the validity in fact. Thus, when an agreement for purchase was entered into for a sum down and the remainder "within twenty-eight days, which latter payment the purchaser agrees to make immediately he has satisfied himself that the said patents are valid and of full force and effectual in law," and the vendor warranted the validity, it was held that in an action for specific performance the plaintiff was entitled to particulars of the purchaser's objections to validity; and, as it turned out that one of the patents in question was void for non-payment of fees, the action was dismissed, the real question being as to the validity of the patents in fact and not whether the purchaser was satisfied as to validity (*i*).

Covenants for validity, unless carefully drawn, may, in actions for specific performance between vendor and purchaser, give rise to difficult questions as to whether the guarantee is in the nature of a condition entitling the purchaser to repudiate the contract, or whether it is a mere warranty for the breach of which the remedy is only damages. That is to say, whether the covenant operates between the parties prior to the discharge of the purchase consideration, or whether it is inoperative unless and until some third party impugns the validity of the patent (*k*).

No injunction restraining the patentee from dealing with

(*i*) *Hazlehurst v. Rylands* (1892), 9 R. P. C. 1.      *Birohem v. Wren* (1904), 21 R. P. C. 683; *Henderson v. Shiels* (1906), 24 R. P. C. 108.  
(*k*) See *Nadel v. Martin* (1902), 20 R. P. C. 129, 723; 23 R. P. C. 41;

Warranty. patents which are the subject of an alleged agreement for sale and distribution of the proceeds of sale between him and the purchaser, will be granted, unless the purchaser is in a position to obtain specific performance of the agreement (*l*).

Statement that a patent is "valuable and valid."

When a company is promoted for the purpose of acquiring a patent, which has not been declared void by a Court of law and is described in the prospectus as a "valuable and valid patent" on the strength of a favourable report of an expert, it is not competent to a shareholder in an action for the removal of his name from the register of members, on the ground of misrepresentation in the prospectus, to adduce evidence of the invalidity of the patent. In such a case the question is whether the patent was valuable at the date of the prospectus (*m*).

No implied warranty that vendee of a patented article will be able to use it without licence of a prior patentee. Assignee with notice takes subject to prior assignee's covenants.

Upon the sale of a patented article there is no implied warranty that the purchaser will be entitled to use the article without liability to obtain the licence of a prior patentee (*n*).

When an assignee takes from a prior assignee, with notice, he takes subject to the prior assignee's covenants, when the inference is that the intention of the contracting parties was that the obligations were to attach to the patent itself (*o*). Thus (*p*) a patentee assigned letters patent to two persons, A. and B., who covenanted with him that they, their executors, administrators, and assigns, would use their best endeavours to introduce the invention by granting licences, or working the patent, or selling it; and that the patentee should be entitled to receive a percentage of all net profits, whether arising from royalties, sale, or otherwise, which should be received by A. and B., or the survivor of them, the executors or administrators of such survivor, or their or his assigns; and that an account of profits should be rendered yearly to the patentee and his share of profits paid to him by A. and B., and the survivor of them, and the executors or administrators

(*l*) *Harlett v. Hutchinson* (1891), 8 R. P. C. 457.

(*m*) *Stavert v. Passberg Grain Syndicate* (1891), 8 R. P. C. 400.

(*n*) *Monforts v. Marsden* (1895), 12 R. P. C. 266.

(*o*) *Werdermann v. Société Générale d'Electricité* (1881), L. R. 19 Ch. D. 246; *Bagot Pneumatic Tyre Co. v. Clipper Pneumatic Tyre Co.* (1901), 19

R. P. C. 74, 75; *Dansk Rekytriffel Syndicat Aktieselskab v. Snell* (1908), 25 R. P. C. 421; [1908] 2 Ch. 127; see also *New Ixion and Cycle Co. v. Spilsbury* (1898), 15 R. P. C. 380, 567; [1898] 2 Ch. 137, 484.

(*p*) *Werdermann v. Société Générale d'Electricité* (1881), L. R. 19 Ch. D. 246.

of such survivor, or their or his assigns, with a proviso that, after a sale had been made of the patent, the interests of the patentee in the profits should cease and a final account be come to. A. and B. had taken the assignment with a view to forming a company to work the patent. The company was formed, and the patent made over to it. The patentee sued the company for an account of profits. The company demurred, on the ground that there was no privity between them and the plaintiff, and that the plaintiff's right, if any, was against A. and B. only. It was held, however, both by *Bacon*, V.-C., and the Court of Appeal, that the plaintiff could sue the company for an account of profits, since the stipulations in the assignment to A. and B. amounted to a contract that the owners for the time being of the patent should account for and pay to the plaintiff a share of the profits, unless a sale within the meaning of the deed was effected, and no person taking the patent with notice of this contract could refuse to give effect to it.

Warranty.

#### RIGHTS OF ASSIGNEES.

The assignee of a patent may maintain an action for infringement, though he has acquired the right by two assignments of separate portions and the party sued is the original grantee. Moreover, the action is maintainable, although there has been no infringement since the defendant has received notice that the entire interest in the patent has become vested in the plaintiff (*q*).

Action for infringement by assignee.

In order that an assignee may sue alone in respect of infringements, it is necessary for him to show that the assignment of the patent was completed before the issue of the writ, since a mere equitable assignee cannot maintain the action without bringing the legal owner before the Court (*r*). Thus, where the assignment was of the benefit of an application for a patent with a provisional specification, and an assignment of the completed patent was not effected till after the issue of the writ, it was held that the executors of the deceased patentee, in whom was the legal estate at the issue of the writ, were necessary parties, and the trial was adjourned

(*q*) *Walton v. Lavater* (1860), 8 C. B. N. S. 162.

(*r*) See *Bowden's Patent Syndicate*,

*Ld. v. Smith* (1904), 21 R. P. C. 438; *Spennymoor Foundry, Ld. v. Catherall and Geldard* (1909), 26 R. P. C. 822.

Rights of Assignees.

till the executors were added as plaintiffs in pursuance of leave granted (s).

The assignment of a patent restrains the assignor and subsequent licensees from him from working or using the invention without the leave or licence of the assignee (t); and with respect to prior licensees from the assignor the rule seems (in the absence of any express reservation in the assignment of their rights) to be that, if the assignee took the assignment with notice thereof, he takes it subject to their licences, and, therefore, cannot restrain them, but that, if he had no such notice, he is entitled to restrain them.

## Amendment of specification by assignee:

An assignee is, at any time so long as he remains the person for the time being entitled to the benefit of the patent, entitled to ask for leave to apply at the Patent Office for liberty to amend the specification; he is in fact included in the meaning of the term "patentee" as used in the Act of 1907 (u).

## e.g., mortgagee.

It may be questioned whether a person to whom a patent has been assigned by way of mortgage is entitled to apply at the Patent Office for leave to amend the specification, or to present a petition to the Court for the prolongation of the patent, without his mortgagor being a party to the application (x).

It is advisable for the mortgagor of a patent to insist on the mortgagee entering into a covenant not to seek leave to amend the specifications or drawings without the written consent of the mortgagor.

## Petition for prolongation of patent by assignee.

An assignee, as the person for the time being entitled to the benefit of the patent, is included in the meaning of the term "patentee," as defined by the Act of 1907, and competent to petition for the prolongation of the patent (y); and an extension may be granted to the assignee, if the patentee has ceased to have any connection with the working of the patent (z), or if the assignee has paid a large sum for the assignment and the development of the invention (a).

(s) See note (r), p. 169.

(t) *Hassall v. Wright* (1870), L. R. 10 Eq. 509.

(u) 7 Edw. 7, c. 29, s. 93.

(x) See *Van Gelder Co. v. Sowerby, Ltd.* (1890), 7 R. P. C. 41, 208; see p. 132, *ante*.

(y) *Russell v. Ledsam* (1847), 14 M. & W. 574, 588; 1 H. L. Cas. 687.

(z) *Napier's Patent* (1861), 13 Moo. P. C. 543.

(a) *Bodner's Patent* (1849), 6 Moo. P. C. 468.

But assignees petitioning for the extension of letters patent, are not received with so much favour as the original grantee (*b*), and the prayer of the petition is not usually granted unless it is evident that the original grantee will derive some benefit by the extension (*c*).

Rights of Assignees.

Not unfrequently conditions are imposed for the benefit of the patentee when extensions are granted on the petition of assignees (*d*). In *Bovill's Patent* (*e*), where the petition was presented by the patentee and his mortgagee, the extension was granted to the patentee alone.

ASSIGNMENT AND PARTNERSHIP.

The assignment of a share in the profits of letters patent may constitute a partnership between the assignor and assignee, and create consequences not perhaps contemplated between them which might have been avoided by the grant of a licence at a royalty instead of an assignment (*f*).

Assignment of a share may constitute a partnership.

Where a partnership at will is formed for the purpose of working an invention for which a patent has been taken out by, and registered in the name of, one of the partners alone, the legal right to use the invention becomes an asset of the partnership and each partner acquires a right to practise it, which right is not taken away by the registered owner assigning the patent to third parties who have notice of the existence of the partnership; and even after the determination of the partnership each of the partners has an equal right and licence to use the invention, the dealings between them having been such as to create in the one partner an irrevocable licence, as far as the other partner, the patentee, is concerned, to use the invention (*g*).

Rights of partners working an invention.

Thus, a person named *Kenny*, who had invented an improved kind of button-hole for boots and shoes, and a machine for

(*b*) Norton's Patent (1863), 1 Moo. P. C. N. S. 3, 9; Claridge's Patent (1851), 7 Moo. P. C. 394; Normand's Patent (1870), L. R. 3 P. C. 193; p. 215, *post*.

(*c*) Norton's Patent (1863), 1 Moo. P. C. N. S. 339; Pitman's Patent, L. R. 4 P. C. 87; pp. 215, 244, *post*.

(*d*) Pitman's Patent (1871), L. R. 4 P. C. 84, 87; Herbert's Patent (1867),

L. R. 1 P. C. 399; Whitehouse's Patent (1830), 1 W. P. C. 473; Markwick's Patent (1860), 13 Moo. P. C. 310; Russell v. Ledam (1847), 14 M. & W. 574; pp. 216, 244, *post*.

(*e*) (1863), 1 Moo. P. C. N. S. 348.

(*f*) 1 W. P. C. 417, n.

(*g*) Kenny's Patent Button-Holing Co. v. Somervell (1878), 20 W. R. 787.

**Assign-  
ment and  
Partner-  
ship.**

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making it, obtained a loan from a person, *Lutwyche*, to enable him to meet the expense of taking out a patent for the invention; and the patent having been obtained by *Kenny*, in his name alone, he and *Lutwyche* for more than four years worked the invention in partnership, together. After the partnership had existed for some years, *Kenny* agreed with the trustee of a projected company to assign the patent to it, and the company having been formed, the assignment was duly made and registered. At the time of the agreement and assignment respectively, the trustee and directors of the company knew that *Lutwyche* and *Kenny* had been working the invention together. Notice of the assignment was given to *Lutwyche*, and he was warned not to infringe the patent, but he continued to work the invention, and the company then sought to restrain him from so doing. The Court held that, by the partnership, *Lutwyche* had obtained a licence to work the invention; that at the time of the assignment of the patent the company had notice of the existence of his right; and that they could not revoke the licence (*h*).

**ASSIGNMENT BY ACT AND OPERATION OF LAW.**

**Act and  
operation  
of law.**

An assignment by act and operation of law takes place when a person becomes entitled to a patent right without any deed of assignment from the person to whom he succeeds or through whom he claims. The patent is granted to the grantee, his executors, administrators, and assigns, and these words of limitation constitute it an assignable chattel interest, assignable by act and operation of law, just as any other chattel is.

**Death of  
grantee or  
assignee.**

On the death of a grantee or assignee of a patent, the patent vests in his executor if he has made a duly executed will, and in his administrator if he dies intestate (*i*); and such executor or administrator may sue for and recover in respect of infringements committed during the lifetime of the testator or intestate, as the case may be, if the probate of the will or grant of letters of administration has been entered on the register of patents.

(*h*) *Kenny's Patent Button-holing Co. v. Somervell* (1878), 26 W. R. 787.

(*i*) *Williams on Executors*, 8th ed. vol. i. p. 824.

If a person die possessed of an invention without having made an application for a patent, the right to apply vests in his legal representative, who of course would hold the patent, if granted, subject to any trusts contained in the will of the deceased, or for the benefit of the next of kin in cases of intestacy. And the application must contain a declaration by the legal representative that he believes such person to be the true and first inventor (*k*).

Assign-  
ment  
by Act and  
Operation  
of Law.

Death of per-  
son possessed  
of an inven-  
tion.

If a grantee or assignee is declared bankrupt, the patent vests in his trustee in bankruptcy (*l*), who thereupon becomes entitled, for the benefit of the creditors, to sue in respect of infringements, whether committed before the bankruptcy or not, but it is submitted that the trustee, before commencing action, must obtain an entry of his title on the register of patents.

Trustee in  
bankruptcy.

If a bankrupt before he obtains his certificate of discharge obtain a patent it will vest in his trustee for the benefit of the creditors (*m*). The fruits which result from schemes which a bankrupt has in his head before he obtains his discharge do not pass to the trustee; but if the bankrupt avail himself of his knowledge and skill, and thereby acquires a beneficial interest, which may be the subject of assignment, that interest will pass to the trustee (*n*). An undischarged bankrupt, however, if he is on the register as legal owner, can, subject to the right of his trustee in bankruptcy to intervene, maintain an action for infringement of a patent acquired subsequently to his bankruptcy, as being an action with relation to after-acquired property (*o*).

Rights of un-  
discharged  
bankrupt to  
fruits of  
unpatented  
invention.

Upon the dissolution of a limited company any undisposed of patent rights of the company vest in the Crown. It is submitted that a patent being a chose in action (*p*), which has to all intents the like effect as against the Sovereign, his heirs and successors, as it has against a subject (*q*), there is no

Patent vesting  
in the Crown.

(*k*) 7 Edw. 7. c. 29, s. 43.

(*l*) Bankruptcy Act, 1833, ss. 44, 50, 54, 168; see *Hesse v. Stevenson* (1808), 3 Bos. & P. 565; *Bloxam v. Elsee* (1827), 6 B. & C. 169; 9 Dowl. & R. 215; *McAlpine v. Mangall* (1846), 15 L. J. C. P. 298.

(*m*) Bankruptcy Act, 1863, ss. 44, 50, 54, 168; *Hesse v. Stevenson* (1808), 3 Bos. & P. 565.

(*n*) *Ibid.* See judgment of the Court

of Common Pleas, delivered by Lord Alvanley, C.J.

(*o*) *Webb v. Fox* (1797), 7 T. R. 391; *Fowler v. Down* (1797), 1 B. & P. 44; *Herbert v. Sayer* (1844), 5 Q. B. 965; *Buchan v. Hill*, W. N. (1888) 233; *Williams on Bankruptcy*, 8th ed. p. 208.

(*p*) See *infra*.

(*q*) 7 Edw. 7, c. 29, s. 29; p. 193, *post*.

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ment  
by Act and  
Operation  
of Law.

merger when it vests in the Crown, but the chose in action continues to exist and enures for the benefit of the Crown, and is as much assignable by the Crown as it would have been assignable by a subject who had become possessed of it. The fact is that the right of the true and first inventor, and those who derive title through him, to interfere with acts of all other subjects, as well as the Crown itself, which would otherwise be free and lawful, is created by an exercise of the royal prerogative as distinct from a statutory power. The right cannot be created at all unless and until the invention comes into being. The Crown becoming possessed of the right is not an instance of something originally in the Crown returning to the Crown. On the contrary, it is a case of a chose in action lawfully created by the exercise of the royal prerogative coming into the possession of the Crown (*r*).

A purchaser from the liquidator of a limited company should take care to obtain an actual legal assignment of the patent before the dissolution of the company. In one case, where a purchaser failed to obtain a legal assignment before dissolution, it was held that the provisions of the Trustee Act, 1893, as to vesting orders did not apply, since the legal estate had vested in the Crown and the Crown is not bound by a trust or the Trustee Act, and, even though the Crown consent, the Court has no jurisdiction to make a vesting order. The petition, in this case, was ordered to stand over to allow the petitioner to apply at the Patent Office to have his name entered on the register as proprietor of the patent; this was done under the direction of the Board of Trade, and the petition was dismissed (*s*).

Seizure by  
sheriff.

Articles made under letters patent are liable to seizure by the sheriff under a writ of *fi. fa.*, or under a restraint, and may be sold. The rights to the free use, or at all, of such articles as against the patentee would not pass upon the sale to the purchaser when the debtor himself was only in the enjoyment of a limited personal licence to use the article (*t*); though

(*r*) Cf. *In re Higgenson and Dean*, [1899] 1 Q. B. 325, 332; but see *In re Taylor's Agreement Trusts*, [1904] 2 Ch. 737; 21 R. P. C. 713.

(*s*) *Taylor's Agreement Trusts* (1904), 21 R. P. C. 713.

(*t*) See *British Mutoscope and Biograph Co. v. Horner* (1901), 18 R. P. C. 177; *National Phonograph Co. of Australia, Ltd. v. Menck*, [1911] A. C. 336; 28 R. P. C. 247.



it is clear that the purchaser has the property in the chattel (*u*). The patentee's right is a chose in action, and entirely distinct from the right of property in the chattel; and the patentee's right under the patent being a chose in action cannot be taken under a *fi. fa.* or *levari facias* since it has no locality, and, therefore, cannot be found upon the premises (*x*). To quote the words of Lord *Herschell*, L.C. (*y*), "What is the right which a patentee has, or patentees have? It has been spoken of as though a patent right were a chattel or analogous to a chattel. The truth is that letters patent do not confer upon him a right to manufacture according to his invention. That is a right which he would have equally effectively 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."

Assign-  
ment  
by Act and  
Operation  
of Law.

REGISTRATION OF ASSIGNMENTS.

By sect. 71 of the Act of 1907 (*z*) it is enacted that when a person becomes entitled by assignment, transmission, or other operation of law, to a patent, the Comptroller shall, on request and on proof of title to his satisfaction, register such person as proprietor of the patent; and it is by the same section further provided that the person registered as the proprietor of a patent shall, subject to the provisions of this Act and to any rights appearing to be vested in any other person, have power absolutely to assign, grant licences as to, or otherwise deal with the same, and to give effectual receipts for any consideration for such assignment, licence, or dealing: Provided that any equities in respect of the patent may be enforced in like manner as in respect of any other personal property.

Statutory  
provisions.

It is submitted that a person can only claim registration under this section if he possesses the legal estate, and consequently a mere equitable assignee is not entitled to registration under this section (*a*). Equitable assignments, however, may

(*u*) *Ibid.*; *Vavasour v. Krupp* (1878), L. R. 9 Ch. D. 360; Vol. I. pp 525—527.

(*x*) *British Mutoscope and Biograph Co. v. Horner* (1901), 18 R. P. C. 180. As to appointment of a receiver, see

*Edwards v. Picard*, [1909] 2 K. B. 903.

(*y*) *Stears v. Rogers* (1893), 15 R. P. C. 251.

(*z*) See also sect. 28.

(*a*) *Stewart v. Carey* (1892), 9 R. P. C. 9, judgment of Bowen, L.J.

**Registra-  
tion of  
Assign-  
ments.**

Assignments  
should be  
registered  
immediately.  
Mortgagees  
are registered  
as such and  
not as  
assignees.

be entered on the register as documents affecting the proprietorship of the patent (*b*).

It is to the interest of assignees to register their assignments as soon as possible (*c*).

Mortgagees of patents are always entered on the register as "mortgagees," and not as "assignees." It is provided that where any person becomes entitled as mortgagee, licensee, or otherwise, to any interest in a patent, the Comptroller shall, on request and on proof of title to his satisfaction, cause notice of the interest to be entered in the prescribed manner in the register of patents (*d*).

Documents of  
earlier date  
than the  
letters patent.

As a rule, documents relative to the proprietorship of letters patent of earlier date than the letters patent will not be entered on the register. It cannot, however, be laid down as a hard-and-fast rule that such documents ought not to be entered on the register, for there may be some which, as amounting to assignments, ought to be entered, whilst, on the other hand, to the entry of others very forcible objections might be raised which would prove absolutely insuperable (*e*).

Practice on  
registration.

The practice to be observed where an application is made for an entry of an assignment on the register of patents is regulated by Patents Rules, 1908 (*f*).

Is registration  
a condition  
precedent to  
right to sue?

Since the Act of 1883 came into operation, there has been no decided case in which the question has been determined whether an assignee of a patent is entitled to maintain an action for infringement before the assignment has been entered on the register, but on the authority of the old cases it is submitted that he could not do so, unless the defendant had notice of the assignment.

In *Chollet v. Hoffman* (*g*), a case decided under the Act of 1852, which provided for the registration of assignments (*h*), it was held that an assignee could not sue until his assignment had been registered, otherwise as the statute provided that before such registry the original patentee should be deemed the sole owner, a defendant would be liable to be sued at one and the same time by the grantee and assignee of the letters patent. It would appear that the reasoning upon which this

(*b*) See p. 80, *ante*.

(*c*) See *infra*.

(*d*) 7 Edw. 7, c. 29, s. 71 (2).

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

C. 126. 130.

(*f*) Rr. 85—91.

(*g*) (1857), 7 E. & B. 686.

(*h*) 15 & 16 Vict. c. 83, s. 35.

Registra-  
tion of  
Assign-  
ments.

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case was decided applies equally to the law as it now stands, since though the present Act does not contain the provision above referred to it does provide that the person registered as the proprietor shall, subject to the provisions of the Act, and to any rights appearing from the register to be vested in any other person, have power absolutely to assign, grant licences as to or *otherwise deal with* the patent, and to give effective receipts for any consideration for any such assignment, licence or dealing (i).

In *Hassall v. Wright* (k), which differed from *Chollet v. Hoffman* in that it was an action between assignee and assignor, whereas the latter case was between assignee and third parties, it was decided that the assignee could maintain an action against the assignor and his licensees, who had notice of the assignment, notwithstanding the fact that the assignment had not been registered.

The question as to whether the registration of an assignment has a retrospective effect, so as to place the assignee in a position to sue for and recover damages in respect of infringement committed after the assignment, but before the registration, has not been judicially determined, but it is submitted that the registration being merely an evidence of title, relates back to the date of the assignment, and that the assignee, on having his title perfected, is entitled to maintain the action (l).

Has registra-  
tion a  
retrospective  
effect?

Where the plaintiff in an infringement action derived his title to the patent under an assignment from the executors of the patentee, and it appeared that the assignment was made after probate was granted, but before it was registered, and that the deed of assignment was not registered until after the registration of the probate, it was held that the plaintiff was entitled to maintain his action (m).

(i) 7 Edw. 7, c. 29, s. 71 (3).  
(k) (1870), L. R. 10 Eq. 509; 40  
L. J. N. S. Ch. 145.  
(l) See *Hassall v. Wright* (1870),

L. R. 10 Eq. 509.  
(m) *Ellwood v. Christy* (1864), 17 C.  
B. N. S. 754; 18 C. B. N. S. 494; 34  
L. J. C. P. 130.

## CHAPTER V.

## LICENCES.

## ORIGIN OF POWER TO GRANT LICENCES.

Query whether patentee could grant licences without express authority.

It is open to question whether a patentee could give a valid licence authorising another person to exercise the privilege granted by the Crown, which is of a personal nature, unless the power to grant such licence was expressly given by the letters patent themselves, which, as we have seen, not only grant, but actually create the monopoly (*a*).

Old form of letters patent.

The old form in which letters patent were granted gave express power to the grantee to authorise his licensees to perform the invention.

Present form of letters patent.

Express power of granting licences is likewise conferred on the patentee by the Forms A and B, prescribed by the Statutory Rules of 1908 (*b*), which, or which slightly modified to meet special circumstances, are now used for the grant of letters patent for inventions (*c*). The grant is made to the "patentee," which by a previous recital means the grantee, his executors, administrators, and assigns; and then follows a prohibition to all the King's subjects whomsoever, within the United Kingdom of Great Britain and Ireland, and the Isle of Man, that they do not at any time during the continuance of the term for which the patent is granted, either directly or indirectly, make use of or put in practice the invention, or any part of the same, nor in anywise imitate the same, nor cause to be made any addition thereto or subtraction therefrom, whereby to pretend themselves the inventors thereof, without the consent, licence, or agreement of the patentee in writing under his hand and seal, on pain of incurring such penalties as may be justly inflicted on such offenders for their

(*a*) Pp. 145—147, *ante*.

