

for a period of one month to pay the royalties as and when due. This proviso takes the form of an agreement and lays down no rule as to the mode in which the written notice is to be delivered to the licensee. It would therefore seem necessary to secure, by letter of acknowledgment or otherwise, evidence that the document had actually come to the possession of the licensee and had conveyed to his mind notice of the revocation of the contract. This clause moreover implies that the licensor must give the licensee notice of any breach of covenant on which he intends to rely as a ground of forfeiture. But there is no corresponding clause in the deed empowering the licensor so to do and making provision for the form and mode of service of any such notice. These omissions, which are eminently calculated to perplex disputes between the parties, can only have resulted from oversight. The condition that the Board of Trade must be a consenting party to any such notice is an eminently judicious provision but it needs to be qualified by a definition of the way in which the consent of the Board of Trade is to be signified. Strictly the expression Board of Trade means a committee of the Privy Council (c) and although the Patent Act of 1888 makes an assistant secretary of the department the equivalent of the Board for some purposes (d) that statutory provision would not apply in this case. A few added words as to the way in which the consent of the Board is to be signified would suffice to complete this provision of the deed.

Notice to  
repair  
breaches.  
See below,  
p. 380.

See Pat. Act,  
s. 102A (3),  
below, p. 309.

The foregoing are all the covenants on the part of the licensees and in substance they correspond closely to the covenants offered by the applicants in the heads of agreement which were scheduled to the petition. Some modification was necessitated by the undertaking on the part of the applicants, offered at the hearing, to pay a minimum royalty of 250/. a year. This stipulation had, of course,

(c) See above, p. 42.

(d) 51 & 52 Vict. c. 50, s. 25 (2).

to be introduced into the covenant for royalty and it rendered superfluous a covenant which had been offered by applicants to push the use of the invention. Otherwise the deed gave effect to the proposed heads of agreement and represents therefore the minimum that can be required of a licensee under these contracts. What further protection a licensor is entitled to ask for will, of course, depend upon the circumstances of the particular case. The following are matters which may be considered from this point of view upon general grounds:—The verification of accounts by the licensee (*e*); the stamping of patented goods with an agreed mark; the mode of manufacture to be adopted; the revocation of the licence for bankruptcy &c. of the licensee; the conditions under which assignment and sub-licensing are to be permitted, if at all; the detection of infringements; the communication of improvements. A covenant by the licensee not to dispute the validity of the patent at any time, even after the expiration of the licence, is sometimes insisted upon by the licensor in a voluntary licence but the covenant is so manifestly improvident on the part of the licensee or, if extorted from him, so manifestly oppressive that it is conceived that the Board of Trade would never lend countenance to an arrangement of that sort. If the licensee were induced, say by a *quid pro quo*, to consent freely to such a covenant there would apparently be no reason why the authorities should stand out against it.

Additional covenants for licensor's protection. See below, p. 374.

Covenant not to dispute patent at any time.

Power of revocation by licensee. See below, p. 381.

Coming back to the official deed we find only a single covenant by the licensor and that in effect a proviso for revocation by the licensee in case the patents or either of them shall be declared void by a Court of law. This power of revocation is, however, to be exercised only with the consent of the Board of Trade.

See above, p. 127.

The phraseology of this clause is strangely loose and its meaning very obscure. The difficulty already pointed

(*e*) Formulas appropriate to all these cases will be found in Mr. Morris' book, pp. 226—242, and below, App. IV., pp. 374 *et seq.*

out of ascertaining how and by whom the consent of the Board of Trade is to be given and signified arises again out of the words of this covenant. A further difficulty arises in construing the words "declared by a Court of law." No doubt they mean declared in some proceeding to which the licensee is not privy, since he is precluded during the continuance of the licence from disputing the validity. But does it mean declared to be void in a proceeding to which the patentee is no party? This is a possible case although no such instance has yet been reported. But a practice has recently grown up of pleading patents of earlier date than a patent impugned as prior grants in cases in which the specifications cannot be pleaded as prior publications. The Courts, notwithstanding the grievous hardship of allowing the validity of a grant to be brought into question in the absence of the grantee, seem disposed to entertain this plea of objection (*f*) and it is therefore quite possible that there may be at some time a declaration by a Court of law that a given patent is void in a proceeding to which the patentee is a stranger for the objection of prior grant, if the grant were clearly for the same invention, could only be met, in a case in which the objection was admitted to consideration, by showing that the prior grant was void. Another case in which the same kind of difficulty may arise is that of letters of registration, or other derivative patent right, granted in one of the British colonies or dependencies upon the ground of a patent granted in Great Britain. In such a case the colonial Court may be compelled to investigate the validity of the British patent in order to determine a question of colonial patent right and in this way a declaration *obiter* that the patent is void may be drawn from a Court of law having no jurisdiction to determine the question as against the patentee. It will

"Declared  
by a Court  
of Law."

(*f*) *N. B. Rubber Co., Ltd. v. Gormully & Jeffery*, 13 R. P. C. 704.

moreover be obvious that in determining the rights of parties under contracts of option and the like the question of the validity of a patent may in many ways arise in litigation and a judicial declaration on the point may become necessary in numberless proceedings to which the patentee is a stranger. Probably the draughtsman relied upon the provision requiring the consent of the Board of Trade to the notice for preventing any mischievous consequences of the imperfection of the language of the deed but even if it be possible in this way to prevent sharp practice between the parties it is possible only on condition of providing a store of very knotty points for the Board to disentangle.

Additional covenants for the licensee's protection. See below, pp. 376 to 379.

But what is even more noticeable than the inadequacy of the proviso that has been introduced for the licensee's protection is the total absence of necessary covenants in his favour. Thus, to notice first covenants for which the applicants had expressly stipulated but which were refused, we have the following taken from the proposed heads of agreement scheduled to the petition :

To grant most favourable terms.

“(7.) Licensors to put licensees on an equal footing  
“ with the most favoured manufacturers in the event of  
“ their granting other licences under these patents and  
“ not to undersell the licensees in case they, the licensors,  
“ hereafter set up the manufacture of dyestuffs by the  
“ patented processes within the realm.

To defend patent rights. See above, p. 104 ; below, p. 378.

“(8.) Licensors to defend the patents and the privileges  
“ thereby granted against revocation and infringement.”

The rejection of these proposals by the Board of Trade is not easy to understand. The absence of covenants covering this ground leaves the licensee very much at the mercy of the licensor. And in a case in which a licence is granted only under compulsion it is obvious that neither party should be left to any extent in the hands of the other. In this case there was even an additional reason for protecting the licensee. There had been an established course of business proved at the hearing which was incon-

sistent with the granting of any licences at all so that the order now under discussion would certainly bring about a great change in the position of the patentees towards the British market and might not improbably lead to their making entirely new arrangements as to the conduct of their business in this country. A further consideration pointing in the same direction is that the licensees were bound to pay an annual royalty for the whole unexpired term of the later patent and this even if the patentees should allow the patents to lapse (*g*) since the royalty is secured by an independent covenant. In such a case it is clear that the licence ought to be so framed as to bring the contract into the form of that litigated in *Lines v. Usher* (*h*) in which the royalties ceased as soon as the patentee ceased to give effectual privileges to the licensee. The fact that in so strong a case the Board refused to place the patentee under any covenant at all to keep the patent on foot or to defend the patent rights against infringement seems to show that the Board is for some reason, which certainly has not been disclosed, resolved that in no case shall the licensee have this protection. This conclusion is the more remarkable because the covenants in question are quite usual even in voluntary licensing contracts. Thus Mr. Morris enumerates as being adapted to licences under which premiums or rents are to be paid nine special covenants; as follows,—

Mr. Morris' covenants.

1. To pay renewal fees and perform conditions of the patent.
2. To defend the patent in any proceedings for revocation.
3. In case of an exclusive licence to take proceedings for infringement at the cost of the licensee.
4. Not to amend the specification without the licensee's consent.

(*g*) *Mills v. Carson*, 10 R. P. C. 16, 18, 20.

(*h*) 14 R. P. C. 209.