(*b*) P. R. (1908), rr. 49, 50.

(*c*) See p. 421, *post*.

contempt of the royal command, and of being answerable to the patentee, according to law, for his damages thereby occasioned. And the letters patent further contain a proviso that nothing therein contained shall prevent the granting of licences in such manner and for such considerations as they may by law be granted.

**Origin of Power to Grant Licences.**

Each of two or more co-owners of a patent is entitled to work the invention for himself, and to assign his share, but the question whether one of several co-owners is entitled to grant a licence alone depends on the words of the letters patent (*d*). If, as in *Mathers v. Green* (*e*), the grant is made to the grantees, their executors, administrators, and assigns, that they and every of them, by themselves, their servants and agents, *and such others as they shall agree with*, and no others, may use the invention, then it is submitted that no licence could be granted without the concurrence of all the patentees (*f*).

**Powers of co-owners to grant licences.**

Each co-owner is entitled to retain whatever profit he makes by his own working of the invention, though it is open to question whether, if he is entitled to and does grant licences, he is not liable to account to his co-owners for the royalties he receives (*g*).

**Royalties received by co-owners.**

A mortgagee in possession may grant licences; but he is liable to account to the mortgagor in an action for redemption for royalties received, as being profits made by him whilst mortgagee in possession (*h*).

**Mortgagee in possession may grant licences.**

The assignment of a patent subject to an agreement entered into by the assignor with a third party for a licence does not render the assignee a necessary party to the deed of licence (*i*).

**Assignment subject to an agreement for a licence.**

#### HOW LICENCES MAY BE GRANTED.

The effect of the prohibiting clause in the letters patent seems to make it compulsory that the licence must be under the hand and seal of the patentee; that is to say, it must be

**Form in which licences must be granted.**

- (*d*) See p. 156, *ante*.  
 (*e*) L. R. 1 Ch. 29.  
 (*f*) See Jessel, M.R., *Powell v. Head* (1879), L. R. 12 Ch. D. 690.  
 (*g*) *Dunnicliff v. Mallett* (1859), 7 C. B. N. S. 209; *Walter v. Lavater* (1860), 8 C. B. N. S. 162; *Mathers v. Green* (1865), L. R. 1 Ch. 29; *Hancock v. Bewley* (1860), Johns R. 601.  
 (*h*) *Steers v. Rogers* (1892), 9 R. P. C. 177; 10 R. P. C. 245.  
 (*i*) *Frentzell v. Dongill* (1904), 21 R. P. C. 611.

**How  
Licences  
may be  
Granted.**

made by deed, or rather, speaking strictly, not necessarily by deed but by an instrument which is only of the nature of a deed, because it does not require delivery, and will not be refused in evidence, though unstamped as a deed (*j*).

The prohibiting clause, however, must be read in conjunction with the provision contained in the latter part of the patent, which is in the words "but nothing herein contained shall prevent the granting of licences in such manner and for such considerations as they may by law be granted." If there is a writing purporting to be an agreement of licence between the parties which has been acted upon, it is not competent to either party to repudiate responsibility under it on the ground that it is not under seal (*k*).

Also an effective licence may arise from parol agreement (*l*), if acted upon.

In the case of an executory agreement for a licence under seal, it is a question of construction as to whether the grant of a formal deed is a condition precedent; and, if this is not so, the agreement is, in equity, equivalent to a formal deed of licence in questions affecting the rights of the parties (*m*). For example, in *Tweeddale v. Howard and Bullough, Ld.* (*n*), it appeared that negotiations had taken place between the plaintiff and defendants, which in the plaintiff's view resulted in an arrangement for a licence. There never was a complete agreement between the parties as to the terms of the licence by deed which was intended to be entered into; but they had, whilst negotiating as to the terms of the deed, entered into a binding agreement which covered part of the ground contemplated, and which rendered the defendants licensees up to a specific date. The plaintiff accordingly obtained a declaration that the defendants were licensees up to that date, and also an account of royalties due.

An agreement for a licence made before the patent is granted and in contemplation of the grant may be sued upon after the grant. Thus, where an applicant before filing his complete

A writing if acted upon is effective though not under seal.

Licence may arise from a parol agreement acted upon.

Necessity for a formal deed is a question of construction in cases of executory agreements.

Agreement for licence prior to the grant of the patent.

(*j*) *Chanter v. Johnson* (1845), 14 M. & W. 408.

(*k*) *Chanter v. Dowhurst* (1844), 12 M. & W. 823; 13 L. J. Ex. 198; *Chanter v. Johnson* (1845), 14 M. & W. 408; *Post Card Automatic Supply Co. v. Samuel* (1889), 6 R. P. C. 560.

(*l*) *Crossley v. Dixon* (1863), 10 H. L. C. 293.

(*m*) *Post Card Automatic Supply Co. v. Samuel* (1889), 6 R. P. C. 560; *Tweeddale v. Howard and Bullough, Ld.* (1896), 13 R. P. C. 522.

(*n*) (1896), 13 R. P. C. 522.

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specification granted a licence to use the invention, and the licensees on being sued, after the grant of the patent, for the payment of royalties refused to pay, on the ground that the letters patent were obtained for an invention less than the whole invention described in the provisional specification, *Chitty, J.*, held that, on the construction of the licence, without deciding the point so raised by way of defence, the bargain was that in the circumstances the royalties should be paid (o).

Since a licence is property within the meaning of Stamps. sect. 59 (1) of the Stamp Act, 1891 (p), a licence to use a patented invention, if made by deed, requires an *ad valorem* stamp in cases where a fixed sum is paid as consideration. In cases where the licensee covenants to pay a minimum royalty the Stamp Office requires an *ad valorem* duty to be paid on the gross minimum royalty, and this whether or not the licence is determinable.

A mere licence in writing does not require any stamp, but if the writing amounts to an agreement it must be stamped accordingly (q).

CLASSIFICATION OF LICENCES.

Licences to use patented inventions may be—

- (1) *Expressed.*
- (2) *Implied.*

The sale of an article without any restriction, whether manufactured under a British or foreign patent, as against the vendor, gives the purchaser an implied licence to deal with the article during its natural life in any way he thinks fit. This includes selling in any country where there is a patent in the possession of, and owned by, the vendor (r), and making simple repairs; but it does not include making such radical

Sale of patented article without restrictions gives purchaser right to use where and how he pleases.

(o) *Otto v. Singer* (1889), 7 R. P. C. 7.  
 (p) *The Smelting Co. of Australia, Ltd. v. The Commissioners of Inland Revenue*, [1896] 2 Q. B. 179; [1897] 1 Q. B. 175.  
 (q) *Wilson v. Union Oil Mills* (1892), 9 R. P. C. 62.  
 (r) *Société Anonyme des Manufactures de Glaces v. Tilghman's Patent*

*Sand Blast Co., per Cotton, L.J.* (1883), L. R. 25 Ch. D. 9; *Betts v. Willmott* (1871), L. R. 6 Ch. 239; *Heap v. Hartley* (1888), 5 R. P. C. 603; 6 R. P. C. 495; but see p. 196, *post*, and Vol. I. p. 381; *National Phonograph Co. of Australia, Ltd. v. Menck*, [1911] A. C. 336; 28 R. P. C. 229.

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repairs as amount practically to the construction of a new article (*s*). The purchaser from the patentee abroad of an article made under a foreign patent obtains *quâ* the purchase no implied licence to use the article in England as against a previous assignee of the English patent in respect of the article (*t*), neither, it is submitted, would the purchase abroad of the foreign-made article carry an implied licence to import it as against a subsequent assignee of the British patent who took prior to the importation and without notice.

The unconditional sale by the patentee of a patented article is a sale coupled with an estoppel by conduct against the patentee preventing him from raising any question on the patent in respect of any user of the article by the purchaser or any one into whose hands it may come. In this sense the purchaser is licensed to use. The position between the parties, however, is merely that of vendor and purchaser with the above estoppel against the vendor. The position is not that of licensor and licensee with the consequence of estoppel of the licensee from denying validity of the patent when sued, *e.g.*, for damages or an account of profits in respect of articles not supplied by the patentee (*u*). When a person takes a patented article from the patentee, and acknowledging the patentee's title agrees, by deed or by verbal agreement acted upon, to pay royalties for the use of the patented article, there is no unconditional sale coupled with an estoppel against the patentee. The property in the article may or may not be in the patentee according to circumstances (*x*), but the essence of the transaction is a limited right of user dependent on the licence of the patentee granted in consideration of royalties reserved. The position of licensor and licensee is, therefore, established with the consequence that the person authorised to use the article is estopped from denying the validity of the patent against the patentee, in any proceedings to which both are parties during the continuance of the licence (*y*).

(*s*) See *Dunlop Pneumatic Tyre Co. v. Neal* (1899), 16 R. P. C. 24; *United Telephone Co. v. Neilson, W. N.* (1887) 193; *Dunlop Pneumatic Tyre Co. v. Wilson* (1890), 17 R. P. C. 332; *Dunlop Pneumatic Tyre Co. v. Excelsior Tyre Cement and Rubber Co.* (1901), 18 R. P. C. 209; *Dunlop Pneumatic Tyre*

*Co. v. Holborn Tyre Co.* (1901), 18 R. P. C. 222.

(*t*) *Betts v. Willmott* (1871), L. R. 6 Ch. 245.

(*u*) See p. 201, *post*.

(*x*) See Vol. I. pp. 31, 526.

(*y*) See p. 201, *post*.



The vendee of a licensee has all the privileges of an ordinary vendee, including that of resale, unless the vendee takes with notice of some limitation to the contrary. Thus, where the defendant in an action for the infringement of a patent for improvements in the manufacture of soap pleaded that the alleged infringement was the resale by him of soap purchased by himself from licensees of the plaintiff, the Court of Common Pleas held this to be a good defence, and gave judgment for the defendant accordingly (z).

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What the letters patent prohibit the public from doing without the consent, licence, or agreement of the patentee, is the making use of, or putting in practice, the invention comprised in the patent—that is, the art by the exercise of which the patentee produces the finished product.

The public are generally entitled to use the invention in the sense of the finished product without the further licence of the patentee, if that finished product was not produced in infringement of the patent—*i.e.*, it was produced by the patentee, or under licence from him.

When use of  
a patented  
article is an  
infringement.

Use of a manufactured article only constitutes an infringement when the article used was produced without authority (a), or is used in breach of a restriction of which the user had notice (b), or where it was produced under a licence strictly limited to its manufacture and not applicable to its use (c), for a licence to manufacture an article does not necessarily imply a licence to use the article when manufactured (d).

Licences to use patented inventions may also be—

- (1) *Compulsory.*
- (2) *Voluntary.*

Before the Patents, Designs and Trade Marks Act, 1883, it was optional with the grantee of a patent whether he would grant licences or not. Sect. 22 of that Act gave power to the Board of Trade, upon the petition of any person interested, to order, under certain circumstances, the patentee to grant licences upon such terms as the Board having regard to the

Law relating  
to compulsory  
licences.

(z) *Thomas v. Hunt* (1864), 17 C. B. N. S. 183.

(a) Vol. I. p. 378.

(b) Vol. I. p. 381.

(c) *Basset v. Graydon* (1897), 14 R. P. C. 701.

(d) *Basset v. Graydon* (1897), 14 R. P. C. 701.

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nature of the invention and the circumstances of the case might deem just.

Sect. 3 of the Patents Act, 1902, repealed sect. 22 of the Act of 1883, and extended the rights of the public in the matter of compulsory licences, and substituted the Judicial Committee of the Privy Council for the Board of Trade as the ultimate authority to decide whether or not to grant the petition for a compulsory licence of any person interested, and alleging that the reasonable requirements of the public with respect to the patented invention have not been satisfied. Also sect. 3 of the Patents Act, 1902, authorised the revocation of the patent by Order in Council, if the Judicial Committee were of opinion that the reasonable requirements of the public would not be satisfied by the grant of licences: and if it was proved to the satisfaction of the Judicial Committee that the patent was worked, or that the patented article was manufactured exclusively or mainly outside the United Kingdom, then, unless the patentee could show that the reasonable requirements of the public had been satisfied, the petitioner was entitled either to an order for a compulsory licence or to an order for revocation of the patent. But it was provided that no order for revocation should be made before the expiration of three years from the date of the patent, or if the patentee gave satisfactory reasons for his default. The reasonable requirements of the public were not deemed to have been satisfied if, by reason of the default of the patentee to work his patent or to manufacture the patented article in the United Kingdom to an adequate extent, or to grant licences on reasonable terms, (a) any existing industry or the establishment of any new industry was unfairly prejudiced; or (b) the demand for the patented article was not reasonably met.

Sect. 3 of the Patents Act of 1902 was somewhat amended by the Patents and Designs (Amendment) Act, 1907 (*e*).

The existing statute law as to compulsory licences is now comprised in sect. 24 of the Patents and Designs Act, 1907 (*f*), which is here set out:—

- (1) Any person interested may present a petition to the Board of Trade alleging that the reasonable requirements of the public with respect to a patented inven-

(*e*) 7 Edw. 7, c. 28, s. 16.

(*f*) 7 Edw. 7, c. 29, s. 24.

- tion have not been satisfied, and praying for the grant of a compulsory licence, or, in the alternative, for the revocation of the patent.
- (2) The Board of Trade shall consider the petition, and if the parties do not come to an arrangement between themselves the Board of Trade, if satisfied that a *primâ facie* case has been made out, shall refer the petition to the Court, and, if the Board are not so satisfied, they may dismiss the petition.
- (3) Where any such petition is referred by the Board of Trade to the Court, and it is proved to the satisfaction of the Court that the reasonable requirements of the public with reference to the patented invention have not been satisfied, the patentee may be ordered by the Court to grant licences on such terms as the Court may think just, or, if the Court is of opinion that the reasonable requirements of the public will not be satisfied by the grant of licences, the patent may be revoked by order of the Court.

Provided that an order of revocation shall not be made before the expiration of three years from the date of the patent, or if the patentee gives satisfactory reasons for his default.

- (4) On the hearing of any petition under this section the patentee and any person claiming an interest in the patent, as exclusive licensee or otherwise, shall be made parties to the proceeding, and the law officer or such other counsel as he may appoint shall be entitled to appear and be heard.
- (5) For the purposes of this section the reasonable requirements of the public shall not be deemed to have been satisfied—

(a) if by reason of the default of the patentee to manufacture to an adequate extent and supply on reasonable terms the patented article, or any parts thereof which are necessary for its efficient working, or to carry on the patented process to an adequate extent or to grant licences on reasonable terms, any existing trade or industry, or the establishment of any new trade or industry in the United Kingdom

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is unfairly prejudiced, or the demand for the patented article or the article produced by the patented process is not reasonably met; or

(b) if any trade or industry in the United Kingdom is unfairly prejudiced by the conditions attached by the patentee before or after the passing of this Act to the purchase, hire, or use of the patented article or to the using or working of the patented process.

- (6) An order of the Court directing the grant of any licence under this section shall, without prejudice to any other method of enforcement, operate as if it were embodied in a deed granting a licence and made between the parties to the proceeding.

This section is the Act of 1902, s. 3, as amended by the (Amendment) Act of 1907, s. 16. The procedure under the section is regulated by Patents Rules, 1908, rr. 68—74. The alteration in the law as compared with the Act of 1902, s. 3, is as follows: Petitions for the grant of a compulsory licence or, in the alternative, for the revocation of a patent are now to be referred by the Board of Trade to the Court instead of to the Judicial Committee of the Privy Council. Accordingly, the references in the old section to the Judicial Committee and to Orders in Council are, in this section, represented by references to the Court and Orders of the Court respectively, and sub-sects. (8), (9) and (10) of the old section, which dealt with procedure before the Judicial Committee, are not repeated. The grounds stated in sub-sect. (5), upon which the reasonable requirements of the public are to be deemed not to have been satisfied are somewhat different to the grounds stated in sub-sects. (5) and (6) of the Act of 1902, for which the present section was substituted by the (Amendment) Act of 1907, s. 16, sub-s. 2.

The "Court" in this section means such Judge of the High Court as the Lord Chancellor shall appoint, and there is no appeal from the decision of such Judge (*g*).

Ever since the Act of 1883 it has, by virtue of statutory provisions, been possible for persons interested to obtain com-

pulsory licences, under conditions, and upon proof of circumstances more or less like those defined by the present section. Applications for compulsory licences have, however, been conspicuous by their absence. In fact, of reported cases there have been only four (*h*) under the Act of 1883, and none at all under the Acts of 1902 and 1907. Possibly, because of the cheaper procedure under the present Act, and the new grounds upon which the reasonable requirements of the public are to be deemed not to have been satisfied, applications for compulsory licences may be more frequent in the future than they have been in the past.

Hitherto the Courts, acting upon the principle *cujus est dare ejus est disponere*, have held that the patentee could attach any condition he liked in respect to the purchase, hire, or use of a patented article (*i*). The effect of sub-sect. (5) (b) of the above section and sect. 38 of the Act, is to considerably modify this view.

Licences may also be—

- (1) *Revocable*.
- (2) *Irrevocable*.

Frequently the licence contains a provision under which it may be revoked and terminated by one or both of the parties on the happening of certain events, such as the non-payment of royalties or a decision of a Court of law to the effect that the patent is void. In the latter case, where the patent is in fact declared invalid in an action against third parties, but the decision of the Court is afterwards reversed, even though by consent, the licensee cannot rely upon the decision of invalidity since it was reversed, and under such circumstances he is liable to the licensor in an action to recover unpaid royalties (*k*).

Licences con-  
taining  
provisions for  
revocation.

When from an examination of the whole instrument it appears clear that the intention of the parties was that the licence was to be irrevocable, neither party can, without the consent of the other, put an end to it (*l*).

(*h*) Continental Gas Glühlicht Actien Gesellschaft (Meteor) Petition (1897), 15 R. P. C. 727; Levinstein's Petition (1898), 15 R. P. C. 732; Hulton and Bleakley's Petition (1898), 15 R. P. C. 749; The Gormully and

Jeffery Manufacturing Co.'s Petition (1899), 16 R. P. C. 641.

(*i*) See Vol. I. p. 381.

(*k*) Cheetham v. Nuttall (1893), 10 R. P. C. 321.

(*l*) Kenny's Patent Button-holing

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tion of  
Licences.**

Licence  
coupled with  
an interest is  
not revocable,  
though a mere  
licence is  
revocable.

If the licence is silent as to the power of the parties to revoke it, it then becomes of the utmost importance to decide whether the licence is one coupled with an interest or not. A mere licence is, in the absence of provisions to the contrary, revocable at the will of either party (*m*); but a licence coupled with an interest cannot be so revoked (*n*).

“Coupled with an interest” is a somewhat ambiguous term, and it is probably more correct, with reference to licences to use patented inventions, to say “coupled with obligations” (*o*):

Though a licence is one coupled with an interest, *i.e.*, involving obligations on each of the parties, and so not revocable, yet it may, upon the terms of the instrument, be liable to forfeiture in the event of breach of the terms and conditions on which it was made (*p*).

When from the terms of the licence it appears not to be coupled with obligations on either the licensor or licensee it is, as stated above, generally speaking, revocable at the will of either party (*q*).

When, however, the licence is coupled with obligations on both the parties it is not so revocable—*e.g.*, where the licence is exclusive and the licensor is under the obligation not to use the patented invention himself, and the licensee is under the obligation to use his best endeavours to advertise and push the invention (*r*).

And where the agreement expressly provides that one party may determine the licence, but is silent as to the power of the other party to put an end to it, the Courts will infer an intention to the effect that the licence is not determinable by such other party (*s*).

In the absence of express provision, if the licence is revocable, whether it be made by deed or otherwise, a deed is

Licence  
providing for  
revocation by  
one party  
only.

Revocation  
need not  
necessarily  
be by deed.

*Co. v. Somervell* (1878), 26 W. R. 787; 38 L. T. N. S. 870.

(*m*) *Wood v. Ledbitter*, 9 Jur. 187; *Redges v. Mulliner* (1893), 10 R. P. C. 21; *Crossley v. Dixon* (1863), 10 H. L. C. 291; *Coppin v. Lloyd* (1898), 15 R. P. C. 373.

(*n*) *Wood v. Ledbitter*, 9 Jur. 187; *Ward v. Livesey* (1888), 5 R. P. C. 102; *Guyot v. Thomson* (1894), 11 R. P. C. 541; *Cutlan v. Dawson* (1897), 14 R. P. C. 249; 13 R. P. C. 716, 717.

(*o*) *Guyot v. Thomson* (1894), 11 R. P. C. 553.

(*p*) *Ward v. Livesey* (1888), 5 R. P. C. 102.

(*q*) *Wood v. Ledbitter*, 9 Jur. 187; *Redges v. Mulliner* (1893), 10 R. P. C. 21; *Crossley v. Dixon* (1863), 10 H. L. C. 293.

(*r*) *Guyot v. Thomson* (1894), 11 R. P. C. 541.

(*s*) *Cutlan v. Dawson* (1897), 14 R. P. C. 249; 13 R. P. C. 716, 717; *Guyot v. Thomson* (1894), 11 R. P. C. 541.

not necessary to revoke it (*t*). It may be revoked by an expression of intention to revoke; but a mere plea in a defence to an action to recover royalties, to the effect that a licence has been abandoned, is not a notice of determination, and consequently in an action to recover royalties, when an account is obtained, the account, notwithstanding such a plea, goes in respect of user after action brought till the proper determination of the licence (*u*).

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Though a licence be one which is revocable at the will of one or of either of the parties, yet, upon the true construction of the agreement, the party or parties having the power of revoking the licence may have contracted not to exercise it, in which case, in the event of a revocation, an action for damages in respect of the breach of contract would be maintainable (*x*).

Party to a  
licence may  
contract not  
to exercise his  
power of  
revocation.

Licences may also be—

- (1) *General*.
- (2) *Limited*.
- (3) *Exclusive*.

General licences are those which include the right to use every part of the invention, in any manner and to any extent, and apply to the whole of the geographical area for which the patent was granted.

General  
licences.

It must be remembered that the words of grant in the letters patent themselves are "make, use, exercise, and vend." It is submitted that a distinctive effective meaning is to be attached to each of these words of grant, and that a licensee does not obtain a full general licence unless the deed of licence uses each of these words, or it is clear from the document, taken as a whole, that each is intended. In *Dunlop Pneumatic Tyre Co. v. North British Rubber Co.* (*y*), it was contended that a certain deed of licence did not authorise the defendants to import and sell in this country articles made abroad according to the patent. By clause 2 of the deed, in consideration of royalties reserved, the plaintiffs granted to the defendants "full licence under the letters patent

(*t*) *Ward v. Livesey* (1888), 5 R. P. C. 102.

(*u*) *Cheetham v. Nuttall* (1893), 10 R. P. C. 321.

(*x*) *Kerrison v. Smith*, [1897] 2 Q. B. 445.

(*y*) (1904), 21 R. P. C. 161.

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to *use and exercise* the invention.” From a subsequent clause in the deed, as pointed out by *Stirling*, L.J., it appeared to be quite clear that *manufacture* and *sale* were intended to be amongst the matters which were authorised by the licence. It was held by the Court of Appeal that the licence was a complete general one and judgment was entered for the defendants. *Vaughan Williams*, L.J., and *Cozens-Hardy*, L.J., were of opinion that the words “full licence under the letters patent to use and exercise the invention,” in the absence of any subsequent words of limitation, in themselves created a full licence. *Stirling*, L.J., based his judgment on the use of those words coupled with the fact that a subsequent clause made it clear that the words *manufacture* and *sale* were also intended and the deed was to be read as though the granting words “make, use, exercise, and vend” had been employed.

A licence to *manufacture and sell* authorises the licensee to sell articles manufactured for him by his agent—*e.g.*, a foreign manufacturer abroad (*z*).

Limited  
licences.

Limited licences may be limited in the sense that they apply only to a part of the invention; or to the construction or use of a patented article, but not to both (*a*); or to the use of the invention in a particular manner (*b*), or in a particular district (*c*), or for a specified portion of the term for which the patent was granted. In construing limited licences it is, frequently, very important to remember that the surrounding circumstances at the time the contract was made are a proper and important guide to the true construction (*d*).

Exclusive  
licences.

Exclusive licences are those under the terms of which the patentee is prevented from making a like grant to any one other than the licensee during the continuance of the licence.

*legis*

(*z*) *Dunlop Pneumatic Tyre Co. v. North British Rubber Co.* (1904), 21 R. P. C. 161.

(*a*) *Basset v. Graydon* (1897), 14 R. P. C. 701.

(*b*) *Société Anonyme pour la Fabrication d'Appareils d'Eclairage v. Midland Lighting Co.* (1897), 14 R. P. C. 419; *Incandescent Light Co. v. Cantelo* (1895), 12 R. P. C. 262; *Incandescent Gas Light Co. v. Brogden* (1899), 16 R. P. C. 179; *Dunlop Pneumatic Tyre Co. v. Buckingham and Adams Cycle and Motor Co.* (1901), 18 R. P. C. 423;

*National Phonograph Co. of Australia, Ltd. v. Menck*, [1911] A. C. 336; 28 R. P. C. 247.

(*c*) *Société Anonyme des Manufactures de Glaces v. Tilghman's Patent Sand Blast Co.* (1883), L. R. 25 Ch. D. 11; *National Phonograph Co. of Australia, Ltd. v. Menck*, [1911] A. C. 336; 28 R. P. C. 247.

(*d*) *Dunlop Pneumatic Tyre Co. v. Buckingham and Adams Cycle and Motor Co.* (1901), 18 R. P. C. 429, 431, 432; *Dunlop Pneumatic Tyre Co. v. Creswell* (1901), 18 R. P. C. 473, 477.



Not unfrequently patentees grant exclusive licences for the whole or some particular part of the invention, applying to the whole or some particular part of the geographical area over which the patent right extends. It is usual to insert in an exclusive licence a covenant on the part of the patentee to the effect that he will not grant any other licence authorising any other person to use the invention within the district to which the licence applies. It may be questioned whether such a covenant divests the patentee of all power of granting any other licence in breach of his covenant, so far as the validity of such other licence is concerned; but he would be clearly liable in damages if he were to do so. The acceptance of royalties in respect of articles made abroad and wrongly brought into the United Kingdom is not a breach of a covenant made with an exclusive licensee not to grant further licences, but is merely a compromise in respect of infringements of the patent (*e*).

If an exclusive licence be made irrevocable and applicable to the whole geographical area of the patent right, and reserves no interest in the patent to the licensor, it is a grant, or an agreement for a grant, and amounts to an assignment, or an agreement for an assignment, of the patent (*f*); and it would appear that if the licence is made by deed, since no particular form of words is required to effect an assignment, such an exclusive licensee would be entitled to apply to have his name entered on the register of patents as the owner for the time being (*g*).

An irrevocable exclusive licence for the whole term of the patent which reserves no interest to the licensor operates as an assignment.

An exclusive licence operates as an assignment of the patent in the same way as a demise by a lessee of the premises comprised in his lease for the whole of the term granted amounts to an assignment to the under-lessee (*h*). For an assignment is a transfer or making over to another of the whole right of the assignor in the thing transferred (*i*), and any words which show an intention to do this in a deed are sufficient with respect to a patent-right (*k*).

(*e*) *Dunlop Pneumatic Tyre Co. v. North British Rubber Co.* (1904), 21 R. P. C. 161.

(*f*) *Guyot v. Thomson* (1894), 11 R. P. C. 554; *Heap v. Hartley* (1889), 6 R. P. C. 500.

(*g*) *Heap v. Hartley* (1889), 6 R. P.

C. 495, 500.

(*h*) *Palmer v. Edwards* (1779), 1 Doug. 187, n.; *Parmenter v. Webber* (1818), 8 Taunt. 593; 2 B. Mo. 656; *Shep. Touch.* 266.

(*i*) 2 Bl. Com.

(*k*) P. 149, *ante*.

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tion of  
Licences.**

Exclusive licence which reserves an interest to licensor is not an assignment.

Grantor of exclusive licence may be restrained from in-  
fringing.

Exclusive licensee's rights to make departures in details from the invention.

Whether a licence is assignable or not depends on its terms.

If, however, the exclusive licence reserves to the patentee any direct interest in the patent—*e.g.*, the right to sue for infringements of the patent—it does not amount to an assignment (*l*). A deed conferring an exclusive licence not amounting to an assignment is not a conveyance within the meaning of the Conveyancing Act, 1881; but the introduction of the words “as beneficial owner” into the deed may tend to show an intention that the licence is not to be revocable (*m*).

A patentee who grants an exclusive licence may be restrained by the licensee from working or selling under the patent during the continuance of the licence when there is no reservation to the patentee to so work and sell (*n*).

The exclusive licensee is entitled to make unimportant departures in details from the specification, and may restrain the patentee, by injunction of the Court, from representing that articles so made and sold by him, the licensee, are not made in accordance with the patent (*o*).

Licences may also be—

- (1) *Assignable.*
- (2) *Not assignable.*

A licence may be made to an individual only, or to him, his executors, administrators, and assigns, and the question whether or not a licence is assignable depends in each case upon the words by which it was granted.

In *Bown v. Humber* (*p*) it appeared that the plaintiff, the owner of a patent for improvements in the bearings of bicycles, in the year 1885, granted to a firm of bicycle manufacturers a licence to use the invention within the United Kingdom, the Channel Islands, and the Isle of Man, for the purpose of applying the invention to the wheels of bicycles, &c. manufactured for sale or use or otherwise by the licensees, or by persons employed by them, but not in any other manner. There was a proviso that the licence should not be construed to permit the licensees to make or sell the patent bearings to be applied to the wheels of bicycles, &c. manufactured by any

(*l*) *Guyot v. Thomson* (1894), 11 R. P. C. 554.

(*m*) *Ibid.*

(*n*) *Guyot v. Thomson* (1894), 11 R. P. C. 541.

(*o*) *Ibid.*

(*p*) (1889), 6 R. P. C. 9.

person or company other than the licensees, or by persons employed by them, and that the licence should not authorise the use of the said invention by the licensees individually or separately, but only by the licensees jointly, or such two or one of them as should continue to carry on the business hitherto carried on by the three licensees at Beeston, or the person or persons or company from time to time carrying on such business. In 1887 the defendants were registered as a limited company to acquire and carry on the business of the licensees and various other businesses at other places. The defendants claimed, under the licence, the right to manufacture the patent bearings at all places where they carried on business, and also to apply the patent bearings to all bicycles, &c., manufactured by them, whether manufactured by them at Beeston or elsewhere. The plaintiff contended that the licence only authorised the defendants to manufacture the patent bearings at Beeston, in connection with the business of the original licensees; and, secondly, only to apply the patent bearings to all bicycles, &c., manufactured by them at Beeston in connection with the said business. The plaintiff brought the action and moved for an injunction to restrain the defendants from using the patent otherwise than according to the plaintiff's construction of the licence. The Court held that the defendants, as carrying on the original business of the licensees at Beeston, were entitled to start other businesses elsewhere, and to apply the patent bearings to any bicycles, &c., manufactured by them in such other businesses, and dismissed the action with costs.

When a patentee has accepted royalties from an assignee of the licensee he is estopped from contending that the licence was not assignable (*q*).

Patentee is estopped from disputing assignability if he accepts royalties from an assignee.

#### RIGHT OF THE CROWN TO USE INVENTIONS.

The Crown had the right to use the inventions comprised in all letters patent granted before the commencement of the Act of 1883, *i.e.*, January 1, 1884, or on any application then pending. And the Crown had the power to use any such invention without the assent of, or compensation to, the

Right of Crown to free use of inventions patented prior to 1884.

(*q*) *Lawson v. Donald Macpherson & Co.* (1897), 14 R. P. C. 696.

**Right of Crown to Use Inventions.**

Crown only entitled to use inventions patented after January 1, 1884, on terms.

Government contractors.

Procedure to question Crown's authority to use a patented invention.

patentee (*r*). The Crown enjoyed this right, not because it was exempted from the effect of the letters patent, but because the privilege thereby granted was granted against the subjects only, and not against the Crown (*s*).

Sect. 29 of the Act of 1907, as did the Act of 1883, provides that a patent shall have to all intents the like effect as against His Majesty the King, his heirs and successors, as it has against a subject. But any Government department may, by themselves, their agents, contractors, or others, at any time after the application, use the invention for the services of the Crown on terms to be before or after the use thereof agreed on, with the approval of the Treasury, between the department and the patentee, or, in default of such agreement, on such terms as may be settled by the Treasury after hearing all parties interested (*t*).

Contractors who manufacture and supply a Government department with manufactured articles are not servants of the Crown, and if such articles are manufactured according to a patented invention, without the licence of the patentee, the manufacturers are liable to be sued by the patentee for infringement (*u*); but if and to the extent that the invention is used for the service of the Crown and under a contract with any such department, sect. 29 of the Patents and Designs Act, 1907, would be a good defence.

It would appear that the provisions now contained in sect. 29 of the Patents and Designs Act, 1907, which first appeared in the Act of 1883 (sect. 27, sub-sect. (1)), have, in the case of letters patent for an invention, created an exception to the application of the common law principle that the Crown, since the Sovereign can do no wrong, cannot commit or authorise a tort. If this be so, it follows that a patentee has a remedy by petition of right in cases where the Crown infringes his patent, and he is, consequently, able to allege a ground of complaint, which, but for the inability of the subject to sue the Sovereign, might be made the subject of a judicial proceeding (*x*).

(*r*) *Feather v. The Queen* (1865), 6 B. & S. 257; *Dixon v. The London Small Arms Co., Ltd.* (1875), L. R. 1 App. Cas. 632.

(*s*) *Dixon v. The London Small Arms Co., Ltd.* (1875), L. R. 1 App. Cas. 659; *Feather v. The Queen* (1865), 6 B. & S. 257.

(*t*) See 7 Edw. 7, c. 29, s. 29; 46 & 47 Vict. c. 57, ss. 27 and 45 (2).

(*u*) *Dixon v. The London Small Arms Co., Ltd.* (1875), L. R. 1 App. Cas. 632.

(*x*) See *Feather v. The Queen* (1865), 6 B. & S. 295.

Since the proviso of sect. 29 of the Patents and Designs Act, 1907, is merely permissive, the patentee can sue an officer or authority administering any department of the service of the Crown who by himself, his agents, contractors, or others, infringes the patent by use for purposes other than for the service of the Crown.

Consideration.

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In several cases since the Act of 1883 the Crown has, upon request of the patentee made to the Treasury, nominated an officer administering a department of the service of the Crown to defend on behalf of the Crown any action which the patentee might see fit to bring against such officer (*y*).

CONSIDERATION.

There is no restriction as to the consideration in respect of which a licence may be granted. When a licence is granted by deed, it is, of course, not necessary that there should be any consideration at all.

No restriction as to consideration for a licence to use a patented invention.

The patentee generally grants licences in return for some consideration, which is usually a money payment, either of a fixed amount, or a sum varying according to the extent to which the licensee uses the invention, or a fixed amount in respect of every single article manufactured by the licensee according to the invention, or a percentage on profits.

COVENANTS.

It is usual to insert in a licence which is granted in consideration of a periodical or other payment, a covenant on the part of the licensor that the patent is valid so far as his acts or omissions are concerned, and that he has power to grant the licence; and on the part of the licensee a covenant for payment of the various sums as they become due. If the sums reserved vary with the extent of the licensee's user of the invention, it is usual for him to covenant to render accounts to the patentee, and to permit periodical inspections of premises and machinery (*z*).

Usual covenants.

It is usual also to insert conditions avoiding the licence

(*y*) *E.g.*, Nobel's Explosives Co. v. Anderson (1894), 11 R. P. C. 115; Maxim-Nordenfelt Guns and Ammunition Co. v. Anderson (1897), 14 R. P. C. 371.  
 (*z*) P. 436, *post*.

Covenants. altogether if the licensee fail to pay any of the sums and royalties reserved by the licence, or to perform any of his covenants (*a*).

In the interests of a patentee it is absolutely necessary that a licence which is made in consideration of periodical payments should contain covenants on the part of the licensee for payment of the sums reserved, and a proviso terminating the licence if default is made; otherwise a defaulting licensee might assign the licence (if assignable), and so escape all liability in respect of it.

It is not unusual for the patentee to covenant that if he grants licences to others upon more favourable terms, the licensee shall have the benefit of such terms (*b*).

To meet the requirements of particular cases many other covenants may be requisite, and the circumstances peculiar to individual cases usually need careful consideration.

Difference between licence to work under a foreign patent and the unconditional sale of an article made under a foreign or British patent.

A licensor is not entitled to interfere with the trade of his licensee pending disputes as to collateral matters (*c*); but the owner of both English and foreign patents, who has granted a licence to work under one or all of the foreign patents, but not under the English patent, will not be restrained from issuing circulars, warning the public that the sale in England of articles made abroad according to the patented invention is an infringement of the English patent (*d*). A licence to use a manufacture abroad under a foreign patent stands in a very different position to the sale of an article abroad by the owner of the English patent (*e*).

Avoidance of certain conditions attached to the sale, &c. of patented articles.

Sect. 38 of the Patents and Designs Act, 1907, embodies certain provisions as to the sale or lease of or licence to use or work any article or process protected by a patent, which provisions were put upon the Statute Book for the first time by sect. 24 of the Patents and Designs (Amendment) Act, 1907.

The text of sect. 38 of the Patents and Designs Act, 1907, is as follows:—

(1) It shall not be lawful in any contract made after the

(*a*) P. 436, *post*.

(*b*) In *Cheetham v. Nuttall* (1893), 10 R. P. C. 321, the licensee was unsuccessful on the facts in establishing his claim to a revision of terms.

(*c*) *Clark v. Adie* (1873), 21 W. R. 456, 764.

(*d*) *Société Anonyme des Manufactures de Glaces v. Tilghman's Patent Sand Blast Co.* (1883), L. R. 25 Ch. D. 1; *Betts v. Willmott* (1870), L. R. 6 Ch. 239.

(*e*) *Ibid.*

passing of this Act in relation to the sale or lease of, or licence to use or work, any article or process protected by a patent to insert a condition the effect of which will be— Covenants.

(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, 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.

Provided that this sub-section shall not apply if—

(i) the seller, lessor, 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 licence 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 licence 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.

(2) Any contract relating to the lease of or licence 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

Covenants.

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 licence 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.
- (4) 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.
- (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 exerciseable independently of this section; or
  - (d) affect any condition in a contract for the lease of or licence 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.



Sub-sects. (1) and (4) relate to contracts made after the passing of the Act; sub-sect. (2) relates to contracts whether made before or after the passing of the Act; and sub-sect. (3) relates to contracts made before the passing of the Act, *i.e.*, 28th August, 1907.

Covenants.

Comments on  
sect. 38 of  
the Patents  
and Designs  
Act, 1907.

A licensor of an article or process protected by the patent must of necessity have an interest in the patent, but a seller or lessor need not have any such interest. The Courts, having regard to the object of the section, may possibly construe the words "sale" and "lease" as limited to transactions *ejusdem generis* with licence, and so hold that the section only applies to contracts to which a person for the time being having an interest in the patent is a party. Otherwise the section would make alterations in the general law of contracts of a very startling nature, which it could hardly have been the intention of Parliament to effect by this section which incorporates into the Act sect. 24 of the repealed Patents and Designs (Amendment) Act of 1907, which, as regards patents, otherwise only purported to deal with the amendment of the law relating to questions in which applicants for patents, or patentees, are personally concerned.

Sub-sect. (1) has reference to the insertion of certain conditions in any contract made after the passing of the Act in relation to the sale or lease of, or licence to use or work any article or process protected by a patent, and declares that any such condition shall be null and void, as being in restraint of trade, unless the provisions of the proviso to the sub-section are complied with. To be within this sub-section the contract must be made after the passing of the Act, and the condition must be of the defined kind, and must relate to the sale or lease of, or licence to use or work an article or process protected by a patent. The words "protected by a patent" clearly mean that the article or process to which the condition relates must be one the unlicensed manufacture, use, or sale of which would be a direct or indirect infringement of the patent rights of the patentee, *i.e.*, the person for the time being entitled to the benefit of the patent (see sect. 93). It is the condition which is declared to be null and void, not the contract as a whole, which contains the condition; and, where the contract is one which consists of several parts, the legal parts of the contract are enforceable in accordance with the time-honoured

Covenants. rule laid down in Coke's Reports (*Pigot's case*, Co. Rep. 11), which is applicable to illegalities existing by statute or at common law, viz.: "That if some of the covenants of an indenture or of the conditions endorsed upon a bond are against law and some are good and lawful, that in this case the covenants or conditions which are against law are void *ab initio*, and the others stand good."

Referring to the particular conditions which are, by sub-sect. (1), made null and void as being in restraint of trade, it is to be noticed that such conditions are defined by reference to their effect. Those within sub-sect. (1) (a) are such as have the effect of prohibiting or restraining the purchaser, lessee or licensee of the protected article from *using* any article supplied by any person other than the seller, lessor, or licensor. Those within sub-sect. (1) (b) are such as have the effect of requiring the purchaser, lessee, or licensee of the protected article to *acquire* from the seller, lessor, or licensor, or his nominees, any article or class of articles not protected by the patent. Sub-sect. (1) (a) does not mention *nominatim* a non-patented process, but a condition to the effect that the purchaser, lessee or licensee of the protected article or process should not use a non-patented process, would be null and void as being a restraint upon the use of articles by which the non-patented process is carried out, and which are supplied by or owned by a person other than the seller, lessor, or licensor.

The definitions in sub-sect. (1) (a) and (b) are modified by sub-sect. (5) (a) and (b). Thus, in cases not covered by the proviso to sub-sect. (1), a condition which provides that a licensee shall not use with the protected article any article, whether or not it is the subject of a patent other than the patent to which the contract relates, is null and void as being a prohibition or restriction under sub-sect. (1) (a), and if the condition provides that the lessee shall acquire any such article, other than the article protected by the patent, from the patentee only it is null and void under sub-sect. (1) (b). But a condition to the effect that the lessee shall not sell any goods of the patented class other than those of the patentee is good under sub-sect. (5) (a), though the contract is subject to the provisions of sub-sect. (2); and a condition which provides that the licensee will acquire from the patentee, or his nominees, only any article, whether patented or not, which is to be used

to replace an old part of the patented article so as to put or keep the patented article in repair, is good under sub-sect. (5) (a), though the extension of the condition beyond the life of the patent would be subject to the provisions of sub-sect. (2). Covenants.

The words in sub-sect. (2), "the patent or all the patents by which the article or process was protected," apparently imply that the right under the sub-section does not arise until "the patented article or process" is no longer one the sale or use of which, without the licence of the patentee, is, apart from the terms of the agreement, lawful, in consequence of the patentee having no existing patent rights in respect of it. That is to say, where the patented article or process is protected, at the time of the contract, by more than one patent, all must cease to be in force before the rights under sub-sect. (2) come into being.

In view of the penalty imposed by sub-sect. (4), it behoves patentees who contemplate entering into contracts for sale, lease or licence to very carefully consider the terms of this section in relation to the proposed contract before it is finally settled.

### ESTOPPEL.

A licensee, who has covenanted with the patentee to pay a royalty for the right to use a patented invention, is, by recitals or covenants implying the validity of the patent, estopped, during the continuance of the licence, from denying that validity as against the licensor in any legal proceedings to which they are both parties (*f*); and he is so estopped independent of estoppel by deed (*g*); and even when he has used the invention under a mere verbal agreement (*h*). The assignor of a licensee

Estoppel in virtue of recitals or covenants implying validity.

(*f*) Baird *v.* Neilson (1842), 8 Cl. & Fin. 726; Cutler *v.* Bower (1848), 11 Q. B. 973; 17 L. J. Q. B. 217; Hills *v.* Laming (1853), 9 Exch. 256; 23 L. J. Ex. 60; Bowman *v.* Taylor (1834), 2 A. & E. 278; 1 W. P. C. 292; Lawes *v.* Purser (1856), 6 E. & B. 930; 26 L. J. Q. B. 25; Norton *v.* Brooks (1861), 7 H. & N. 499; Smith *v.* Scott (1859), 28 L. J. C. P. 325; 6 C. B. N. S. 771; Bessmans *v.* Wright (1858), 6 W. R. 719; Crossley *v.* Dixon (1863), 10 H. L. 293; 32 L. J. Ch. 617; Hall *v.* Conder (1857), 2 C. B. N. S. 22, 53;

26 L. J. C. P. 138, 288; Trotman *v.* Wood (1864), 16 C. B. N. S. 479; Clark *v.* Adie (1877), L. R. 2 App. Cas. 423; Liardet *v.* Electric Lighting Co. (1883), W. N. 96; Ashworth *v.* Law (1890), 7 R. P. C. 231; Wilson *v.* Union Oil Mills (1892), 9 R. P. C. 63; but see p. 203, *post*.

(*g*) Lawes *v.* Purser (1856), 6 E. & B. 930; Norton *v.* Brooks (1861), 7 H. & N. 499.

(*h*) Crossley *v.* Dixon (1863), 10 H. L. C. 293, 308, 310; Clark *v.* Adie (1873), L. R. 2 App. Cas. 423.

Estoppel. is likewise estopped from disputing the validity of the patent as against his assignee (*i*).

Sometimes the licensee covenants not to dispute the validity even after the expiration of the licence. Such a covenant precludes him from raising any defence in an action for infringement other than non-infringement (*k*). If the licence contains a guarantee of the validity of the patent by the licensor, and such guarantee is the basis of the contract, then the licensee is not estopped from denying validity in an action for royalties and may counterclaim for the repayment of royalties actually paid (*l*).

Covenant not to carry out work which might infringe or compete with the patent.

A covenant to the effect that the licensee will not at any time, without the written consent of the licensor, carry out or contract to carry out any work which might be an infringement of the patent, or be in competition with it, has been held to be no undue restraint of trade and valid where it appeared that it was limited to the period of the licence (*m*).

No estoppel against denial of the existence or ambit of a licence.

The licensee is entitled to dispute the existence of the licence. Thus where it is made coterminous with the existence of the patent the licensee is not estopped in an action for royalties from contending that the patent has in fact expired—*e.g.*, on the ground that its life depended on that of a foreign patent which has lapsed (*n*).

After the termination of the licence, the licensee, in the absence of a special covenant not to do so (*o*), may dispute the validity of the patent (*p*), but he cannot sell articles as manufactured under licence from the patentee (*q*).

Licence to construct only may operate as an estoppel against a third party, with notice, using a patented article.

When the licence is limited to the construction as opposed to the use of a patented article when constructed, a question may arise as to the right of a third party, for whom the article was constructed under the licence, to deny the validity of the patent as against the patentee. It may well be that, if the third party knew the nature of the licence when he gave the order for the construction, an estoppel by conduct arises, and such

(*i*) *Gouville v. Hay* (1903), 21 R. P. C. 49.

(*k*) *Watts v. Everett Press Manufacturing Co.* (1910), 27 R. P. C. 400, 718.

(*l*) *Henderson v. Shields* (1907), 24 R. P. C. 108.

(*m*) *Mouchel v. Cubitt (William) &*

*Co.* (1907), 24 R. P. C. 194.

(*n*) *Muirhead v. Commercial Cable Co.* (1894), 11 R. P. C. 317; 12 R. P. C. 39, 370.

(*o*) See *supra*.

(*p*) P. 205, *post*.

(*q*) *Post Card Automatic Supply Co. v. Samuel* (1889), 6 R. P. C. 560.

third party is at the mercy of the patentee as to the terms upon which he may be permitted to use the article. There does not appear to be any authority against the existence of such a state of things (r).

Estoppel.

Though the licensee during the continuance of the licence is estopped from denying the validity of the patent as against the licensor in an action for the recovery of royalties, he is entitled to dispute the ambit of the patentee's claim (s). Thus he may dispute the construction put upon the specification by the licensor, and contend that the acts done by him in respect of which it is sought to make him liable in royalties are not covered by the patent upon the true construction of the specification, *i.e.*, they would not be held to be infringements in an action brought for infringement (t). And, for the purpose of showing the true ambit of the claim, he may refer to anything which shows the state of public knowledge at the date of the patent (u).

Licensee though estopped from denying validity may dispute ambit of patentee's claim.