5. To give the licensee the benefit of all improvements.

6. In case of an exclusive licence not to licence others.

7. In the like case not to use the invention within the geographical limits for which the licence is granted.

8. Power to licensee to determine licence for breach of any (or as the case may be of certain) covenants by the licensor.

9. To keep the patent safely and produce it when required (*i*).

It is obvious that the sixth and seventh covenants could not be imported into a Board of Trade licence but the rest are not only unobjectionable in themselves but peculiarly suitable to the case of a licence granted under compulsion. There are, as has been already pointed out, so many indications in the form of the licence that the drafting did not receive full consideration that it may very probably turn out that upon these points the Board is prepared to hear and consider arguments. It is a curious fact and one which points to the general want of experience at the present time in the conduct of these enquiries that as yet there has been substantially no discussion at the hearings of the terms of the licences. The preparation of the formal documents and the introduction or omission of covenants has been left by common consent to the unassisted consideration of the officer who draws up the order.

The foregoing review of the form of order drawn under these conditions tends to show that the result leaves much to be desired. It will probably be found in the end that both the tribunal and the litigants may derive useful guidance from considering the course of discussion before parliamentary committees where it is an every day transaction to settle contracts between parties at arm's length.

(*i*) Morris, p. 199.

It will be found that compulsory licence enquiries, as hitherto conducted, scarcely get beyond the stage of what is known as proving the preamble in the case of a private bill in Parliament, that the discussion of preliminary questions extends to inordinate length and that the painstaking consideration of the contract clause by clause is wholly omitted. These, however, are points bearing rather upon procedure generally than on the form of the order and must not be laboured in this place.

See below,  
p. 208.

The discussion of the form of order thus far has been conducted from two points of view, that of the patentee and that of the licensee, in succession. There is a third, a neutral, position from which it must be considered before being dismissed. Two provisions thus become conspicuous by their absence from this deed both of which should be considered with the view to the circumstances of the individual case. These are a covenant as to the communication of improvements and a proviso as to the determination by arbitration of disputes growing out of the contract. With regard to the covenant concerning improvements there is a special reason for giving to each party the protection afforded by it in the case, likely to be common enough in this connexion, in which both licensor and licensee will be actually working the invention and will be working in competition. But on the other hand a covenant of this sort is, in relation to some inventions, so very difficult to interpret that it would, in not a few cases, result in producing more differences than it would compose. It, like a powerful drug in medicine, should be used when necessary but only after careful consideration of the necessity and upon the authority of skilled advice.

Mutual  
covenants.

Improve-  
ments.  
See below,  
p. 379.

The arbitration clause presents less difficulty. The widely extended adoption in contracts under which complicated accounts have to be taken or to the due appreciation of which a technical training is for any reason necessary, of such a clause is proof sufficient of its practical utility in

Arbitration  
clause.  
See below,  
p. 379.

agreements of this class and it might surely be looked upon as matter of course in compulsory licences unless expressly negatived as a result of the official enquiry in a particular case.

See below,  
p. 365.

By way of illustration and supplement to this chapter a collection of clauses has been prepared and will be found embodied in Appendix IV. to this volume. To this Appendix the reader is referred for detailed suggestions as to the drafting of a compulsory licence.



## CHAPTER VII.

## THE ENFORCEMENT OF THE ORDER.

*What is mandamus?—Repugnancy between the writ and the action—The statute considered—The writ of mandamus—Jurisdiction—Mr. Shortt's rules—Blackstone on the jurisdiction—Bowen L.J. on the jurisdiction—Discretion—Statutable mandamus—When it lies—Review of the authorities—Will the action lie in this case?—Recapitulation—The argument from convenience—Convenience of the writ—Difficulty in case of an alien resident abroad—The proceeding by action—Interlocutory mandamus—Recapitulation—The order considered as equitable defence to an infringement action—Specific performance—Resistance to the order—by the patentee—by the petitioner.*

THE Act provides for the enforcement of the order made by the Board of Trade in these terms ;

and any such order may be enforced by mandamus.