A licensee under a patent is in a situation analogous to a tenant who, during the tenancy, cannot dispute the title of the lessee to any of the land held under the lease, but who is nevertheless at liberty to show that part of the land he actually occupies is really not comprised within the lease, but belongs to himself under some other right (x).

If the licensee, as is commonly done, is sued for infringements as well as royalties, it is open to him to plead the determination of the licence, if, in fact, he has determined it; and then he can also dispute the validity of the patent (y). It is thus open to a licensee, by a revocation of the licence where such is possible, to turn himself from a licensee into a trespasser and wrongdoer if the patent is valid, but a lawful user if the patent is void.

Determination of licence may be pleaded in action to recover royalties.

A licensee (not a party to the action) cannot be compelled to give inspection in an action against the licensor, but if the

Inspection against licensee not a party to

(r) *Basset v. Graydon* (1897), 14 R. P. C. 711.

(s) *Crossley v. Dixon* (1863), 10 H. L. C. 293; *Adie v. Clark* (1876), L. R. 2 App. Cas. 423; *Cropper v. Smith* (1884), L. R. 26 Ch. D. 700; *Couchman v. Greener* (1884), 1 R. P. C. 197; *The Useful Patents Co. v. Rylands* (1885), 2 R. P. C. 253; *Siemens v. Taylor* (1892), 9 R. P. C. 393.

(t) *Young v. Hermand Oil Co.* (1891),

8 R. P. C. 285; 9 R. P. C. 373; *Ashworth v. Roberts* (1892), 9 R. P. C. 89, 309.

(u) *Young v. Hermand Oil Co.* (1892), 9 R. P. C. 373.

(x) Per Lord Blackburn (1873), *Clark v. Adie*, L. R. 2 App. Cas. 435.

(y) *Redges v. Mullinar* (1892), 10 R. P. C. 21; *Crossley v. Dixon* (1863), 10 H. L. C. 293.

**Estoppel.**

an action  
against his  
licensor.

Licensee is a  
competent  
witness in  
an action  
brought by  
the patentee.

No estoppel  
against a per-  
son who has  
made an  
agreement,  
not under seal,  
for a licence,  
but has not  
used the  
invention.

No estoppel  
against an  
equitable  
assignee of  
an exclusive  
licence.

Right to dis-  
pute validity  
may be spe-  
cially pro-  
vided for.

licensor can arrange for an inspection it is proper, he should do so; and if it appear that the licensor is himself or by his licensee working the process in dispute the usual order for inspection will be made (z).

A licensee is a competent witness for the plaintiff in an action for the infringement of a patent under which he has a licence. He has no direct pecuniary interest in supporting the patent, and it may be for his advantage that it should not be supported (a).

Where a person has agreed, not under seal, with the patentee to pay a certain sum of money, annually or otherwise, for the use of a patented invention, but has not actually used the invention, he is not estopped from denying the validity of the patent in an action brought against him by the patentee for recovery of royalties (b).

An equitable assignee of an exclusive licence also is not estopped, in an action for infringement brought against him by the patentee, from disputing the validity of the patent (c).

If it is the intention of the parties that it is to be open to the licensee to dispute the validity of the patent, then the licence ought to be specially framed to allow of this by the insertion of covenants on the part of the licensor for title to grant the licence, and that the patent is valid.

If there are no express covenants on the part of the licensor as to his power to grant the licence, and as to the validity of the patent, the law will not import any, since the privilege created by letters patent is impressed with the nature of personality, and the law will not create a covenant respecting a personal thing (d).

In *Hayne v. Maltby* (e) the action was brought for the breach of an agreement which recited that the plaintiffs were assignees of a patent granted to *T. Taylor*, and that the defendant had applied to the plaintiffs for permission to use the patented invention, to which they assented, on condition of his working it in the manner described in the specification.

(z) *Germ Milling Co. v. Robinson* (1880), 3 R. P. C. 11, 14.

(a) Per Lord Abinger, C.B., *Derosne v. Fairie* (1835), 2 Cr. M. & R. 476; 1 W. P. C. 154.

(b) *Chanter v. Leese* (1838), 1 W. P. C. 295; 8 L. J. Ex. 58; 9 L. J. Ex.

327; 4 M. & W. 295; 5 M. & W. 698.

(c) *Pidding v. Franks* (1849), 1 Mac. & G. 56; 18 L. J. Ch. 295.

(d) Com. Dig. tit. Covenant A. 4.

(e) (1789), 3 T. R. 438; 1 W. P. C. 291.

The agreement contained a covenant by the plaintiffs with the defendant that he should have the free use and quiet enjoyment of the patented machine, in case the same should be worked only in the manner described in the specification, and also a covenant by the defendant that he would not, during the residue of the term, use any of the patented machines except the one by the articles allowed to be used by him. Under these circumstances, the Court of King's Bench held that the defendant was not estopped from denying the validity of the patent, and gave judgment for him on the ground that the patent was void. It is to be noticed that the agreement merely recited that the plaintiffs were assignees of the patent, not that the patent was valid (*f*).

Estoppel.

After the termination of the licence, in the absence of express covenant to the contrary (*g*), the licensee is in just the same position as the rest of the King's subjects, with regard to being able to deny the validity of the patent, if the patentee brings any action against him for infringement (*h*).

Estoppel terminates with licence.

It is not competent to the defendant to an action for infringement to set up alternative pleas to the effect that the acts complained of as infringements were either done under licence of the patentee, or the patent is itself invalid. He must adopt one line of defence or the other. Thus, where, in an action for infringement, the defendant, who was the mortgagee of certain articles manufactured under a licence which the plaintiff alleged was revoked, disputed the fact of revocation, and contended that the patent was invalid, the Court held that he must elect which line of defence he would adopt (*i*).

In action of infringement alternative pleas of no infringement in fact or acts done under licence are not allowable.

## REGISTRATION.

A notification of every licence to work under a patent should be entered in the Register of Patents (*k*).

All licences should be registered.

The registration of a licence does not enable the licensee to

(*f*) See *Bowman v. Taylor* (1834), 2 A. & E. 278; 1 W. P. C. 293; and remarks of Lord Cottenham, L.C., in *Neilson v. Fothergill* (1841), 1 W. P. C. 290.

(*g*) See p. 202, *ante*.

(*h*) *Azzmann v. Lund* (1874), L. R. 18 Eq. 330; 43 L. J. Ch. 655; *Goucher*

*v. Clayton* (1865), 11 Jur. N. S. 107; 34 L. J. Ch. 239; *Dangerfield v. Jones* (1865), 13 L. T. N. S. 142; *Neilson v. Fothergill* (1841), 1 W. P. C. 290.

(*i*) *Post Card Automatic Supply Co. v. Samuel* (1889), 6 R. P. C. 560.

(*k*) See 7 Edw. 7, c. 29, s. 28; P. R. (1908), rr. 85—91.

**Registration.**

enforce his legal title so as to defeat the prior, though subsequently registered, equitable right of an assignee of the patent, where the licensee takes with notice of the equitable assignment. Thus, where the facts were these: (1) by assignment in writing A., the registered proprietor of a patent, agreed to assign it to B.; (2) before the agreement to assign had been registered A. granted a licence to C., who forthwith registered his licence; (3) B., subsequent to the registration of the licence, registered his agreement and took and registered an assignment of the patent; (4) C. took his licence with express notice of B.'s agreement; it was held—both on principle and under the proviso of sect. 87 of the Patents Act, 1883—that C., notwithstanding his legal title by prior registration, could not assert that title to defeat B.'s equitable right by notice, and that, therefore, the licence was void as against B. (*l*).

The subject of the registration of licences in general has already been fully discussed in the chapter dealing with the proceedings at the Patent Office for obtaining a grant of letters patent (*m*).

## RECOVERY OF ROYALTIES.

Royalties may be recovered by action,

The licensor has a right of action on the contract to sue for the recovery of royalties in arrear, and if successful he may obtain an account against the licensee.

An account of profits, however, will not be granted against a licensee at the instance of the licensor or his assignee if there is proof that no profits have arisen, and not in any case unless all parties interested are before the Court (*n*).

even though the patent has been declared void.

Though before the commencement of an action for the recovery of royalties due under a licence the patent has been declared void in other proceedings, the defendant, if he be the licensee of the plaintiff under a licence containing no covenant on the part of the licensor as to his title to grant the licence and as to the validity of the patent, cannot plead that the patent is bad (*o*).

A licensee also who has covenanted to pay royalties for a

(*l*) *New Ixion Tyre and Cycle Co. v. Spilsbury*, [1898] 2 Ch. 137, 484; 15 R. P. C. 380, 567.

(*m*) Pp. 78—83, *ante*.

(*n*) *Bergmann v. Macmillan* (1881), L. R. 17 Ch. D. 423.

(*o*) *Grover and Baker Sewing Machine Co. v. Millard* (1862), 8 Jur. N. S. 713.



term certain is bound to pay such royalties, though the patent is in the meantime declared void and cancelled (*p*), and he cannot, in the absence of fraud, recover royalties which he has paid under a licence, though, after the termination of the licence, it should turn out that the patent is bad (*q*).

Recovery  
of  
Royalties.

So where a licensee under several patents covenanted to pay royalties in respect of anything manufactured under any of the patents until the effluxion of all the terms of years respectively granted by the said letters patent, he was held liable to pay royalties for the use of any of the inventions so long as any of the patents were subsisting (*r*). Thus, subject to sect. 38, sub-sect. 2, of the Act of 1907, a licensee may have to pay royalties for the use of an invention, whilst the rest of the public are entitled to use it free.

Fraud and misrepresentation are defences to an action for the recovery of royalties, and also grounds on which a licensee, who has paid royalties under a licence tainted therewith, can recover the moneys he has disbursed (*s*). A licensee who sets up a case of misrepresentation as an obvious side issue to enable him to dispute the validity of the patent is not likely to find much favour with the Court (*t*).

Fraud is a  
defence to  
an action  
to recover  
royalties.

Royalties paid by the licensee after, and without knowledge of, a breach of covenant by the licensor may be recovered. Thus, when the licensee agreed to pay royalties for a term certain, and the patentee covenanted to protect and defend the patent from infringement, and the patent lapsed through non-payment of renewal fees by the patentee, the licensee was held entitled to recover back the royalties he had paid after, and without knowledge of, the lapse. The reason for the decision was that the neglect of the patentee to pay the renewal fees was a breach of his covenant to protect and defend the patent against infringers, which implied a cove-

Royalties paid  
after breach  
of covenant  
by licensor.

(*p*) *African Gold Recovery Co. v. Sheba Gold Mining Co.* (1897), 14 R. P. C. 660.

(*q*) *Taylor v. Hase* (1805), 1 B. & P. N. R. 260; 1 W. P. C. 292; *Collinge v. Bowman* (1834), 1 W. P. C. 295.

(*r*) *Siemens v. Taylor* (1892), 9 R. P. C. 393.

(*s*) *Cutler v. Bower* (1848), 11 Q. B. 973; 17 L. J. Q. B. 217; *Hall v.*

*Conder* (1857), 2 C. B. N. S. 22; 26 L. J. C. P. 138; *Lawes v. Purser* (1850), 6 E. & B. 930; 26 L. J. Q. B. 25; *Smith v. Scott* (1859), 28 L. J. C. P. 325; 6 C. B. N. S. 771; *Jandus Arc Lamp and Electric Co., Ltd. v. Johnson* (1900), 17 R. P. C. 361.

(*t*) See *Jandus Arc Lamp and Electric Co., Ltd. v. Johnson* (1900), 17 R. P. C. 373.

Recovery  
of  
Royalties.

nant to keep the patent in such a position that he should be able to do so (*u*).

Important questions as to the liabilities of licensees to pay royalties after breach of covenant by the patentee, *e.g.*, involving lapse of the patent, depend sometimes in particular cases upon whether or not the patentee's covenant for quiet enjoyment and the licensee's covenant to pay royalties are conditional and co-extensive or not. In the one case royalties may be claimed by the patentee notwithstanding his breach and the lapse of the patent; in the other case they cannot be so claimed. Moreover, it must be remembered that an express condition for cesser of the payments will negative any implied condition for cesser (*x*).

Action may be brought for recovery of royalties or in the alternative for relief in respect of infringement.

Where the ambit of the patent is in dispute an action may be brought for the recovery of the royalties, or, in the alternative, for an injunction and the usual relief to restrain infringement (*y*). In such an action where it appeared that the plaintiff was the owner of three patents, under two of which the defendant was a licensee in arrear, and the defendant did not appear on the hearing of a motion for an interlocutory injunction, the Court granted an injunction restraining infringement, but specially worded the order so as not to restrain the defendant from working under the licence (*z*).

Court may only be able to estimate royalties due.

On the taking of an account of royalties due for the use of an invention the Court may, under the circumstances of the case, only be able to estimate the real sum due; and, under such circumstances, the Court of Appeal will not lightly put aside the finding of the officer of the Court, who comes to a conclusion upon an estimate (*a*).

Recovery of interest on unpaid royalties.

Whether or not a patentee can in a particular case recover interest on unpaid royalties depends on the question of fact, whether, upon the true construction of the licence, the overdue royalty is a sum certain payable at a fixed time by virtue of the instrument itself (*b*).

(*u*) *Lines v. Usher* (1896), 13 R. P. C. 685; 14 R. P. C. 206.

(*x*) *Mills v. Carson* (1892), 10 R. P. C. 9.

(*y*) *Wilson v. Union Oil Mills Co.* (1892), 9 R. P. C. 57.

(*z*) *Pneumatic Tyre Co. v. Ferguson* (1894), 11 R. P. C. 459.

(*a*) *Alma Veneer Felt Co. v. Fisher*

(1897), 14 R. P. C. 159.

(*b*) *Muirhead v. Commercial Cable Co.* (1894), 11 R. P. C. 346; *Redges v. Mullinar* (1893), 10 R. P. C. 25; *London, Chatham and Dover Ry. Co. v. South Eastern Ry. Co.*, [1893] A. C. 429; *Merchant Shipping Co. v. Armistage* (1873), L. R. 9 Q. B. 99.

The taxing master has a discretion as to proceeding with the taxation when an appeal is pending and shortly coming on for hearing. In a case where the taxing master on being informed at the taxation that an appeal was pending and might possibly be decided in three days' time, in the exercise of his discretion, refused to proceed with the taxation pending the result of the appeal, the defendant took out a summons asking that the taxing master might be ordered to proceed with the taxation. The Court of Appeal decided that an order in the action refusing stay of execution was not so peremptory but that the taxing master had a discretion, which he had wisely exercised, and refused to grant the order asked for (c).

Recovery  
of  
Royalties.

Taxation  
pending an  
appeal.

When an action for the recovery of royalties is one of especial difficulty and importance, costs may be given on the higher scale (d).

Costs on  
higher scale.

#### LICENSOR'S AND LICENSEE'S POWERS TO SUE IN RESPECT OF INFRINGEMENT.

It is clear that a mere licensee having a simple licence to work under a patent cannot sue alone in respect of infringements of the patent, and he must join the patentee; since the patentee may grant a licence to any other person, the defendant in the action might possibly be a licensee also, and the infringement is an injury to the patentee and not to the mere licensee (e). Consequently though the licence be an exclusive licence, if it be simply an authority to do lawfully that which would otherwise have been unlawful, and not a licence coupled with or equivalent to a grant, the licensee is not entitled to sue in his own name without joining the patentee (f).

Action for in-  
fringements at  
the instance  
of licensors  
and licensees  
respectively.

It follows, therefore, that a patentee, who has merely granted simple licences, is entitled to sue alone in respect of any infringements without joining his licensees, for, since he may grant licences to whom he pleases, the injury affects him alone. And it would appear that a patentee, who has granted an exclusive licence, which does not amount to an actual

(c) *Muirhead v. Commercial Cable Co.* (1895), 12 R. P. C. 258.

(d) *Ibid.* (1894), 12 R. P. C. 39.

(e) *Newby v. Harrison*, cited in *Renard v. Levinstein*, 2 H. & M. 628; *Derosne v. Fairie* (1835), 1 W. P. C.

155; *Heap v. Hartley* (1888), 5 R. P. C. 603; 6 R. P. C. 495; L. R. 42 Ch. D. 461.

(f) *Heap v. Hartley* (1898), L. R. 42 Ch. D. 461; 6 R. P. C. 495.

Licensors  
and  
Licensees  
Plaintiffs in  
Action for  
Infringe-  
ment.

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assignment of the patent (*e.g.*, one which contains a power of revocation in the event of breach of covenant), may sue to restrain infringements without bringing the exclusive licensee before the Court; for the injury done to the patentee is distinct from that suffered by the exclusive licensee. The infringement affects the exclusive licensee by injuring his trade; it affects the patentee both by loss of reputation of the patent through infringements being permitted, and by loss of royalties, if royalties are paid for the licence.

The decision of Lord *Hatherley*, then Vice-Chancellor *Wood*, in *Renard v. Levinstein (g)*, appears to be an authority for the statement that an exclusive licensee is entitled to sue alone to restrain infringements within the area of the exclusive licence. It must, however, be noticed that in that case the owners of the patent were joined as defendants, and there does not appear to be any contested case in which an exclusive licensee has been allowed to sue without the patentee being a party (*h*). In *Cochrain (J. P.) & Co. v. Martins (Birmingham), Ltd. (i)*, which is a recent Scottish case, where it appeared that the pursuer held an exclusive licence for the whole area of the patent (and, *sic*, the licence was irrevocable) and the pursuer joined the patentee as a defender, but the patentee made no appearance, and the defender's objection to the pursuer's title to sue was withdrawn by counsel at the Bar, the Lord President stated his own view to be as follows: "Where the licence granted is an exclusive licence, the patentee's title must be held to be given to the licensee for the purpose of action upon the old familiar ground expressed in the well-known brocard—*Quando aliquid conceditur omnia concessa videtur sine quibus hoc explicari nequit.*"

(g) 2 H. & M. 628.

(h) *Plimpton v. Malcolmson* (1875),  
L. R. 3 Ch. D. 531; *Barnett v. Barrett's*  
*Screw Stopper Bottling Co.* (1884), 1

R. P. C. 9; *Heap v. Hartley* (1888), 5  
R. P. C. 603.

(i) (1911), 28 R. P. C. 284.

## CHAPTER VI.

### EXTENSION OF TERM OF LETTERS PATENT.

#### HISTORICAL.

THE Common Law sanctions the grant of letters patent for inventions, because the pecuniary reward which a monopoly usually brings to the patentee acts as an inducement to others possessing inventive ability to disclose their inventions for the public good.

Object of grant of letters patent.

Letters patent cannot be granted in the first instance for a longer period than fourteen years (*a*); and it sometimes happens that this term is not sufficient to enable the patentee, by means of the profits arising from his monopoly, to recoup himself the outlay to which he has been put, and to reap the remuneration which the law considers he is entitled to in return for communicating a valuable and perfected invention to the public.

Though an invention be beneficial, it may happen that the patentee does not reap any adequate reward during the original term, on account of his outlay in experiments, or the public hesitating to perceive the merits of and adopt the invention. The patentee may also fail to reap a proper reward, because he has been compelled to carry on expensive litigation against persons who have infringed his patent, or to oppose petitions for its revocation. Again, inventors who are not affluent may nearly reach the expiry of their monopoly before they succeed in obtaining the monetary assistance necessary to enable them to develop their discoveries so as to make any adequate profit within the residue of the term.

If from any cause whatever an inventor has not been able to reap the pecuniary benefits to which he was entitled in respect of the disclosure of his secret, there is nothing in the

Power of the Crown to prolong the monopoly.

(*a*) P. 74, *ante*.

Historical. spirit of the patent law which prohibits the prolongation of the monopoly, if there is any likelihood of the patentee making profit during the extended period.

Before the year 1835 the only way in which a patentee could obtain a prolongation of the period for which the patent was originally granted was by obtaining a special Act of Parliament (b).

Extension upon report of the Judicial Committee of the Privy Council.

Lord *Brougham's* Act (c), passed in 1835, gave the Judicial Committee of the Privy Council statutory power, in proper cases, after hearing the patentee and other parties, to report to the Sovereign that a further extension of the term of the patent should be granted, and authorised the Sovereign, if he thought fit, to grant new letters patent for the invention for a term not exceeding seven years. Subsequent but now repealed Acts varied in detail and regulated the powers and authority of the Judicial Committee of the Privy Council and the Crown in the matter of the extension of the terms of patents, and authorised the grant of fresh letters patent for a term not exceeding fourteen years (d).

Extension is now granted by order of the Court.

Sect. 18 of the Patents and Designs Act, 1907, provides as follows:—

- (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 term limited for the expiration of the patent.
- (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

(b) As instances of such special Acts, see 16 Geo. 2, c. 25; 23 Geo. 2, c. 33; 15 Geo. 3, c. 52; 16 Geo. 3, c. 29; 17 Geo. 3, c. 6; 25 Geo. 3, c. 38; 32 Geo. 3, c. 72; 10 Geo. 4,

c. 135.

(c) 5 & 6 Will. 4, c. 83.

(d) See 2 & 3 Vict. c. 67; 7 & 8 Vict. c. 69; 15 & 16 Vict. c. 83; 46 & 47 Vict. c. 57.

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. Historical.

- (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 the patent for a further term not exceeding seven, or, in exceptional cases, fourteen 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.

This section is the embodiment of sect. 17 of the Patents and Designs (Amendment) Act, 1907 (*e*), which that Act substituted for the repealed sect. 25 of the Act of 1883 (*f*). It substituted the Court for the Judicial Committee of the Privy Council as the tribunal before which proceedings for extension of the term of a patent are to be taken; and it gives power to the Court, by order, to extend the term for a further period not exceeding seven, or, in exceptional cases, fourteen years, Provisions of sect. 18 of Patents and Designs Act, 1907.

(*e*) 7 Edw 7, c. 28, s. 17.

(*f*) 46 & 47 Vict. c. 57, s. 25. Sect. 25 of the Act of 1883 was as follows:—

(1) A patentee may, after advertising in manner directed by any rules made under this section his intention to do so, present a petition to Her Majesty in Council, 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.

(2) Any person may enter a caveat, addressed to the Registrar of the Council at the Council Office, against the extension.

(3) If Her Majesty shall be pleased to refer any such petition to the Judicial Committee of the Privy Council, the said Committee shall proceed to consider the same, and the petitioner and any person who has entered a caveat shall be entitled to be heard by himself or by counsel on the petition.

(4) The Judicial Committee shall, in considering their decision, 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 the Judicial Committee report that the patentee has been inadequately remunerated by his patent, it shall be lawful for Her Majesty in Council to extend the term of the patent for a further term not exceeding seven, or in exceptional cases fourteen, years; or to order the grant of a new patent for the term therein mentioned, and containing any restrictions, conditions, and provisions that the Judicial Committee may think fit.

(6) It shall be lawful for Her Majesty in Council to make, from time to time, rules of procedure and practice for regulating proceedings on such petitions, and subject thereto such proceedings shall be regulated according to the existing procedure and practice in patent matters of the Judicial Committee.

(7) The costs of all parties of and incident to such proceedings shall be in the discretion of the Judicial Committee; and the orders of the Committee respecting costs shall be enforceable as if they were orders of a Division of the High Court of Justice.

Historical. or to 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. The section further provides for some consequent necessary alterations in details of procedure. The object of these alterations as to tribunal and procedure is to lessen the cost of obtaining an extension.

The grounds and conditions upon which, and the periods for which, extension of the term of a patent may be obtained remain the same as they were at the date of the Act.

The "Court" in this connection means, as regards England, such Judge of the High Court as the Lord Chancellor may select for the purpose (*g*); as regards Scotland, any Lord Ordinary of the Court of Session (*h*); and as regards Ireland, the High Court in Ireland (*i*). In each case the decision of the Court so defined is final (*k*). Further, with reference to proceedings in Scotland, the expression "Rules of the Supreme Court" in the above sect. 18 means Act of Sederunt (*l*); and the Court orders the service of the petition upon the Comptroller (*m*).

#### THE PETITIONER.

Who may  
petition.

The term "patentee," as defined by the Act of 1907, means the person for the time being entitled to the benefit of the patent (*n*); and it is, therefore, clear that extension of the patent could be granted on the petition of the original patentee, his legal personal representative, or assignee, or, in the case of a partial assignment, the assignee or assignees conjointly with the original patentee or patentees. It has been held that the term "patentee" includes the executor of a deceased assignee (*o*), the trustee of a company (*p*), the patentee agent of a foreign inventor (*q*), or an assignee (*r*). A mortgagee as legal owner

(*g*) 7 Edw. 7, c. 29, s. 92 (2).

(*h*) 7 Edw. 7, c. 29, s. 94 (5).

(*i*) 7 Edw. 7, c. 29, s. 95 (2).

(*k*) 7 Edw. 7, c. 29, s. 92 (2); Lawrence and Kennedy's Patent (1910), 27 R. P. C. 252; see Frost's Patents and Designs Act, 1907, pp. 44, 45.

(*l*) 7 Edw. 7, c. 29, s. 94 (6).

(*m*) McCulloch's Patent (1908), 25 R. P. C. 207.

(*n*) Sect. 93.

(*o*) Bodmer's Patent (1849), 6 Moo. P. C. 469; Davies' Patent (1899), 11 R. P. C. 28.

(*p*) Pettitt Smith's Patent (1850), 7 Moo. P. C. 156.

(*q*) Newton's Patent (No. 1) (1861), 14 Moo. P. C. 156.

(*r*) Southworth's Patent (1837), 1 W. P. C. 486.



should be a party to the petition, though the petition may proceed in his absence (*s*).

The  
Petitioner.

The Court in deciding whether or not to order an extension of a patent always considers separately whether the extension will benefit the inventor, and also whether it will injure the public.

Court considers probable benefit to the petitioner as well as injury to the public.

Assignees do not stand the same chance of success, on an application for extension of the patent, as original patentees (*t*), for the object in granting an extension being to reward the person who communicated the invention to the public, unless such person—*i.e.*, the original patentee—derives some benefit the extension will not be granted (*u*). The definition of the term “patentee” by the Act of 1883, which definition is embodied in the Act of 1907 (*x*); has not altered the principle which guided the Judicial Committee in the older cases with reference to allowing prolongation to assignees (*y*).

Assignees are not received so favourably as original patentees.

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 his invention into use (*z*).

On an application by an assignee, the Court always considers that by favourably listening to the application it is, though not directly, yet mediately 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 patentee's chance of making an advantageous conveyance to an assignee would be materially diminished, and consequently his interest damnified. For this reason, consideration is given to the claims of the assignee who has an interest in a patent (*a*) and has assisted in the development of the invention.

It thus appears that an assignee who has assisted with

(*s*) See Church's Patent (1886), 3 R. P. C. 100.

(*t*) Norton's Patent (1863), 1 Moo. P. C. N. S. 339; Normand's Patent (1870), L. R. 3 P. C. 193; Claridge's Patent (1851), 7 Moo. P. C. 394.

(*u*) See Norton's Patent (1863), 1 Moo. P. C. N. S. 339; Normand's Patent (1870), L. R. 3 P. C. 193; Bovill's Patent (1863), 1 Moo. P. C. N.

S. 348; Hopkinson's Patent (1896), 14 R. P. C. 10.

(*x*) 7 Edw. 7, c. 29, s. 93.

(*y*) Hopkinson's Patent (1896), 14 R. P. C. 10.

(*z*) Per Lord Romilly, Norton's Patent (1863), 1 Moo. P. C. N. S. 339.

(*a*) See judgment of Lord Brougham, Morgan's Patent (1843), 1 W. P. C. 738.

The  
Petitioner.

capital in developing the invention will be viewed by the Court more favourably (*b*) than one who has rendered no such assistance, but has merely purchased the invention on speculation (*c*).

Companies formed for the purpose of taking over patents and working them stand in the same position as other assignees with regard to petitions for extension; *i.e.*, if it can be shown that the company has expended money in developing the invention for the public benefit, and has not obtained an adequate return, the Court will act favourably to the company (*d*), but, if the company has been formed for purposes of speculation merely, no extension is likely to be granted when the original inventor has no practical interest in the question, notwithstanding that the company has suffered loss (*e*).

There is no reported case in which an extension was allowed on the petition of an assignee, when it would not directly or indirectly tend towards the benefit of the original inventor or his estate, who would, had there been no assignment, have been in a position to claim an extension himself (*f*), or in which an extension has been granted where the inventor was dead and could not possibly have derived any advantage from the extension if he had been alive (*g*).

Thus, an assignee who has acquired a patent as a commercial venture cannot hope to obtain an extension when the original inventor could have no legitimate interest in making the application himself, *e.g.*, when the original patentee has been sufficiently rewarded at the expense of the patent, though

(*b*) Bodmer's Patent (1849), 6 Moo. P. C. 468; Berry's Patent (1850), 7 Moo. P. C. 187; Whitehouse's Patent (1830), 1 W. P. C. 475; 2 Moo. P. C. 496; Carp. P. C. 565; Woodcroft's Patent (1846), 2 W. P. C. 18; 10 Jur. 363; Normand's Patent (1870), L. R. 3 P. C. 193; 6 Moo. P. C. N. S. 477; Houghton's Patent (1871), L. R. 3 P. C. 461.

(*c*) *Ibid.*; Sillar's Patent (1882), G. P. C. 581; Norton's Patent (1863), 1 Moo. P. C. N. S. 339; 9 Jur. N. S. 419; G. P. C. 553; Hopkinson's Patent (1896), 14 R. P. C. 5; Henderson's Patent (1901), 18 R. P. C. 453.

(*d*) Petitt Smith's Patent (1850), 7 Moo. P. C. 133; Houghton's Patent (1871), L. R. 3 P. C. 461; 7 Moo. P.

C. N. S. 309; Napier's Patent (No. 1) (1861), 13 Moo. P. C. 543; Church's Patent (1886), 3 R. P. C. 95.

(*e*) Sillar's Patent (1882), 1 G. P. C. 581; Claridge's Patent (1851), 7 Moo. P. C. 394; Reece's Patent (1881), 17 Iron. 155; 51 Eng. 207; Duncan and Wilson's Patent (1884), 1 R. P. C. 257; see also Norton's Patent (1863), G. P. C. 554, per Romilly, M.R.; Hopkinson's Patent (1896), 14 R. P. C. 5; Clark's Patent (1899), 16 R. P. C. 431.

(*f*) Bower and Barff's Patent (1895), 12 R. P. C. 386; Hopkinson's Patent (1896), 14 R. P. C. 5; Finch's Patent (1898), 15 R. P. C. 674; Henderson's Patent (1901), 18 R. P. C. 449.

(*g*) Van Gelder's Patent, [1907] A. C. 174; 24 R. P. C. 175.

the assignee has made a loss, or only a small profit, by the adventure, an extension will not be granted (*h*).

The  
Petitioner.

The merit of an importer (*i*), *i.e.*, an inventor in the patent law sense, and not a mere assignee, is less than that of an original inventor (*k*). To use the language of Lord *Brougham*, "the patent law is framed in a way to include two species of public benefactors; the one, those who benefit the public by their ingenuity, industry, science, invention, and personal capability; the other, those who benefit the public without any ingenuity or invention of their own, by the importation of the results of foreign inventions. Now, the latter is a benefit to the public incontestably, and, therefore, they render themselves entitled to be put upon somewhat, if not entirely, the same footing as inventors" (*l*). When the petitioner is an importer upon a communication from abroad, or the assignee of such an importer, it is absolutely essential that the Court be put in a position, by the accounts, to judge of the remuneration actually received, or which could have been received from the invention by the original inventor abroad, otherwise the petition will be dismissed (*m*).

Merit of an importer is less than that of an original inventor.

When the patentee has granted an exclusive licence, the exclusive licensee should be a co-petitioner in order that he may show his accounts, and that the exclusive licence was not in fact prejudicial to the public, and further that he may release any rights he may have in the extension if granted (*n*). If an exclusive licence has proved detrimental to the public interest, this fact may influence the Court not to grant an extension (*o*).

Exclusive licensees should be co-petitioners.

### THE PETITION.

Two or more patents relating to cognate inventions could formerly and may now be included in one petition (*p*).

Petition may include several patents.

A petitioner seeking the grace and favour of the Crown is

Requisites of petition.

(*h*) *Claridge's Patent* (1851), 7 Moo. P. C. 394; *Norton's Patent* (1863), 1 Moo. P. C. N. S. 339; *Bower Barff's Patent* (1895), 12 R. P. C. 5; *Carment's Patent* (1897), 14 R. P. C. 239; *Hopkinson's Patent* (1896), 14 R. P. C. 5; *Finch's Patent* (1898), 15 R. P. C. 674.

(*i*) See Vol. I. p. 23.

(*k*) *Soames' Patent* (1843), 1 W. P. C. 729.

(*l*) *Berry's Patent* (1850), 7 Moo. P.

C. 187; see also *Bower Barff's Patent* (1895), 12 R. P. C. 385.

(*m*) *Peach's Patent* (1901), 19 R. P. C. 65.

(*n*) *Shone's Patent* (1892), 9 R. P. C. 438, 440.

(*o*) *Darby's Patent* (1891), 8 R. P. C. 380; *Shone's Patent* (1892), 9 R. P. C. 438.

(*p*) See *Johnson and Atkinson's Patents* (1873), L. R. 5 P. C. 87;

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bound to strict truth in his statements (*q*); and everything relating to the matter should be disclosed. In fact *uberrima fides* is required of him. The petitioner should remember that an extension is a matter of favour and not of right (*r*), and a petition will be dismissed if it fails to state everything connected with the patent fairly and fully (*s*). Thus, the petitioner in his petition and accounts (*t*) must refer to all patents, whether British (*u*) or foreign (*x*), granted to him or any one through whom he claims (including, in the case of a patent for an invention communicated from abroad, the original inventor (*y*)), in respect of the invention forming the subject-matter of the English patent, and to the remuneration or loss he has derived or sustained through such foreign patents. If such foreign patents have been applied for and refused, information of the facts should be given to the Court (*z*). The reason for requiring a reference to such British or foreign patents granted to the petitioner or his predecessors in title, is to be found in the fact that the questions of merit and insufficiency of remuneration may be affected by the existence of such other patents. Prolongation in one case was refused, on the ground of non-disclosure of material facts, where no mention was made of the circumstance that the patentee had assigned all present and future patent rights to a company, for no consideration in money or shares but reserving certain rights (*a*). Prolongation has been refused on the ground that the petition was nominally presented by one, but actually in the interest and for the benefit of another company, to whom the shares in the first company had been transferred and no statement of this fact appeared in the petition, and the Judicial Committee

Clarke's Patent (1870), L. R. 3 P. C. 421; 7 Moo. P. C. N. S. 255; Church's Patent (1886), 3 R. P. C. 95; Erard's Patent (1835), 1 W. P. C. 557.

(*q*) Clarke's Patent (No. 2) (1870), L. R. 3 P. C. 421, 426; 7 Moo. P. C. N. S. 255; Johnson's Patent (1871), L. R. 4 P. C. 75, 83; 8 Moo. P. C. N. S. 282; Hill's Patent (1863), 1 Moo. P. C. N. S. 258; 9 Jur. N. S. 1209; 9 L. T. N. S. 101; Horsey's Patent (1884), 1 R. P. C. 225.

(*r*) Adair's Patent (1881), L. R. 6 App. Cas. 176.

(*s*) Pitman's Patent (1871), L. R. 4 P. C. 84; 8 Moo. P. C. N. S. 293.

(*t*) P. 235, *post*.

(*u*) Standfield's Patent (1897), 15 R. P. C. 17.

(*x*) Johnson's Patent (1871), L. R. 4 P. C. 76; 7 Moo. P. C. N. S. 255; Pitman's Patent (1871), L. R. 4 P. C. 84; 8 Moo. P. C. N. S. 293; Adair's Patent (1881), L. R. 6 App. Cas. 178; 50 L. J. P. C. 68; Clarke's Patent (1870), L. R. 3 P. C. 421; Johnson's Patent (1908), 25 R. P. C. 727.

(*y*) Peach's Patent (1901), 19 R. P. C. 65; p. 239, *post*.

(*z*) Johnson's Patent (1908), 25 R. P. C. 728.

(*a*) Ferranti's Patent (1901), 18 R. P. C. 518.

would not have been cognisant of it, had it not been brought forward by the Attorney-General (*b*). In another case, where it appeared from the petition that the petitioners were a company who had purchased the patent, but in fact no company, in a commercial sense, had been formed under the Companies Acts, and the persons really interested were the petitioner and a creditor, the Judicial Committee did not recommend an extension (*c*). And where a petition concealed the fact that the manufacture of the patented article had been, by contract, carried on by one of several joint patentees, who had carried on such manufacture in conjunction with the manufacture of other articles, and the accounts did not disclose any other manufacture than that of the patented article, the petition was dismissed (*d*).

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The petitioner cannot be too careful in framing his petition properly, as indulgence in the matter of amendments and adjournments cannot be relied upon; but in some cases, where there are special circumstances, an amendment, and, if necessary, an adjournment, may be allowed (*e*). The procedure for such relief was formerly by way of a separate petition to the Judicial Committee (*f*); now, it would be by way of motion to the Court.

Amendment  
of petition.

A departure from the statutory provisions on presenting a petition affects the jurisdiction of the Court, and is consequently fatal; but an omission to observe properly the rules of the Court may be remedied (*g*). Thus the Court is powerless to excuse the petitioner from the consequences of want of strict compliance with the statutory provisions for presentation of the petition at least six months before the expiration of the term of the patent (*h*), and its advertisement, before presentation, in manner provided by the Rules of the Supreme Court (*i*).

When peti-  
tion may be  
presented.

In the case of patents granted prior to January 1, 1884, the

(*b*) Reece's Patent (1881), 17 Iron. 155; 51 Eng. 207.

(*c*) Horsey's Patent (1884), 1 R. P. C. 225.

(*d*) Yates and Kellett's Patent (1887), L. R. 12 App. Cas. 147.

(*e*) See Reece's Patent (1881), 17 Iron. 155; 51 Eng. 207; Adair's Patent (1881), L. R. 6 App. Cas. 176, 180; Hutchinson's Patent (1861), 14 Moo. P. C. 364.

(*f*) Brandon's Patent (1884), 1 R. P. C. 154.

(*g*) See R. S. C., Ord. liii. r. 3 (s); Hutchinson's Patent (1861), 14 Moo. P. C. 364; Lindon's Patent (1897), 14 R. P. C. 643.

(*h*) Adam's Patent (1898), 16 R. P. C. 1.

(*i*) Friese-Greene's Patent, [1907] A. C. 460; 24 R. P. C. 464.

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petition might be presented at any time before the expiration of the patent, provided that it was prosecuted with effect (*i.e.*, the report of the Judicial Committee is obtained (*k*)), before the expiration of the term (*l*).

The Act of 1907, like that of 1883, does not require the petition to be prosecuted with effect before the expiration of the original term of the monopoly; and it is submitted that, if it be presented at least six months before the expiration of the term of the patent, any patent to which the Act applies in this matter may be extended, notwithstanding that the decision of the Court is given, after the expiry of the original term.

There is nothing in the patent law which renders invalid a new grant of letters patent, dated after the expiry of the original term, if such new grant is made in pursuance of an order of the Court under the section. If, however, the petition is not presented in time, *i.e.*, six months before the natural expiration of the patent, the Court has no jurisdiction in the matter, and so cannot entertain the petition (*m*).

Advertise-  
ments.

It is provided by the Rules of the Supreme Court (*n*) that a party intending to apply by petition under sect. 18 of the Act of 1907 shall give public notice by advertisement three times in the *London Gazette*, and once, at least, in a London daily newspaper, the price of which is not less than one penny. If the applicant's principal place of business is situated in the United Kingdom at a distance of fifteen miles or more from Charing Cross, he shall also advertise once, at least, in some local newspaper published or circulating in the town or district where such place of business is situated. If the applicant has no such place of business, then, if he carries on the manufacture of anything made under his specification in the United Kingdom at a distance of fifteen miles or more from Charing Cross, he shall advertise once, at least, in some local newspaper published or circulating in the town or district where he carries on such manufacture. If he has no such place of business, and carries on no such manufacture in the United Kingdom, then, if he resides at a distance of fifty miles or more from Charing

(*k*) *Ledsam v. Russell* (1847), 1 H. L. Cas. 687.

(*l*) *Brandon's Patent* (1884), 1 R. P. C. 154.

(*m*) *Jablochkoff's Patent* (1891), 8 R. P. C. 281; see above.

(*n*) Ord. liiiA. r. 3 (a) and (b).

Cross, he shall advertise once, at least, in some newspaper published or circulating in the town or district where he resides.

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It is further provided by the same rules (o) that the applicant shall in his advertisements state the object of his petition and shall give notice of the day (which, if the Court is for the time being a Judge of the Chancery Division, shall be an ordinary petition day) on which he intends to apply to the Court, on a day to be fixed before which the petition shall not be in the paper for hearing (called "the appointed day"), which first-mentioned day shall not be less than four weeks from the date of the publication of the last of the advertisements to be inserted in the *London Gazette*. Every such advertisement shall state an address within the United Kingdom for service under the rule. He shall also give notice that notices of objections must be lodged, as in the rules provided, on or before such appointed day so named in the said advertisements. A copy of such advertisement shall be forwarded by the applicant to the solicitor for the Board of Trade at the same time as the first advertisement is sent to the *London Gazette*, and the Board of Trade shall thereupon cause such advertisement to be inserted in the three following issues of the *Illustrated Official Journal (Patents)*.

The petition for extension must be presented within one week from the publication of the last of the advertisements required to be published in the *London Gazette*, and a copy of the petition must within the same time be furnished to the solicitor of the Board of Trade. The rules also provide that the petition shall be made returnable for the day named in the advertisements (p).

Petition must be presented within one week of last advertisement in the *London Gazette*.

The petition must be accompanied by an affidavit or affidavits of advertisements having been published according to the above-mentioned requirements. The statements contained in such affidavit or affidavits may be disputed upon the hearing (q).

Affidavit of advertisements.

The rules provide that upon the day named in the advertisements the petition shall appear in the Court list, and the petitioner shall apply to the Court to fix the appointed day: and the petitioner is required forthwith to give public notice of the

Application for day for hearing.

(o) Ord. liiiA. r. 3 (c).

(p) R. S. C., Ord. liiiA. r. 3 (d).

(q) R. S. C., Ord. liiiA. r. 3 (a).

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same by advertisement once at least in the *London Gazette* and in two London newspapers (*r*).

If on the application to fix a day for hearing it appear that the petition has been presented some considerable time (*e.g.*, eighteen months) before the expiry of the patent, the hearing will be postponed, on the ground that the profits made during the unexpired period may be sufficient adequately to reward the patentee, or affect the term of extension (if any) granted (*s*), but it will not be necessary to serve fresh notices (*t*).

Documents  
to be lodged  
by petitioner.

The petitioner must lodge, in the manner provided by R. S. C., Ord. LIII A. r. 3 (*r*), a copy of the petition with two printed copies of the specification; and he must also lodge in like manner, not less than three weeks before the appointed day, copies of the balance-sheet of expenditure and receipts relating to the patent in question, which accounts are to be proved on oath before the Court at the hearing. He must also furnish three copies of the said balance-sheet for the use of the Solicitor to the Board of Trade, and must, upon receiving two days' notice, give the Solicitor to the Board of Trade, or any person deputed by him for the purpose, reasonable facilities for inspecting and taking extracts from the books of account, by reference to which he proposes to verify the said balance-sheet at the hearing, or from which the materials for making up the said balance-sheet have been derived (*u*).

Equitable  
assignee peti-  
tioning with  
the legal  
owner.

If an equitable assignee is desirous of petitioning with the legal owner, his name must appear in the advertisements (*x*).

Petitioner  
resident  
abroad.

In cases where the patentee resides abroad, and the invention is carried on under licences, the advertisements should be inserted in papers circulating in places where the manufacture is actually carried on (*y*).

Non-compli-  
ance with  
rules as to ad-  
vertisements.

The advertisements must be proved before the petition is heard (*z*), for if anything required by the statute to be done is not done the Court has no power to grant a prolongation (*a*). The Court has, however, power to dispense with exact com-

(*r*) R. S. C., Ord. liii A. r. 3 (f) (g).  
(*s*) See Macintosh's Patent (1837),  
1 W. P. C. 739, n.  
(*t*) *Ibid.*  
(*u*) R. S. C., Ord. liii A. r. 3 (h) (i)  
and (*r*).  
(*x*) *In re* Nobel's Patent (1850), 7

Moo. P. C. 191.

(*y*) See Derosne's Patent (1844), 2  
W. P. C. 2; p. 220, *ante*.

(*z*) Perkin's Patent (1845), 2 W. P.  
C. 8; p. 221, *ante*.

(*a*) *In re* Nobel's Patent (1850), 7  
Moo. P. C. 194; p. 219, *ante*.



pliance with the mode of advertisement as required by its own rules, and in a proper case will do so (*b*)—*e.g.*, where there was by an oversight an omission to issue the preliminary advertisements, and, if the rules then in force were insisted on, it would have been impossible to comply with the statutory requirement that the petition must be presented at least six months before the expiration of the patent, and at the time of application no rules had been made under sect. 25, sub-sect. (1) of the then existing Act of 1883 (*c*), the Judicial Committee allowed the petition to be received before the insertion of the advertisements, the parties undertaking to insert before a day named all the advertisements required, and to file a proper affidavit (*d*).

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#### OPPOSITION.

It is enacted that any person may give notice to the Court of objection to the extension (*e*). The rules provide that any person desirous of opposing the prayer of a petition shall lodge, as in the rules provided, a notice that he intends to so oppose, and giving an address in the United Kingdom for service of any document requiring service under the rules. Such person shall at the same time serve upon the petitioner a copy of such notice. Such notices shall be respectively lodged and served before the day named in the petitioner's advertisement as that on which he intends to apply to the Court for the appointed day to be fixed (*f*).

Any person  
may object  
to the exten-  
sion.

Notice of  
opposition.

Service of any document requiring service in the matter of a petition to the Court under the section for an extension of the term of a patent may be made by enclosing such document in a prepaid registered letter and posting such letter to the person required to be served at his address for service (*g*).

The petitioner is required forthwith, upon receipt of the notice of objection, to serve a copy of his petition upon each person giving such notice (*h*). And every person giving such

Copy of  
petition to be  
served upon  
opponent.

(*b*) R. S. C., O. liia. r. 3 (s); Jablochkoff's Patent (1891), 8 R. P. C. 281; see p. 219, *ante*; Lindon's Patent (1897), 14 R. P. C. 643.

(*c*) See Friese Greene's Patent, [1907] A. O. 460; 24 R. P. C. 464.

(*d*) Lindon's Patent (1897), 14 R.

P. C. 643; Poyser's Patent (1907), 24 R. P. C. 157.

(*e*) 7 Edw. 7, c. 29, s. 18 (2).

(*f*) R. S. C., O. liia. r. 3 (j).

(*g*) R. S. C., O. liia. r. 8 (x).

(*h*) R. S. C., O. liia. r. 3 (k).

**Opposition.** notice is required, within three weeks after service of the petition upon him, to lodge, as in the rules provided, two copies, and serve upon the petitioner one copy, and lodge with the Solicitor of the Board of Trade three copies in writing of the particulars of the objections upon which he intends to rely against the granting of the prayer of the petition (*i*). The considerations which apply to the proper framing of the particulars of objections are those which apply to pleadings generally. The particulars should give the petitioner full notice of the opponent's case against the extension of the term of the patent. If want of novelty or lack of subject-matter be alleged, the particulars must give particulars of the literature, specifications and general knowledge relied upon by the opponent (*k*).

Particulars  
of objections.

Every opponent who does not within the said three weeks lodge and serve particulars of objections as by the rule provided, is deemed to have abandoned his opposition (*l*). And no person who has lodged particulars of objections is entitled to oppose the granting of the prayer of the petition on any ground not stated in his particulars (*m*).

Opponent is  
entitled to be  
heard on  
application  
to fix the  
appointed  
day.

Any person who has lodged a notice of opposition is entitled to be heard on the application to fix the appointed day before which the petition shall not be in the paper for hearing; and the petitioner must serve every person who has lodged a notice of opposition with a notice of the appointed day (*n*).

Entry of  
petition in  
the list for  
trial.

It is provided that the petition shall not be entered in the list for trial until the expiration of the time limited for the lodging and service of the particulars of objections, and shall only be entered for trial on the lodging of an affidavit on behalf of the petitioner that all persons who have served him with notice of intention to oppose the prayer of his petition have been served with copies of the petition. And the petition shall, if and so long as the Court is a Judge of the Chancery Division, and subject to any direction of the Court to the contrary, be set down in the same manner as if it had been a witness action assigned to that Judge, and shall be marked in the list not before the        day of        , 19        , being the appointed day (*o*).

(*i*) R. S. C., O. liiiA. r. 3 (l).  
(*k*) Johnson's Patent, [1908] 2 Ch.  
487; 25 R. P. C. 542.  
(*l*) R. S. C., O. liiiA. r. 3 (m).

(*m*) R. S. C., O. liiiA. r. 3 (n).  
(*n*) R. S. C., O. liiiA. r. 3 (o).  
(*o*) R. S. C., O. liiiA. r. 3 (p).

Any persons who have delivered particulars of objections are entitled, at their own expense, to obtain from the petitioner copies of the accounts lodged by him (*p*). Opposition.

It is requisite that all petitions, documents, and copies by the rules required to be lodged, if and so long as the Court is a Judge of the Chancery Division, shall be lodged at the chambers of the Judge, and, subject as aforesaid, shall be lodged with such person and at such place as the Court may from time to time direct (*q*).

The Court has power under the Rules to excuse petitioners and opponents from compliance with any of the requirements of the Rules, and may give such directions in the matters of procedure and practice under sect. 18 of the Act of 1907 as it shall consider to be just and expedient (*r*). Power of Court to excuse compliance with Rules.

Under the former practice before the Judicial Committee, an extension of the time for entering a *caveat* was not granted, as a rule, on the ground that the applicant did not see the advertisements of the intended application for a day for hearing till too late (*s*).

#### HEARING OF THE PETITION.

At the hearing of the petition, the petitioner and opposing parties, if there are any, may appear either in person or by counsel; but where there are several opponents not more than two counsel will be heard on either side, unless the opposing parties have distinct and separate interests (*t*). Parties may appear personally or by counsel.

Though there is no opposition, or some of the grounds on which the petition might be opposed are admitted in the patentee's favour by the opponent, the Court will require formal evidence in support of the petition as a whole, or in support of the admitted grounds, as the case may be (*u*). Hearing when there is no opposition.

Probably the Court, like the Judicial Committee under the old procedure, would hear and adjudicate on a petition notwithstanding that there are proceedings pending affecting the question of validity of the patent, or judgment has been given Petition heard though there are pending proceedings affecting question of validity.

(*p*) R. S. C., O. liia. r. 3 (*q*).  
 (*q*) R. S. C., O. liia. r. 3 (*r*).  
 (*r*) R. S. C., O. liia. r. 3 (*s*); see Stearn's Patents (1911), 28 R. P. C. 663.  
 (*s*) Hopkinson's Patent (1897), 13 R. P. C. 114.  
 (*t*) See Woodcroft's Patent (1841), 3 Moo. P. C. 172, n.  
 (*u*) Toy's Patent (1893), 10 R. P. C. 89.

Hearing  
of the  
Petition.

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Usual to deal  
with utility  
first.

Comptroller  
always  
appears.

or the patent has been declared void by a Court whose decision may be reversed and is not binding on the Court in relation to extension proceedings (*x*).

It is the usual practice, on the hearing of a petition, for the Court to deal first with the question of the utility of the invention to the public (*y*), and afterwards with that of adequacy of remuneration (*z*); but sometimes this order is reversed—*e.g.*, where the accounts (*a*) show that the remuneration has been such that it would be preposterous to grant the petition (*b*), or the accounts are unsatisfactory (*c*).

Following the rule laid down in *Erard's Patent* (*d*), as to appearance of the Attorney-General at the hearing of petitions for the extension of letters patent under the old procedure, whether there was opposition or not, to watch the interests of the Crown and the public, it will probably be the invariable practice in the future for the Comptroller to appear. The Comptroller, if he elects or is directed to appear on the question of granting the prayer of the petition, like the Attorney-General under the old procedure before the Judicial Committee, is not required to give notice of the grounds of any objection he may think fit to place before the Court (*e*). The practice is for the Comptroller to be represented by the Attorney-General, whose duty it is as much to instruct the Court and assist it as to oppose, and, indeed, only to oppose the extension of the term of the patent when in his judgment he considers that it is one which ought not to be prolonged (*f*).

The patentee comes to ask a favour, and it is his duty to show the exact state of knowledge at the time of his patent, and the exact pale of his invention, by himself referring to previous publications (*g*).

It is to be noticed that sect. 18 of the Act of 1907 does not

(*x*) See *Kay's Patent* (1839), 1 W. P. C. 568, 572, note (*f*); *Woodcroft's Patent* (1841), 2 W. P. C. 18; *Heath's Patent* (1853), 2 W. P. C. 247; *Lane Fox's Patent* (1892), 9 R. P. C. 411.

(*y*) P. 229, *post*.

(*z*) P. 233, *post*.

(*a*) P. 235, *post*.

(*b*) *Crighton's Patent*, 39 Eng. 135; *Saxby's Patent* (1870), L. R. 3 P. C. 292; 7 Moo. P. C. N. S. 82; 19 W. R. 513; *Clark's Patent* (No. 2) (1870), L. R. 3 P. C. 421; 7 Moo. P. C. N. S.

255; *Trotman's Patent* (1866), L. R. 1 P. C. 118; *Houghton's Patent* (1871), 7 Moo. P. C. 309.

(*c*) *Wield's Patent* (1871), L. R. 4 P. C. 89; 8 Moo. P. C. N. S. 300; *Thomas's Patent* (1892), 9 R. P. C. 367.

(*d*) (1835), 1 W. P. C. 557, n.; *Whitehouse's Patent* (1830), 1 W. P. C. 474; *Clark's Patent* (1899), 16 R. P. C. 431.

(*e*) R. S. C., O. liii. r. 3 (*t*).

(*f*) See *Stoney's Patent* (1888), 5 R. P. C. 522.

(*g*) *Fountain Livet's Patent* (1892), 9 R. P. C. 331, 332.

provide for the hearing of a petition for extension by the Court with an assessor, whereas a petition for extension which under the old procedure was heard by the Judicial Committee, could, under the provisions of Act of 1883, s. 28, be so heard. The result is that now the tribunal which hears petitions for extension of the term of a patent has no statutory power under the Patents and Designs Act, 1907, to call in the aid of an assessor, though no doubt it has authority to do so under the provisions of sect. 56 of the Judicature Act, 1873.

Hearing  
of the  
Petition.

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A patentee is never entitled to demand, *ex debito justitiæ*, a prolongation or extension of the term of his monopoly. In all cases the Court has an absolute discretion, the only limit being that the period of extension shall not be more than fourteen years (*h*). Extension does not by any means follow as a matter of course, but is granted only upon a proper case made out (*i*).

Court's  
discretion  
is absolute.

#### GROUND FOR EXTENSION.

It is expressly provided by the Act of 1907 (*k*) that "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."

Grounds for  
extension  
have reference  
to the  
patentee and  
to the public.

All the grounds upon which extensions are granted may be said to have reference to the inventor himself. They are, in the first place, to reward the inventor for the peculiar ability and industry he has exercised in making the discovery; in the second place, to reward him because some great benefit of an unusual description has by him been conferred upon the public, through the invention itself; and, lastly, because the inventor has not been sufficiently remunerated by the profits derived from his strenuous exertions to make the invention profitable. All these grounds proceed upon the supposition that the in-

(*h*) 7 Edw. 7, c. 29, s. 18 (*5*); *Ledsam v. Russell* (1847), 1 H. L. Cas. 687.

(*i*) See *Jones's Patent* (1840), 1 W. P. C. 577; *Smith and Robertson's Patent* (1847), 30 Newton, L. J. O. S. 451; *Porter's Patent*, 1 Newton, L. J. N. S. 179; *Morgan's Patent* (1843), 1 W. P.

C. 739; *Soames' Patent* (1843), 1 W. P. C. 733; *Perkins' Patent* (1845), 2 W. P. C. 16; *Derosne's Patent* (1844), 2 W. P. C. 4; *Honiball's Patent* (1855), 9 Moo. P. C. 393; *Cardwill's Patent* (1856), 10 Moo. P. C. 490.

(*k*) Sect. 18 (4).

Grounds  
for  
Extension.

vention is new and useful (*l*). But, nevertheless, detriment to the public interest is an important factor against the grant of an extension (*m*); though the public interest is by no means a fatal objection in all cases (*n*). The fact that foreign patents will lapse as a consequence of the refusal of a prolongation of a British patent is a circumstance of some weight in favour of the petitioner (*o*). The fact that the patentee has granted an exclusive licence is a point against the extension of a patent, for it is against public policy that there should be only one licensee (*p*). This objection may be got over by making it a condition of extension that the exclusive licensee shall renounce all right and benefit in the licence (*q*).

The fact that an extension would prevent the public from using the invention, which is one of public importance—*e.g.*, a process for deodorising manure—may weigh against the grant of the prayer of the petition (*r*). If it be alleged that traders of this country, if the patent be prolonged, will be put at a disadvantage compared with the traders of other countries, the Court ought to be supplied with proper statistics or other information as to the nature and extent of the competition feared by the party making the allegation, whether he be an ordinary opponent or the Comptroller (*s*).

The fact that the invention deals with a subject, *e.g.*, smoke prevention, which the public are by statute obliged to use, does not, though the public may practically be obliged to use the patentee's invention, raise an insuperable objection against the extension of the patent (*t*).

It is thus clear that a petitioner, in order to induce the Court to grant the prayer of the petition, must satisfactorily

Two things  
necessary to  
obtain an  
extension.

(*l*) Per Lord Romilly, Norton's Patent (1863), 1 Moo. P. C. N. S. 339; 9 Jur. N. S. 419; see also Whitehouse's Patent (1830), 2 Moo. P. C. 496; 1 W. P. C. 473; Erard's Patent (1835), 1 W. P. C. 557; Downton's Patent (1839), 1 W. P. C. 565; Derosne's Patent (1844), 2 W. P. C. 1; 4 Moo. P. C. 417; Carp. P. C. 699; Woodcroft's Patent (1841), 2 W. P. C. 18; 10 Jur. 363.

(*m*) McLunes' Patent (1868), L. R. 2 P. C. 54; 37 L. J. P. C. 23; 5 Moo. P. C. N. S. 72.

(*n*) See McCulloch's Patent (1908), 25 R. P. C. 692.

(*o*) Thompson's Patent (1902), 19 R. P. C. 568.

(*p*) Cardwill's Patent (1856), 10 Moo. P. C. 488; Darby's Patent (1891), 8 R. P. C. 380; Shone's Patent (1892), 9 R. P. C. 438.

(*q*) Shone's Patent (1892), 9 R. P. C. 441.

(*r*) McDougal's Patent (1867), L. R. 2 P. C. 1; 5 Moo. P. C. 1; Sillar's Patent (1882), G. P. C. 581; Morgan's Patent (1843), 1 W. P. C. 739; Soames' Patent (1843), 1 W. P. C. 734.

(*s*) Johnson's Patent, [1908] 1 Ch. 144; 25 R. P. C. 728.

(*t*) Foardes' Patent (1855), 9 Moo. P. C. 376.

prove two things, viz.:—(i) That the invention is meritorious; and (ii) that the petitioner has been insufficiently remunerated, owing to no fault of his own.

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(i) **Merit.**—The applicant must make out a *primâ facie* case of validity (*u*). For this purpose, a decision of the High Court of Justice, or the Court of the County Palatine of Lancaster, in favour of the validity of the patent is obviously sufficient (*v*). It is not as a general rule necessary for the petitioner to do more than establish a *primâ facie* case for upholding the validity of the patent in respect of novelty and subject-matter (*x*).

The invention must be shown to be independently meritorious—*e.g.*, it will not do to show that it could only be usefully employed in conjunction with some later discovery (*y*). It is, however, not an objection to the grant of an extension that the invention is an improvement on, and is intended to be used with, some previously patented invention (*z*), or that the original invention would not be used without it (*a*), provided that there is utility in the improvement (*b*). In fact, it is not material upon the question of merit for the purpose of extension proceedings to enquire whether the patent is a pioneer one or not (*c*). In the absence of evidence as to merit the petition will not succeed (*d*).

Invention must be proved to be independently meritorious.

If an invention consist of several parts, and it appear that some part, or parts, is, or are, not meritorious, but that there is merit in the remaining part or parts, an extension may be granted in respect of the meritorious part or parts alone (*e*).

Only part of invention meritorious.

The Court will not extend a patent which, on the face of it, appears to be invalid (*f*); but it will not decide the ques-

Court does not decide question of validity.

(*u*) Erard's Patent (1835), 1 W. P. C. 557; Kay's Patent (1839), 1 W. P. C. 568; 3 Moo. P. C. 24.

(*v*) See Bett's Patent (1862), 7 L. T. N. S. 577; 9 Jur. N. S. 137; 1 Moo. P. C. N. S. 49.

(*x*) Johnson's Patent (1908), 25 R. P. C. 724.

(*y*) Bett's Patent (1862), 1 Eng. 335; 1 Moo. P. C. 49; 7 L. T. N. S. 577.

(*z*) Bovill's Patent (1863), 1 Moo. P. C. N. S. 348; Soames' Patent (1843), 1 W. P. C. 729.

(*a*) Woodcroft's Patent (1841), 1 W. P. C. 740; 3 Moo. P. C. 171; Galloway's Patent (1843), 1 W. P. C. 727.

(*b*) Bell's Patent (1846), 2 W. P. C. 160; 10 Jur. 363.

(*c*) McCulloch's Patent (1908), 25 R. P. C. 692.

(*d*) Kelley's Patent (1900), 17 R. P. C. 476.

(*e*) Bodmer's Patent (1881), 8 Moo. P. C. 282; Lee's Patent (1881), 10 Moo. P. C. 226; Napier's Patent (1881), L. R. 6 App. Cas. 174; 50 L. J. P. C. 40; Church's Patent (1886), 3 R. P. C. 95; Burlingham's Patent (1898), 15 R. P. C. 195; Lodge's Patent (1911), 28 R. P. C. 365.

(*f*) Kay's Patent (1839), 1 W. P. C. 568; 3 Moo. P. C. 24; Erard's Patent (1835), 1 W. P. C. 557; McDougal's

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tion of validity, if it appear decidedly doubtful on the ground of lack of novelty, or utility, or from any other cause (*g*); though evidence of these points may be given at the hearing (*h*). In cases of doubt as to the validity of the patent, the Court exercises its discretion (*i*); and it will not refuse an extension merely because there are proceedings pending in which the validity is in question, or there is a decision against the patent, which may be reversed by a superior Court (*k*). Though the Court does not try the issue of validity, questions which go to validity may be material upon the question of merit. Thus, prolongation was refused where it appeared that the main merit of the invention lay not in the disclosure of a principle, but in the details of construction, and the petitioner had not given adequate disclosure in his specification as to those details, and the evidence showed that all the articles constructed under the patent were made under the personal supervision of the patentee, who alone knew the details, and so the specification was insufficient (*l*).

A new grant is open to same objections as the old one.

Merit in the sense of utility must be proved.

If a new grant is allowed, it is of course open to the same objections, and may be annulled in the same manner as the old one (*m*).

There is an obvious distinction between the "merit of ingenuity and the merit of utility" of an invention (*n*); and unless the Court is satisfied that the invention possesses the latter, it will not grant an extension (*o*). Though mere simplicity of invention is not necessarily an objection to an extension (*p*), yet the fact of great labour and ingenuity being re-

Patent (1867), L. R. 2 P. C. 1; 37 L. J. P. C. 17; 5 Moo. P. C. N. S. 1.

(*g*) Hill's Patent (1863), 9 Jur. N. S. 1209; 9 L. T. N. S. 101; 1 Moo. P. C. N. S. 258; 18 Newton, L. J. N. S. 109; Cocking's Patent (1885), 2 R. P. C. 151; Stewart's Patent (1886), 3 R. P. C. 7; Saxby's Patent (1870), L. R. 3 P. C. 292; 7 Moo. P. C. N. S. 82; Lyons' Patent (1894), 11 R. P. C. 537.

(*h*) *Ibid.*

(*i*) Per Sir William Erle, McInnes' Patent (1868), L. R. 2 P. C. 54; 37 L. J. (N. S.) P. C. 23; 5 Moo. P. C. N. S. 72; Woodcroft's Patent (1846), 2 W. P. C. 18; 10 Jur. 363; 28 Newton, L. J. C. S. 196; Pinkus's Patent (1848), 12 Jur. part i. 233; Soames' Patent (1843), 1 W. P. C. 729; 23 Newton, L. J. C. S. 462.

(*k*) See Woodcroft's Patent (1846), 2

W. P. C. 18; Kay's Patent (1839), 1 W. P. C. 568, 572, n.; Heath's Patent (1853), 2 R. P. C. 247; Lane Fox's Patent (1892), 9 R. P. C. 411.

(*l*) Fountain Livet's Patent (1892), 9 R. P. C. 327.

(*m*) Galloway's Patent (1843), 1 W. P. C. 724; 7 Jur. 453.

(*n*) Bett's Patent (1862), 7 L. T. N. S. 577; 9 Jur. N. S. 137; 1 Moo. P. C. N. S. 49; Pinkus's Patent (1848), 12 Jur. part i. 233.

(*o*) Simister's Patent (1842), 1 W. P. C. 721; 7 Jur. 451; 4 Moo. P. C. 164; 21 Newton, L. J. C. S. 465; Longmaid's Patent, 1 Eng. 347; Derosne's Patent (1835), 2 W. P. C. 1; Carp. P. C. 699; 4 Moo. P. C. 417; 24 Newton, L. J. C. S. 459.

(*p*) Per Lord Watson, Hazeland's Patent (1894), 11 R. P. C. 470.



quired to produce the invention will go far to establish a case of utility strong enough to satisfy the Court that the public is likely to derive a benefit from the invention sufficient to warrant an extension (*q*).

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The test of utility is not the same for the purposes of extension as in an action of infringement or petition for revocation. In the former case commercial utility is of the utmost importance, but not so in the latter (*r*). And generally in order to succeed, the petitioner must show that there is in the invention merit beyond that ordinary merit which would be sufficient to sustain a patent in the first instance—that is to say, there must be something beyond that merit which would, in an action for infringement, support a patent in the face of a plea of want of utility (*s*). Consequently, because an invention is new, in the sense that a patent for it could be supported on the ground of novelty, it does not necessarily follow that it is sufficiently novel, having regard to prior inventions of a like character, to satisfy the Court that the benefit conferred by it on the public is sufficient to warrant an extension (*t*).

**Test of utility  
necessary for  
an extension.**

Thus, where there have been previous patents for somewhat analogous methods of attaining the same result as that achieved by the petitioner's patented invention, and the petitioner's invention has not been taken up by the public, though it has been advertised to a considerable extent, the Court will probably not deem the invention to possess such a sufficient degree of novelty or merit as will justify an extension (*u*).

The extent to which the invention has been used by the public is, in more ways than one, an important consideration. If there has been an extensive use by the public, of course this fact is unfavourable to the contention of an applicant for

**Extent of  
user is an  
important  
question.**

(*q*) Hill's Patent (1863), 9 L. T. N. S. 101; 9 Jur. N. S. 1209; 1 Moo. P. C. N. S. 258; 18 Newton, L. J. N. S. 109.

(*r*) Lawrence's Patent (1892), 9 R. P. C. 88; McDougal's Patent (1884), 2 R. P. C. 11; Pitman's Patent (1871), L. R. 4 P. C. 84; 8 Moo. P. C. N. S. 293.

(*s*) See remarks of Grove, J., Stoney's Patent (1888), 5 R. P. C. 520; see also Saxby's Patent (1886), 3 R. P. C. 294; Bott's Patent (1862), 1 Moo. P. C. N. S. 49; 9 Jur. N. S. 137; 7 L. T. N. S. 577; Van Gelder's Patent, [1907]

A. C. 174; 24 R. P. C. 174.

(*t*) Stewart's Patent (1886), 3 R. P. C. 7; Thornycroft's Patent (1899), 16 R. P. C. 202; Sillar's Patent (1882), G. P. C. 581; McDougal's Patent (1867), L. R. 2 P. C. 1; 37 L. J. (N. S.) P. C. 17; 5 Moo. P. C. N. S. 1; McInnes' Patent (1868), L. R. 2 P. C. 54; 37 L. J. (N. S.) P. C. 23; 5 Moo. P. C. N. S. 72; Ricci's Patent (1906), 23 R. P. C. 269.

(*u*) Allan's Patent (1867), L. R. 1 P. C. 507; 4 Moo. P. C. N. S. 443; Stewart's Patent (1885), 3 R. P. C. 7; Hall's Patent (1895), 12 R. P. C. 400.

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extension, for though it shows that the invention is useful, it also shows that the patentee has had an opportunity of making profit out of it (*x*). On the other hand, if the invention has not been extensively used by the public, the presumption is against its utility, and therefore unfavourable to the applicant (*y*). There is much more difficulty in dealing with the case of a patent where it has not been used than in dealing with one where a user has taken place, because, assuming that there is no utility in the invention, there is nobody whose interest it is to oppose it; but where it has been used for a considerable number of years there are persons who always desire to get rid of the patent, and from them the Court hears all the arguments which can properly be brought against it (*z*).

Presumption  
of non-utility  
arising from  
limited use  
may be  
rebutted.

The presumption of non-utility arising from a limited use of the invention by the public is not in every case fatal, for it is often capable of being rebutted (*a*), *e.g.*, where the invention was a system of railway signalling covering ground already occupied by the machinery of other systems, and railway companies could not be induced to adopt the patentee's meritorious system on account of the great expense involved in a change of system and the fear that the new system might not be so good as the old (*b*); or where the invention is one which from its nature is capable only of occasional use (*c*); or even though there has been no user at all (*d*); but strong evidence is required in all these cases (*e*).

(*x*) Downton's Patent (1839), 1 W. P. C. 566.

(*y*) Allan's Patent (1867), L. R. 1 P. C. 507; 4 Moo. P. C. N. S. 443; Herbert's Patent (1867), L. R. 1 P. C. 399; 4 Moo. P. C. 300; Simister's Patent (1842), 1 W. P. C. 721; 7 Jur. 451; 4 Moo. P. C. 164; Scott's Patent (1906), 23 R. P. C. 478.

(*z*) See Allan's Patent (1867), L. R. 1 P. C. 507; 4 Moo. P. C. N. S. 433.

(*a*) Norton's Patent (1863), 1 Moo. P. C. N. S. 339; 9 Jur. N. S. 419; Bakewell's Patent (1862), 15 Moo. P. C. 385; Wright's Patent (1839), 1 W. P. C. 575; Jones' Patent (1840), 1 W. P. C. 577; Allan's Patent (1867), L. R. 1 P. C. 507; 4 Moo. P. C. N. S. 433; Cocking's Patent (1855), 2 R. P. C. 151; Berrington's Patent, cited L. R. 1 P. C. 509; 4 Moo. P. C. N. S. 445; Coryton, 225; Simister's Patent (1842),

1 W. P. C. 721; 7 Jur. 451; Southworth's Patent (1837), 1 W. P. C. 486; Herbert's Patent (1867), L. R. 1 P. C. 399; 4 Moo. P. C. N. S. 300; Hughes' Patent (1879), L. R. 4 App. Cas. 174; 48 L. J. P. C. 20; Semet and Solway's Patent (1894), 12 R. P. C. 10; Roper's Patent (1887), 4 R. P. C. 201; Southby's Patent (1891), 8 R. P. C. 433; Thompson's Patent (1902), 19 R. P. C. 565.

(*b*) Currie's Patent (1897), 15 R. P. C. 63.

(*c*) Thompson's Patent (1902), 19 R. P. C. 568.

(*d*) Roper's Patent (1887), 4 R. P. C. 4; Southby's Patent (1891), 8 R. P. C. 433; Thompson's Patent (1902), 19 R. P. C. 568.

(*e*) Allan's Patent (1867), L. R. 1 P. C. 507; 4 Moo. P. C. N. S. 433.

For example, in the case of *Southby's Patent* (*f*), the original invention which was patented in 1877 was of great merit, but had never been brought into practical use, because the patentee was not satisfied that he had brought the invention into such practical efficiency as could justify him in incurring the expense of putting it on the market. In 1885 the patentee took out a subsequent patent for an invention apparently essential to the working of his original machine, and which enabled such machine to be worked successfully. A prolongation of five years was granted on the ground that the presumption of non-utility arising from non-user was rebutted, and that there might be some other way than that protected by the 1885 patent by which the machine might be successfully worked.

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The following facts also have been held to be sufficient evidence to rebut the presumption of non-utility arising from a limited user by the public: there was a special trade opposition (*g*); the invention was of a special nature and could not easily be brought into public use (*h*); the market and demand was necessarily limited (*i*); experimental difficulties (*k*); legal proceedings (*l*); and the scarcity of labour (*m*).

The applicant must show that, if an extension be allowed, there is every likelihood of the invention being used by the public—*i.e.*, that the conditions owing to which the public use has hitherto been limited (if such be the case) have ceased to exist—otherwise the intention of the Crown that the patentee should be rewarded by the profits arising from the invention, during the further period of the monopoly, could not take effect, and the Court would not accede to the petitioner's request (*n*).

Probability of use in the future must be established.

(ii) **Insufficient remuneration owing to no fault of the patentee.**—In deciding whether the patentee has been sufficiently rewarded, the Court takes into consideration the benefit

Benefit accrued to the public compared with that derived by the patentee.

(*f*) (1891), 8 R. P. C. 433.

(*g*) *Simister's Patent* (1842), 1 W. P. C. 721; 7 Jur. 451; 4 Moo. P. C. 161.

(*h*) *Southworth's Patent* (1837), 1 W. P. C. 486; *Jones' Patent* (1840), 1 W. P. C. 577; *Hughes' Patent* (1879), L. R. 4 App. Cas. 174; 48 L. J. P. C. 20; *Semet and Solway's Patent* (1894), 12 R. P. C. 10; *Board's Patent* (1908), 25 R. P. C. 537.

(*i*) *Herbert's Patent* (1867), L. R. 1 P. C. 399; 4 Moo. P. C. N. S. 300.

(*k*) *Ibid.*

(*l*) *Wright's Patent* (1839), 1 W. P. C. 575.

(*m*) *Napier's Patent* (1861), 13 Moo. P. C. 543.

(*n*) *Woodcroft's Patent* (1846), 2 W. P. C. 18; 10 Jur. 363; *Bates' Patent* (1836), 1 W. P. C. 739; *Foard's Patent* (1855), 9 Moo. P. C. 376.

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Petitioner  
must prove  
that he has  
used his best  
endeavours  
to make  
profit,

which has resulted and is likely to result to the public, as compared with that which has accrued to the patentee (o).

Though it may appear that the petitioner has not been adequately remunerated, there may be circumstances sufficient to induce the Court to refuse to exercise its discretion in his favour (p). The petitioner must satisfy the Court that he has, having regard to the particular circumstances of the case, used his best endeavours to make the invention a pecuniary success, and that no circumstances under his control have led to his insufficient remuneration (q), e.g., that he has not been wanting in business skill (r), and that he has at all times been willing to give the public the benefit of the invention (s), and used his best endeavours to launch it on the British market (t).

Thus, in the case of *Roper's Patent* (u), the patentee of a captain's bridge constructed as a life-raft petitioned for prolongation on the ground that, owing to illness and other circumstances beyond his control, he had not been adequately remunerated. It was proved that for nearly eight years he had been practically incapacitated from business in consequence of a railway accident. The invention had been awarded prizes at exhibitions, but had never been brought into actual use. Under the circumstances, it was considered that, having regard to the meritorious nature of the invention, the difficulty of bringing it into actual use, the patentee's illness, and the fact that no opposition was offered on behalf of the Crown, the case was an exceptional one, and an extension for seven years should be granted. But in the case of *Dolbear's Patent* (x) prolongation was refused when it appeared that for twelve years before the patent was assigned

(o) *Newton's Patent* (1861), 14 Moo. P. C. 156; *Derosne's Patent* (1844), 2 W. P. C. 4; *Mallet's Patent* (1866), L. R. 1 P. C. 308; *Nussey and Leachman's Patent* (1890), 7 R. P. C. 22.

(p) See *Johnson's Patent* (1908), 25 R. P. C. 723.

(q) *Southworth's Patent* (1837), 1 W. P. C. 486; *Kollman's Patent* (1839), 1 W. P. C. 564; *Lowe's Patent* (1846), 2 W. P. C. 158; 10 Jur. 363; *Norton's Patent* (1863), 1 Moo. P. C. N. S. 339; 9 Jur. N. S. 419; *Patterson's Patent* (1849), 6 Moo. P. C. 469; 13 Jur. 593; *Wield's Patent* (1871),

L. R. 4 P. C. 89; 8 Moo. P. C. N. S. 300; *Cardwell's Patent* (1856), 10 Moo. P. C. 488; *Bakewell's Patent* (1862), 15 Moo. P. C. 385; *Stewart's Patent* (1886), 3 R. P. C. 7; *Thornycroft's Patent* (1899), 16 R. P. C. 202; [1899] A. C. 415.

(r) *Thornycroft's Patent*, [1899] A. C. 415.

(s) *Stewart's Patent* (1886), 3 R. P. C. 10.

(t) *Johnson's Patent*, [1909] 1 Ch. 144; 25 R. P. C. 727.

(u) (1887), 4 R. P. C. 201.

(x) (1896), 13 R. P. C. 203.

to a certain petitioner no effort to work it or push it commercially had been made, and no sufficient excuse was forthcoming for the delay.

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If infringements of the patent have been openly committed, it will be necessary for the petitioner to show that proceedings have been taken to protect the patent, as evidence of negligence on his part to do so may induce the Court to refuse an extension (*y*); whereas if the expense of litigation necessary to maintain the patent has prevented the petitioner from deriving adequate profits from the invention this circumstance will tell very much in his favour (*z*).

and has not permitted open infringements.

The circumstance that the invention has not been brought into public use owing to disputes between the co-owners of a patent is not likely to induce the Court to grant an extension (*a*).

Disputes by co-owners.

There does not appear to be any case reported in which an extension has been granted where the patentee has received more than £20,000 from the patent; but this is not a hard and fast rule, and possibly in a case of very special merit such a sum might be treated as inadequate remuneration (*b*). In a case where the patentee and his assignees had received £25,000 from the invention prolongation was refused (*c*).

Quantum of adequate remuneration.

The petitioner is required to lodge a statement of accounts as evidence of his contention that the original inventor, and all claiming through him, has been insufficiently rewarded, having regard to the value of the invention to the public (*d*). The Court insists that the statement of accounts shall be a full, clear, and accurate (*e*) balance-sheet, showing the whole *profit and loss* which has been derived or sustained in respect of the invention. The accounts are to be proved on oath by the petitioner at the hearing (*f*). It is the petitioner's duty to satisfy the Court, in a manner which admits of no controversy, as to the amount of remuneration which in every point

Accounts to be lodged by the petitioner and their requisites.

(*y*) *Simister's Patent* (1842), 1 W. P. C. 724; 4 Moo. P. C. 164; 7 Jur. 451.

(*z*) *Petitt Smith's Patent* (1850), 7 Moo. P. C. 133; *Heath's Patent* (1853), 2 W. P. C. 247; 8 Moo. P. C. 217.

(*a*) *Patterson's Patent* (1849), 6 Moo. P. C. 469; 13 Jur. 593.

(*b*) *Thomas' Patent* (1892), 9 R. P. C. 372.

(*c*) *Carmont's Patent* (1897), 14 R. P. C. 239; *Parson's Patent* (1898), 15 R. P. C. 349.

(*d*) P. 233, *ante*.

(*e*) *Clark's Patent* (1870), L. R. 3 P. C. 421; 7 Moo. P. C. N. S. 255; *Hill's Patent* (1863), 1 Moo. P. C. N. S. 258; 9 Jur. N. S. 1209; 9 L. T. N. S. 101.

(*f*) R. S. C. Ord. liiia. r. 3 (i).

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of view the invention has brought to those who have introduced, or helped to introduce, it to the public, in order that the Court may be able to come to a conclusion whether that remuneration may fairly be considered a sufficient reward or not (*g*). In the case of an invention communicated from abroad it is absolutely essential that the petition and the accounts clearly show what remuneration has been received in fact by the original inventor from the invention abroad, and the circumstances under which it may be contended that such remuneration, through no fault of his own, is inadequate (*h*). It is not for the Court to send back the accounts for further particulars, nor to dissect the accounts for the purpose of surmising what may be their real outcome if they were differently cast; it is for the applicant to bring his accounts before the Court in a shape which will leave no doubt as to what the remuneration has been that the original patentee and all claiming title through him have received (*i*).

If this requirement be not attended to carefully, the Court will most probably refuse to grant the petitioner leave to amend the accounts (*k*), and will dismiss the petition altogether (*l*); and the petitioner will not as a rule be excused on the ground that he has kept no such accounts, or has destroyed his books (*m*).

Absence of books of account may sometimes be explained.

In some cases—*e.g.*, in the case of fire—the absence of books of account may be satisfactorily explained, and evidence of want of profits will then be accepted (*n*); but in the absence of such books of account, whether owing to destruction by fire

(*g*) Saxby's Patent (1870), L. R. 3 P. C. 292; 7 Moo. P. C. N. S. 82; Clark's Patent (1870), L. R. 3 P. C. 421; 7 Moo. P. C. N. S. 255; Wield's Patent (1871), L. R. 4 P. C. 89; 8 Moo. P. C. N. S. 300; Clark's Patent (1899), 16 R. P. C. 431; Cross, Bevan and Beadle's Patents (1906), 23 R. P. C. 485.

(*h*) Peach's Patent (1891), 19 R. P. C. 65; see also p. 240, *post*.

(*i*) Saxby's Patent (1870), L. R. 3 P. C. 295; 7 Moo. P. C. 82; Henderson's Patent (1901), 18 R. P. C. 453; Wüterich's Patent (1903), 20 R. P. C. 285.

(*k*) Newton's Patent (No. 4) (1884), L. R. 9 App. Cas. 592; 1 R. P. C. 117;

52 L. T. 329; Yates and Kellett's Patent (1887), 4 R. P. C. 150.

(*l*) Adair's Patent (1881), L. R. 6 App. Cas. 176; 50 L. J. P. C. 68; Saxby's Patent (1870), L. R. 3 P. C. 292; 7 Moo. P. C. N. S. 82; Bett's Patent (1862), 1 Moo. P. C. N. S. 49; 9 Jur. N. S. 137; 7 L. T. N. S. 577; Clark's Patent (1899), 16 R. P. C. 431; Lawrence and Kennady's Patent (1910), 27 R. P. C. 252.

(*m*) Yates and Kellett's Patent (1887), L. R. 12 App. Cas. 149; 4 R. P. C. 150.

(*n*) Hutchinson's Patent (1861), 14 Moo. P. C. 222; Markwick's Patent (1860), 13 Moo. P. C. 310; Lowe's Patent (1852), 10 Jur. 363.

or otherwise, and of a reasonable explanation of such absence, everything must be taken most strongly against the petitioner (*o*). Thus, where a statement made in the prospectus of an assignee company would, if true, necessitate the conclusion that the patentee had received from the working of the patent more than he admitted, in the absence of his books, which had been destroyed, prolongation was refused (*p*).

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Under special circumstances, where the invention is of indisputable great merit, it may not be necessary to prove the petitioner's losses with the strict accuracy usually required (*q*).

Sometimes losses need not be proved with strict accuracy.

The following passage from the decision of the Judicial Committee of the Privy Council, delivered by Lord *Hobhouse* in *Lake's Patent* (*r*), indicates the way in which the patentee should keep his accounts from the beginning and present them to the Court:—

Manner in which a patentee should keep his accounts from the first.

“In this case their Lordships have come to the conclusion that the petition must be dismissed because it is not shown, and on the materials before the committee it cannot be shown with propriety on this occasion, that the patentee has not been adequately remunerated. In order to show that, the patentee should keep his accounts in a way which would enable the Crown Officers, to whom they are produced, and this committee, and, indeed, members of the public, to form some judgment on the question whether he has or has not received adequate remuneration; and not only should the accounts be kept in such a form, but they should be produced before this committee in such a shape that it does not require long and minute investigation of supplemental accounts in order to understand the result of them.

“The principle on both points has been stated very clearly on several occasions by this committee. In *Bett's Patent*, so far back as the year 1862, it was stated that ‘there can be no difficulty in a patentee beginning from the first to keep a patent account distinct and separate from any other business in which he may happen to be engaged. He knows perfectly well that if his invention is of public utility, and he has

(*o*) *Yates and Kellett's Patent* (1887), L. R. 12 App. Cas. 147; 4 R. P. C. 150; *Lawrence's Patent* (1892), 9 R. P. C. 85.

(*p*) *Lawrence's Patent* (1892), 9 R. P. C. 85.

(*q*) *Darby's Patent* (1891), 8 R. P. C. 38.

(*r*) (1891), 8 R. P. C. 228; see also *Hughes' Patent* (1898), 15 R. P. C. 371; *Hendersou's Patent* (1901), 18 R. P. C. 453; *Wüterich's Patent* (1903), 20 R. P. C. 285.

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Extension.**

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not been adequately remunerated, he will have a claim for an extension of the original term of his patent. It is not; therefore, too much to expect that he should be prepared, when the necessity arises, to give the clearest evidence of everything which has been paid and received on account of the patent.' That refers to the mode in which the accounts should be kept. In *Saxby's Patent* this committee made some observations on the mode in which the accounts should be produced. Lord *Cairns*, in delivering the judgment, said: 'It is the duty of every patentee, who comes for the prolongation of his patent, to take upon himself the onus of satisfying this committee, in a manner which admits of no controversy, on what has been the amount of remuneration which in every point of view the invention has brought to him, in order that their Lordships may be able to come to a conclusion whether that remuneration may fairly be considered a sufficient reward for his invention or not. It is not for this committee to send back the accounts for further particulars, nor to dissect the accounts for the purpose of surmising what might be their real outcome if they were differently cast. It is for the applicant to bring his accounts before the committee in a shape which will leave no doubt as to what the remuneration has been that he has received.' "

Effect of  
keeping  
accounts on  
a wrong  
system.

Thus, where a company being assignees of a patent kept books on a wrong system for the first eight years of the patent, and the accounts furnished included certain entries, amounting to a considerable sum, as corrections of the books, which could not be checked from the accounts themselves without an examination of the books, it was held that the accounts were insufficient, and the petitioners were not allowed to call evidence to explain them (s).

Court has  
regard to the  
profits made  
by the  
patentee  
as such.

The Court is by statute (t) required, when deciding the question of adequacy of remuneration, to "*have regard to the profits made by the patentee as such*"; accounts which do not show this are consequently defective. Thus where it appeared that the patentee had assigned to a company for a considerable sum, both his business and also the patent in question, together with another one, and the petitioning assignee company presented general accounts of their business which showed

(s) *Lake's Patent* (1891), 8 R. P. C. 15 R. P. C. 370.  
227; see also *Hughes' Patent* (1898), (t) 7 Edw. 7, c. 29, s. 18 (4).



a considerable profit, but failed to show what the patentee had received in respect of the patent alone, or what profit had been made by the petitioning company from the patent alone apart from its general business, extension was refused on the ground that, upon the materials, the conclusion that the patentee had been inadequately remunerated by the patent could not be established (*u*).

**Grounds  
for  
Extension.**

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It is most material for the Court to know in what ratio the profits have increased or diminished from year to year; therefore it is advisable for the petitioner to strike a balance at the end of each year's accounts (*x*).

**Advisability  
of striking a  
balance at  
the end of  
each year's  
accounts.**

One circumstance of the case which has to be considered always is, What has been the total remuneration derived from the patented invention, or which could have been derived from it? Consequently, when the patent has become vested in an assignee—*e.g.*, a company—the Court requires a disclosure, not only of the assignee's profits, but also of all the profits derived by his predecessors in title (*y*), and also, when licences have been granted, a disclosure of not only the royalties received by the patentee, but also, where possible, some evidence as to the profits made by the licensees (*z*). A petition has been dismissed on the ground that the manufacturing profits due to the use of the invention by an assignee of a share in the patent and free licensee under it were not shown (*a*).

**Total remuneration actually derived from, or which could have been derived from the patent, is an important question; consequently assignee's or licensee's profits must be disclosed.**

Though it be clear that the patentee himself has received no profits, it is still a fatal defect if the accounts do not disclose the profits made by his assignees or licensees (*b*).

In *Pitman's Patent* (*c*) the rule was laid down to the effect that a failure to make a full disclosure of everything relating to the patent—*e.g.*, particulars as to profits on foreign patents—

**Rule in  
Pitman's  
Patent.**

(*u*) Williams and Robinson's Patent (1896), 13 R. P. C. 550; see also Thornycroft's Patent (1899), 16 R. P. C. 204; Clark's Patent (1899), 16 R. P. C. 431. But see Parson's Patent (1898), 15 R. P. C. 357, where the patentee was not responsible for the difficulty.

(*x*) Perkin's Patent (1845), 2 W. P. C. 16, 17.

(*y*) Deacon's Patent (1887), 4 R. P. C. 119.

(*z*) Trotman's Patent (1866), L. R.

1 P. C. 123; 3 Moo. P. C. N. S. 488; Saxby's Patent (1870), L. R. 3 P. C. 298; 7 Moo. P. C. N. S. 82; Hill's Patent (1863), 1 Moo. P. C. N. S. 258, 268; 9 L. T. N. S. 101.

(*a*) Thomas' Patents (1892), 9 R. P. C. 367; Barff and Bowers' Patent (1895), 12 R. P. C. 383; [1895] A. C. 675.

(*b*) Lane Fox's Patent (1892), 9 R. P. C. 411.

(*c*) (1871), L. R. 4 P. C. 84.

**Grounds  
for  
Extension.**

is absolutely fatal to the petitioner. Further, it is to be noticed that the direction in the Act of 1907 to the effect that the Court, in coming to a conclusion, "shall have regard to the profits made by the patentee as such" (*d*), in effect, specifies one particular class of profits as absolutely necessary; but there is nothing to suggest that the Court shall not consider the profits in relation to the patent arising from other sources, and consequently the accounts must disclose all profits arising from the working of foreign patents, as was the practice before the Act of 1883 (*e*). The profits, if any, arising from the sale of articles made under the patent expressly for exportation abroad must also be disclosed (*f*).

**Expiration  
of foreign  
patents.**

It is a circumstance of the case to be considered that if foreigners are at liberty to use the invention free, to accede to the petition might be to unduly handicap the British public, and so the fact that there are foreign patents which the petitioner has allowed to expire is a great obstacle in the way of a patentee desirous of obtaining an extension of a British patent (*g*). In such circumstances it requires a very strong case to be made out by the petitioner for extension; but if the invention is of rare or exceptional merit, and the inventor has been very insufficiently remunerated, notwithstanding that there are lapsed foreign patents, the Court may grant an extension, when there is no reason to suppose that the inhabitants of Great Britain and Ireland would be thereby placed at a disadvantage in competing with foreigners (*h*).

**No applica-  
tion for  
foreign  
patents.**

In these days of rapid interchange of commercial news between the great manufacturing and trading nations, the Court would not be very likely to be greatly influenced by an argument based upon the distinction drawn in *Blake's Patent* (*i*) between allowing a foreign patent to expire and not taking out a foreign patent at all, viz., that where a patentee takes out a patent for a foreign invention he is taking active measures to make the invention known in the country in which

(*d*) 7 Edw. 7, c. 29, s. 18 (4).

(*e*) *Newton's Patent* (1884), L. R. 9 App. Cas. 592; *Johnson's Patent* (1871), L. R. 4 P. C. 82; *Adair's Patent* (1881), L. R. 6 App. Cas. 178; *Pieper's Patent* (1895), 12 R. P. C. 293; *Peach's Patent* (1901), 19 R. P. C. 65.

(*f*) *Hardy's Patent* (1849), 6 Moo. P. C. 441.

(*g*) *Semet and Solway's Patent* (1894), 12 R. P. C. 10; *Pieper's Patent* (1895), 12 R. P. C. 295; *Henderson's Patent* (1901), 18 R. P. C. 449.

(*h*) *Ibid.*

(*i*) (1873), 4 R. P. C. 538.

he takes out such a patent. In either case the Court will probably take into serious consideration the probability (if any) of the British public being placed at a disadvantage as compared with foreigners able to manufacture without payment of royalties, and give effect to it as one of the many circumstances to be considered.

Grounds  
for  
Extension.

The petitioner is entitled to place on the credit side of the account various items and expenses, but if he desires to contend that such sums are not to be considered as profits such claim must appear on the petition or in the accounts, otherwise he will not be allowed to offer any evidence in respect of it (*k*). It is better to render a separate account of items in respect of which a deduction is claimed.

Items which  
may be  
credited to  
the petitioner.

The petitioner is entitled to credit himself with the expenses incurred in making preliminary experiments, in obtaining the grant of the patent, and in legal proceedings necessary to defend it (*l*); also necessary costs of exhibiting and advertising the invention (*m*); reasonable salaries and travelling expenses for clerks (*n*); and commissions on sales or royalties (*o*).

Expenses in  
connection  
with experi-  
ments, legal  
proceedings,  
salaries and  
commissions.

A deduction has been allowed in the case of a foreign patentee resident abroad, who has obtained an English patent and has employed an agent in England to introduce the invention here (*p*).

When the petitioner has compromised actions at law in relation to the patent, and foregone any claim to costs, it is improper for him to deduct the expenses of such proceedings in an unexplained lump sum (*q*).

Deductions have been refused in respect of an item for the purchase of land for the purpose of working *in situ* a manufacture according to a patented process (*r*), and also in respect of payments for the surrender of licences (*s*). When a patentee, under the impression that the invention was one of

(*k*) Bailey's Patent (1884), 1 R. P. C. 1.

(*l*) Kay's Patent (1839), 1 W. P. C. 572; 3 Moo. P. C. 24; Heath's Patent (1853), 2 W. P. C. 247; 8 Moo. P. C. 217; Hill's Patent (1863), 1 Moo. P. C. N. S. 258; 9 Jur. N. S. 1209; 9 L. T. N. S. 101; Adair's Patent (1881), L. R. 6 App. Cas. 176; 50 L. J. P. C. 68.

(*m*) Duncan and Wilson's Patent (1884), 1 R. P. C. 257.

(*n*) *Ibid.*

(*o*) *Ibid.*; Poole's Patent (1867), L. R. 1 P. C. 514; 4 Moo. P. C. N. S. 452; 36 L. J. P. C. 76.

(*p*) Poole's Patent (1867), L. R. 1 P. C. 514; 4 Moo. P. C. N. S. 452; 36 L. J. P. C. 76.

(*q*) Hill's Patent (1863), 1 Moo. P. C. N. S. 258, 268; 9 Jur. N. S. 1209; 9 L. T. N. S. 101.

(*r*) Fryer's Patent, 47 Eng. 49.

(*s*) Hill's Patent (1863), 1 Moo. P.

Grounds  
for  
Extension.

Profits made  
as a manu-  
facturer in  
contra-  
distinction to  
profits made  
as a patentee.

small value, sold it for a trifling sum, and, after it had proved of considerable value, repurchased it at an increased price, he was not allowed to charge the item in the accounts as one of loss (*t*).

When the patentee is also the manufacturer of the patented article, the profits which he makes as manufacturer, although they may not be in strict point of view profits of the patent, must undoubtedly be taken into consideration (*u*). It is obvious that in different manufactures there will be different degrees of connection between the business of the applicant as manufacturer, and his business, or his position, as the owner of a patent. There are patents which have little or no connection with the business of the manufacturer, and there are others of a different kind, where there is such 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 (*x*).

When it is not possible to sever the heads of a patentee's profits, as a manufacturer and as a patentee, but it is apparent that a substantial and adequate sum has been realised, the Court will not grant an extension (*y*).

There is no specific rule as to the proper ratio to fix as the proportion of the total profits to be allowed as manufacturer's profits when the patentee is also the manufacturer (*z*), but the proportion must be divided according to the circumstances of each case (*a*).

Where it appeared that a considerable sum had been received from sales of the patented article, the Judicial Committee of the Privy Council refused to look on the difference between the actual cost of the articles and the price at which they were

C. N. S. 258; 9 Jur. N. S. 1209; 9 L. T. N. S. 101.

(*t*) *Wield's Patent* (1871), L. R. 4 P. C. 89; 8 Moo. P. C. N. S. 300.

(*u*) *Bett's Patent* (1862), 1 Moo. P. C. N. S. 49; 9 Jur. N. S. 137; 7 L. T. N. S. 577; *McInnes' Patent* (1868), L. R. 2 P. C. 54, 57; 5 Moo. P. C. N. S. 72; 37 L. J. P. C. 23; *Hill's Patent* (1863), 1 Moo. P. C. N. S. 258; 8 Jur. N. S. 1209; 9 L. T. N. S. 101; *Johnson's Patent* (1871), L. R. 4 P. C. 75; 8 Moo. P. C. 282; *Saxby's Patent* (1870), L. R. 3 P. C. 292, 295; 7 Moo. P. C. N. S. 82.

(*x*) See *Saxby's Patent* (1870), L. R. 3 P. C. 295.

(*y*) *Muntz's Patent* (1846), 2 W. P. C. 113; *Newton's Patent*, 51 Eng. 208; 17 Iron, 155, 171.

(*z*) *Duncan and Wilson's Patent* (1884), 1 R. P. C. 257, 260.

(*a*) See *Trotman's Patent* (1866), L. R. 1 P. C. 118; 3 Moo. P. C. N. S. 488. Two-thirds has been held to be too large a proportion in *Hill's Patent* (1863), 1 Moo. P. C. N. S. 258; 9 Jur. N. S. 1209; 9 L. T. N. S. 101; and also in *Duncan and Wilson's Patent* (1884), 1 R. P. C. 257.

sold as mere profits made by the patentee as salesman, but concluded that a considerable proportion of this was profit which the patentee had received, because, having the patent, he was able to sell the articles, and refused to recommend an extension accordingly (*b*).

Grounds  
for  
Extension.

Where the patentee is himself a manufacturer it is better for him to keep the accounts of his manufacturing business separate from those relating exclusively to the patent, so as to present them in this form to the Court.

Where a patentee is a manufacturer and himself superintends the conduct of the business of making the patented article, he is usually entitled to a reduction in respect of his personal services, but the amount varies with the special circumstances of each case (*c*).

Personal remuneration when patentee is himself a manufacturer.

The effect of rendering incomplete accounts, or accounts in an improper form, is not always fatal, but the petitioner must not rely on the indulgence of the Court, and he cannot be too particular in the matter of accounts. Under special circumstances, when it appears that the accounts are wrong through a *bonâ fide* mistake on the part of the patentee, the Court may grant an adjournment in order that the accounts may be put right (*d*), but in most cases of insufficient or improper accounts the petition will be dismissed at once (*e*).

Correction of incomplete accounts.

### THE NEW GRANT.

It will most probably become the practice, in cases where the Court decides to grant an extension of the term of a patent, to give effect to the decision by ordering the grant of a new

Court gives effect to its decision by means of a new grant,

(*b*) Bailey's Patent (1884), 1 R. P. C. 1.

(*c*) As much as £600 per annum has been allowed in the case of the chairman of a company formed to work the patent; Child's Patent, 56 Eng. 435; but as a rule £400 per annum, or less, is considered sufficient; Bailey's Patent (1884), 1 R. P. C. 1; Carr's Patent (1873), L. R. 4 P. C. 530; 9 Moo. P. C. N. S. 379; Perkin's Patent (No. 2), 47 Eng. 105; Cocking's Patent (1885), 2 R. P. C. 151; Furness' Patent (1885), 2 R. P. C. 175; Toy's Patent (1893), 10 R. P. C. 89; Haze-

land's Patent (1894), 11 R. P. C. 467.

(*d*) Perkin's Patent (1845), 2 W. P. C. 17; Heath's Patent (1853), 2 W. P. C. 256; 8 Moo. P. C. 217; Henry's Patent, 38 Eng. 343, 352; Chatwood's Patent, 37 Eng. 285; Johnson and Atkinson's Patent (1873), L. R. 5 P. C. 87.

(*e*) Clark's Patent (No. 2) (1870), L. R. 3 P. C. 421; 7 Moo. P. C. N. S. 255; Newton's Patent (No. 4) (1884), L. R. 9 App. Cas. 592; 1 R. P. C. 177; Adair's Patent (1881), L. R. 6 App. Cas. 178; 50 L. J. P. C. 68; Yates and Kellett's Patent (1887), 4 R. P. C. 150.

The New  
Grant.

patent for such term as may be specified in the order, and containing any restrictions, conditions, and provisions the Courts may think fit (*f*).

which is subject to same conditions as the expired grant.

It is not necessary for the patentee to file a fresh specification on the grant of a new patent (*g*); and the validity of the new patent may be questioned in the same way and on the same grounds as that of the old one (*h*). The new grant is in the nature of a graft on the old one, and has no existence apart from it (*i*). A new grant of letters patent is subject in all cases to the conditions imposed by the Act of 1907 (*k*); and it may be granted to one only of two original patentees (*l*), or to more than one person jointly (*m*); but, it is submitted, a new grant cannot be made to a person or persons who has, or have not, or one of whom has not a legal interest in the old letters patent (*n*).

Conditions in the interest of the original patentee are frequently, on the recommendation of the committee, imposed by the Crown on a new grant.

The Court, upon a grant of new letters patent, has the power to, and frequently does, impose conditions in the interest of the original patentee (*o*) or his representatives (*p*). The following are instances of cases in which such conditions have been imposed. In *Whitehouse's Patent* (*q*) extension was granted to an assignee on condition that he secured to the patentee and inventor, during the term, an annuity of £500, in addition to £300 already secured to him. In *Markwick's Patent* (*r*), where the original patentee had been bankrupt, the condition was imposed that he should receive an annuity during the extended period. In *Morton's Patent* (*s*) the assignee was required to secure to the original patentee one half the future profits after recouping his own losses. In *Herbert's Patent* (*t*) an extension was granted to assignees on condition that they secured upon trust to the widow and representatives of the inventor one half of the profits. And

(*f*) See *Stoney's Patent* (1888), 5 R. P. C. 524; *Cocking's Patent* (1885), 2 R. P. C. 151; *Smith's Patent* (1885), 2 R. P. C. 14.

(*g*) *Wastenev Smith's Patent* (1885), 2 R. P. C. 14.

(*h*) *Russell v. Ledsam* (1843), 14 M. & W. 583; H. L. C. 687; *Bovill v. Finch* (1870), L. R. 5 C. P. 523.

(*i*) *Bovill v. Finch* (1870), L. R. 5 P. C. 523; 39 L. J. C. P. 277.

(*k*) See *Wastenev Smith's Patent* (1885), 2 R. P. C. 14.

(*l*) *Currie's Patent* (1897), 15 R. P. C. 63.

(*m*) 46 & 47 Vict. c. 57, s. 4, sub-s. 2.

(*n*) *Southworth's Patent* (1837), 1 W. P. C. 488.

(*o*) *Whitehouse's Patent* (1830), 1 W. P. C. 473; reported as *Russell's Patent*, 2 Moo. P. C. 496.

(*p*) *Herbert's Patent* (1867), L. R. 1 P. C. 399.

(*q*) (1838), 1 W. P. C. 473; reported as *Russell's Patent*, 2 Moo. P. C. 496.

(*r*) (1860), 13 Moo. P. C. 310.

(*s*) 51 Eng. 274; 17 Iron. 250.

(*t*) (1867), L. R. 1 P. C. 399; 4 Moo. P. C. N. S. 300.

in *McCulloch's Patent* (*u*), the condition was imposed that the petitioning assignee company should issue a number of fully paid-up shares to the executors of the deceased grantee of the patent.

The New Grant.

Sometimes conditions are imposed on the patentee for the benefit of other persons who have an interest in the patent, or who might be liable in respect of infringements committed between the date of the order and the sealing of the new patent (*x*); or to the effect that a patentee mortgagor should give to his mortgagee a like security over the new patent as he had over the old (*y*). In *Hart's Patent* (*z*), it was made a condition that the petitioner should grant licences on terms fixed by the Board of Trade, and accept the decision of the Board as to whether or not he was charging excessive prices; and in *Lodge's Patent* (*a*), an order was made that the new grant should contain a proviso or condition making it incumbent on the patentees to grant licences to all who desire to make use of the protected invention on such terms as a duly qualified arbitrator, to be nominated by the Board of Trade, shall think fair and reasonable. In *Petitt Smith's Patent* (*b*), the condition was imposed that the Crown should be allowed to use the invention without licence. See also *Lancaster's Patent* (*c*), *Carpenter's Patent* (*d*), and *Dixon v. London Small Arms Co.* (*e*). These cases were all prior to the Act of 1883. Such conditions are not now insisted upon in favour of the Crown, as they are provided for by sect. 29 of the Act of 1907, which applies to all new grants of letters patent. In *Mallet's Patent* (*f*) the condition was imposed that the patentee should grant licences upon terms similar to one already granted by him. In *Hardy's Patent* (*g*) it was made a condition of the new grant that the patentee should sell the patented article (iron axletrees) at a moderate fixed sum. Such conditions would, it is submitted, not be imposed now in view of sect. 24 of the Act of 1907. In *Bodmin's Patent* (*h*)

Conditions are sometimes imposed for the benefit of persons other than the original patentee, or for the benefit of the public generally.

(*u*) (1908), 25 R. P. C. 684.

(*x*) *Schlumberger's Patent* (1853), 9 Moo. P. C. 1.

(*y*) *Church's Patent* (1886), 3 R. P. C. 95.

(*z*) (1908), 25 R. P. C. 299.

(*a*) (1911), 28 R. P. C. 365.

(*b*) (1850), 7 Moo. P. C. 133.

(*c*) 2 Moo. P. C. N. S. 189.

(*d*) *Ibid.* 191, n.

(*e*) L. R. 1 App. Cas. 632.

(*f*) (1866), L. R. 1 P. C. 308.

(*g*) 6 Moo. P. C. 441.

(*h*) (1853), 8 Moo. P. C. 282.

- The New Grant.** the condition was imposed that certain portions of the specifications which related to parts of the invention not worked out should be disclaimed. In *Lyon's Patent (i)*, where the patentee had granted an exclusive licence, the condition was imposed that the petitioner should grant licences on the same terms to all persons who should apply for them, the royalties to be limited to 10 per cent. upon the selling price of each machine.
- Cognate patents.** It is the practice when extension is granted in respect of two cognate patents to fix the expiry of each on the same day (*k*).
- Security as to conditions.** The Court may require security to be given that the conditions (if any) on which the new grant is to be made will be performed (*l*).
- Expiry of original term.** The new grant may be made after the expiration of the original term, if all the statutory conditions have been complied with, but it is always dated as on the day on which the original term expires.
- Only one period of extension can be obtained.** The Court has no authority to grant more than one period of prolongation or extension of letters patent (*m*).
- Duration of new grant cannot exceed fourteen years.** It is not usual for the Court to grant a longer extension than seven years (*n*); but in cases where it can be shown that the invention possesses such rare and exceptional merit that the patentee would not be likely to obtain an adequate reward in seven years, a longer period will be granted (*o*), which may in extreme cases be fourteen years, the longest period for which the Court has power to grant an extension (*p*). The Court always considers the merit of the invention from the point of
- (i) (1894), 11 R. P. C. 537.  
 (k) Johnson and Atkinson's Patent (1873), L. R. 5 P. C. 87; Church's Patents (1886), 3 R. P. C. 95.  
 (l) See Whitehouse's Patent (1830), 1 W. P. C. 473; Carp. P. C. 565; 2 Moo. P. C. 406.  
 (m) Goucher's Patent (1865), 2 Moo. P. C. N. S. 532; Thompson's Patent (No. 2), [1909] 2 Ch. 447; 26 R. P. C. 673.  
 (n) Furness' Patent (1885), 2 R. P. C. 175. Seven years was allowed in the following cases: Joy's Patent (1893), 10 R. P. C. 89; Davies' Patent (1893), 11 R. P. C. 27; Hazeland's Patent (1894), 11 R. P. C. 467. In Cross, Bevan and Beadle's Patent (1906), 23 R. P. C. 485, five years was allowed, and that period was stated to be the longest term which has been granted of late years to an invention of conspicuous merit. In Hart's Patent (1908), 25 R. P. C. 299, six years. In Board's Patent (1908), 25 R. P. C. 537, three years. In McCulloch's Patent (1908), 25 R. P. C. 684, ten years. And in Lodge's Patent (1911), 28 R. P. C. 365, seven years' extension was allowed.  
 (o) Moncrieff's Patent, 22 Iron. 35; Mitchell's Patent (1847), 30 Newton, L. J. C. S. 356; Darby's Patent (1891), 8 R. P. C. 380; Currie and Timmiss' Patent, [1898] A. C. 347.  
 (p) Mitchell's Patent (1847), 30 Newton, L. J. O. S. 356; 7 Edw. 7, c. 29, s. 18 (5).



view of the public as well as the remuneration which the patentee has received, and adjusts the period accordingly (*q*).

A successful petitioner must forthwith leave an office copy of the order at the Patent Office for registration in accordance with P. R. (1908), r. 113.

Costs.

Registration  
of order.

### COSTS.

It is provided by the Rules of the Supreme Court that the Court may, in cases where opposition has been entered to the prayer of the petition, give costs to or against the opponents (*r*), and in the event of the Court refusing the prayer of the petition, the Court shall not, except under special circumstances, give more than one set of costs amongst all the opponents (*s*).

It is further provided by the rules that the Comptroller and the Board of Trade shall not be entitled to any costs on or in relation to their appearance on or opposition to the granting of the prayer of the petition (*t*).

It is the practice of the Court to award costs, on the principle that *bonâ fide* oppositions are rather to be encouraged than discouraged, that the Court may be put in possession of all that can be alleged against the continuance of the patent (*u*).

Costs of opponents are refused, however, if the Court is satisfied that there was no sufficient ground of opposition, and opponents may be refused or ordered to pay costs occasioned by an improper (*x*) or improperly conducted opposition (*y*).

In cases where the petition is abandoned, and there is opposition, the petitioner usually pays the opponent's costs (*z*).

(*q*) Newton's Patent (1861), 14 Moo. P. C. 156; Bailey's Patent (1884), 1 R. P. C. 1; Derosne's Patent (1844), 2 W. P. C. 1; Carp. P. C. 699; 4 Moo. P. C. 417; Currie and Timmiss' Patent, [1898] A. C. 347.

(*r*) R. S. C., Ord. liiiA. r. 3 (u).

(*s*) R. S. C., Ord. liiiA. r. 3 (v).

(*t*) R. S. C., Ord. liiiA. r. 3 (w).

(*u*) Wield's Patent (1871), L. R. 4 P. C. 89; 8 Moo. P. C. N. S. 300; Westrupp and Gibbin's Patent (1836), 1 W. P. C. 556; Honiball's Patent

(1855), 9 Moo. P. C. 378; 2 W. P. C. 201; 25 L. T. 1.

(*x*) Downton's Patent (1839), 1 W. P. C. 567.

(*y*) Honiball's Patent (1855), 9 Moo. P. C. 394; 2 W. P. C. 201; 25 L. T. 1.

(*z*) Bridson's Patent (1852), 7 Moo. P. C. 499; Hornby's Patent (1853), 7 Moo. P. C. 503; Milner's Patent (1854), 9 Moo. P. C. 39; Macintosh's Patent (1837), 1 W.P.C. 739; Morgan Brown's Patent (1886), 3 R. P. C. 212.

# APPENDIX.

## APPENDIX.

### STATUTE OF MONOPOLIES (1623).

[21 JAC. I. c. 3.]

*An Act concerning Monopolies and Dispensations with Penal Laws and the forfeiture thereof.*

[The following portions of this Act which are printed in italics and between brackets were repealed either by 26 & 27 Vict. c. 125 or 51 Vict. c. 3.]

FORASMUCH as your most excellent Majesty, in your royal judgment, and of your blessed disposition to the weal and quiet of your subjects, did, in the year of our Lord God one thousand six hundred and ten, publish in print to the whole realm, and to all posterity, that all grants of monopolies, and of the benefit of any penal laws, or of power to dispense with the law, or to compound for the forfeiture, are contrary to your Majesty's laws, which your Majesty's declaration is truly consonant and agreeable to the ancient and fundamental laws of this your realm: and whereas your Majesty was further graciously pleased expressly to command that no suitor should presume to move your Majesty for matters of that nature; yet nevertheless upon misinformations and untrue pretences of public good, many such grants have been unduly obtained, and unlawfully put in execution, to the great grievance and inconvenience of your Majesty's subjects, contrary to the laws of this your realm, and contrary to your Majesty's most royal and blessed intention, so published as aforesaid: For avoiding whereof, and preventing of the like in time to come, may it please your excellent Majesty, at the humble suit of the Lords Spiritual and Temporal, and the Commons, in this present Parliament assembled, that it may be declared and enacted: and be it declared and enacted by authority of this present Parliament, that all monopolies, and all commissions, grants, licences, charters, and letters patents heretofore made or granted, or hereafter to be made or granted, to any person or persons, bodies politic or corporate whatsoever, of or for the sole

All monopolies, &c. shall be void.

buying, selling, making, working, or using of any thing within this realm, or the dominion of Wales, or of any other monopolies, or of power, liberty, or faculty, to dispense with any others, or to give licence or toleration to do, use, or exercise anything against the tenor or purport of any law or statute; or to give or make any warrant for any such dispensation, licence, or toleration to be had or made; or to agree or compound with any others for any penalty or forfeitures limited by any statute; or of any grant or promise of the benefit, profit, or commodity of any forfeiture, penalty, or sum of money, that is or shall be due by any statute, before judgment thereupon had: and all proclamations, inhibitions, restraints, warrants of assistance, and all other matters and things whatsoever, any way tending to the instituting, erecting, strengthening, furthering, or countenancing of the same or any of them, are altogether contrary to the laws of this realm, and so are and shall be utterly void and of none effect, and in no wise to be put in use or execution.

Monopolies, &c. shall be tried by the common laws of this realm.

2. And [*be it further declared and enacted by the authority aforesaid, that*] all monopolies, and all such commissions, grants, licences, charters, letters patents, proclamations, inhibitions, restraints, warrants of assistance, and all other matters and things tending as aforesaid, and the force and validity of them, and of every of them, ought to be and shall be for ever hereafter examined, heard, tried, and determined, by and according to the common laws of this realm, and not otherwise.

All persons disabled to use monopolies, &c.

3. And [*be it further enacted by the authority aforesaid, that*] all person or persons, bodies politic and corporate whatsoever, which now are or hereafter shall be, shall stand and be disabled and incapable to have, use, exercise, or put in use any monopoly, or any such commission, grant, licence, charter, letters patents, proclamation, inhibition, restraint, warrant of assistance, or other matter or thing tending as aforesaid, or any liberty, power, or faculty, grounded or pretended to be grounded upon them, or any of them.

The party grieved by pretext of a monopoly, &c. shall recover treble damages and double costs.

4. And [*be it further enacted by the authority aforesaid, that*] if any person or persons at any time after the end of forty days next after end of this present session of Parliament shall be hindered, grieved, disturbed, or disquieted, or his or their goods or chattels any way seized, attached, distrained, taken, carried away, or detained, by occasion or pretext of any monopoly, or of any such commission, grant, licence, power, liberty, faculty, letters patents, proclamation, inhibition, restraint, warrant of assistance, or other matter or thing tending as aforesaid, and will sue to be relieved in or for any of the premises, that then and in every such case, the same person and persons shall and may have his and their remedy

for the same at the common law, by any action or actions to be grounded upon this statute; the same action and actions to be heard and determined in the Courts of King's Bench, Common Pleas, and Exchequer, or in any of them, against him or them by whom he or they shall be so hindered, grieved, disturbed or disquieted, or against him or them by whom his or their goods or chattels shall be so seized, attached, distrained, taken, carried away, or detained; wherein all and every such person and persons which shall be so hindered, grieved, disturbed, or disquieted, or whose goods or chattels shall be so seized, attached, distrained, taken, carried away, or detained, shall recover three times so much as the damages which he or they sustained by means or occasion of being so hindered, grieved, disturbed, or disquieted, or by means of having his or their goods or chattels seized, attached, distrained, taken, carried away, or detained, and double costs; and in such suits, or for the staying or delaying thereof, no essoin, protection, wager of law, aidprayer, privilege, injunction, or order of restraint, shall be in any wise prayed, granted, admitted, or allowed, nor any more than one imparlance: And if any person or persons shall, after notice given that the action depending is grounded upon this statute, cause or procure any action at the common law, grounded upon this statute, to be stayed or delayed before judgment, by colour or means of any order, warrant, power, or authority, save only of the Court wherein such action as aforesaid shall be brought and depending, or after judgment had upon such action, shall cause or procure the execution of or upon any such judgment to be stayed or delayed by colour or means of any order, warrant, power, or authority, save only by writ of error or attain: that then the said person and persons so offending shall incur and sustain the pains, penalties, and forfeitures ordained and provided by the Statute of Provision and Præmunire made in the sixteenth year of the reign of King Richard the Second.

He that delayeth an action grounded upon this statute incurs a *præmunire*.

16 Rich. II.  
c. 5.

5. *[Provided nevertheless, and be it declared and enacted, that any declaration before mentioned shall not extend to any letters patents and grants of privilege for the term of one and twenty years or under heretofore made, of the sole working or making of any manner of new manufacture within this realm, to the first and true inventor or inventors of such manufactures, which others at the time of the making of such letters patents and grants did not use, so they be not contrary to the law, nor mischievous to the State, by raising of the prices of commodities at home, or hurt of trade, or generally inconvenient, but that the same shall be of such force as they were or should be, if this Act had not been made, and of none other: and if the same were made for more*

Letters patent to use new manufactures saved.

*than one and twenty years, that then the same for the term of one and twenty years only, to be accounted from the date of the first letters patents and grants thereof made, shall be of such force as they were or should have been if the same had been made, but for term of one and twenty years only, and as if this Act had never been had or made, and of none other.]*

Exception of  
future letters  
patent.

6. Provided also, [*and be it declared and enacted,*] That any declaration before mentioned shall not extend to any letters patents and grants of privilege for the term of fourteen years or under hereafter to be made of the sole working or making of any manner of new manufactures within this realm, to the true and first inventor and inventors of such manufactures, which others at the time of making such letters patents and grants shall not use, so as also they be not contrary to the law, nor mischievous to the State, by raising prices of commodities at home, or hurt of trade, or generally inconvenient: the said fourteen years to be accounted from the date of the first letters patent, or grant of such privilege hereafter to be made, but that the same shall be of such force as they should be if this Act had never been made, and of none other.

Grants con-  
firmed by Act  
of Parliament  
saved.

7. Provided also, [*and it is hereby further intended, declared, and enacted by authority aforesaid,*] That this Act or any thing therein contained shall not in any wise extend, or be prejudicial to any grant or privilege, power, or authority whatsoever heretofore made, granted, allowed, or confirmed by any Act of Parliament now in force, so long as the same shall so continue in force.

Warrants  
granted to  
justices saved.

8. Provided also, That this Act shall not extend to any warrant or privy seal, made or directed, or to be made or directed, by his Majesty, his heirs, or successors, to the justices of the Courts of the King's Bench or Common Pleas, and Barons of the exchequer, justices of assize, justices of oyer and terminer and gaol delivery, justices of the peace, and other justices for the time being, having power to hear and determine offences done against any penal statute, to compound for the forfeitures of any penal statute, depending in suit and question before them or any of them respectively, after plea pleaded by the party defendant.

Charters  
granted to  
corporations  
saved.

9. Provided also, [*and it is hereby further intended, declared, and enacted,*] That this Act or any thing therein contained shall not in any wise extend or be prejudicial unto the city of London, or to any city borough or town corporate within this realm, for or concerning any grants, charters, or letters patents, to them or any of them made or granted, or for or concerning any custom or customs used by or within them or any of them: or unto any corporations, companies, or fellowships of any art, trade, occupation,

or mystery, or to any companies or societies of merchants within this realm, erected for the maintenance, enlargement, or ordering of any trade of merchandise; but that the same charters, customs, corporations, companies, fellowships, and societies, and their liberties, privileges, powers and immunities shall be and continue of such force and effects as they were before the making of this Act, and of none other; any thing before in this Act contained to the contrary in any wise notwithstanding (a).

(a) The remaining sections of this Act have become inoperative or have been repealed by the Patents, Designs, and Trade Marks Act, 1883, and are, therefore, not printed here.