This provision gives rise to extraordinary difficulty. In the first place it is difficult, perhaps impossible, to tell what is here meant by "mandamus." The word covers three perfectly distinct processes, namely, the (1) Prerogative Writ of Mandamus which is the mandamus of common law; (2) an order in the nature of a mandamus founded upon the Judicature Act 1873 (a); and (3) a similar order founded upon O. 53 of the R. S. C. Although in the last two cases no writ of mandamus now issues the order is spoken of as a "mandamus" not only in common parlance but also in the statute and the rules of Court (b). No inference

What is  
"mandamus"?

(a) 36 & 37 Vict. c. 66, s. 25 (8).      Vict. c. 66), s. 25 (8), O. 50 and  
(b) Sec Jud. Act, 1873 (36 & 37      O. 53, R. S. C.

therefore can be drawn from the use of the word "mandamus" simply that the old common law remedy is meant. Indeed in the Public Health Act 1875 where an order of the Local Government Board is made enforceable in this way the language of the statute is "such order may be enforced by writ of mandamus" (c). It may however be added, lest it should perchance be thought that the word "mandamus" properly refers to the proceedings provided under that name by the Judicature Act rather than to the common law writ, that the practice of the parliamentary draughtsman is not uniform and that the common law writ is in Acts of Parliament as often as not called a "mandamus" simply (d). No argument therefore can be based upon the use of a term which has never been strictly defined and never used with any fastidious accuracy.

It is an obvious suggestion in such a case that the intention of the Legislature was to give both remedies, leaving the choice to the option of the applicant and this may indeed prove to be the true interpretation of the passage. But it is an interpretation not easy to accept for the simple reason that the two things, although bearing the same name, are highly dissimilar in practice and the one has been actually held to be on principle exclusive of the other. The distinction was very sharply drawn in *Barter v. London County Council* (e) in a passage cited below. In *The Queen v. The Lambourn Valley Rail. Co.* the Divisional Court of Queen's Bench refused a writ of mandamus upon the ground that an action for a mandamus under the Judicature Act was available for the purpose (f) and in the 5th Edition of Lumley's Public Health at p. 218 it is stated that in an unreported case of *Reg. v. Harrogate* the same view was again taken by a Divisional Court. The authorities upon this intricate question will be found marshalled

See below,  
p. 145.

Repugnancy  
between the  
writ and the  
action.

(c) 38 & 39 Vict. c. 55, s. 299.

(d) See for example 45 & 46 Vict.  
c. 50, s. 47 (3), and s. 70 (2).

(e) 63 L. T. 771.

(f) 22 Q. B. D. 466. See the  
comment of Wright, J., upon this  
decision in *The Queen v. L. & N. W.  
Rail. Co.*, (1894) 2 Q. B. 518.

and discussed in the judgment of Kennedy J. in *Smith v. Chorley District Council* (g) in which that learned judge, while coming seemingly to the conclusion that the granting of the writ was not conclusive that the statutable mandamus could not be granted in a similar case, did, nevertheless, recognise a very clear dividing line between the two remedies and evidently thought that the practice of granting the writ afforded an argument strong, if not conclusive, against the right of action. There seems to be no doubt at all that in a case in which the action of mandamus would lie the Court must refuse to grant the writ (h).

No doubt a difficulty of this kind could be surmounted by an Act of Parliament and if it were clear that the Legislature had intended to confer a choice of remedies there would be no hesitation on the part of the Courts in recognising the somewhat anomalous right so created. But of any such intention there is no indication whatever. The rule that the writ and the action cannot go together is not in any sense a technical rule or one either of small consequence or doubtful authority. The rule above mentioned that the writ will not be granted if there is any other specific remedy equally "convenient beneficial and effectual" (i) is well established law and it seems also that the statutable mandamus is provided as an ancillary remedy to be used in cases in which an action lies and to which therefore the writ does not apply (h). The conclusion seems irresistible that one or the other must be so clearly appropriate or inappropriate to the circumstances of the case that the statute, notwithstanding its ambiguity, must be capable of being construed by the light of considerations bearing upon this point.

The statute considered.

(g) (1897) 1 Q. B. 534.

(h) *In re Nathan*, 12 Q. B. D. 473, 478. See also *Rex v. Bank of England*, 2 Douglas, 526; *Queen v. Lambourn Valley Rail. Co.*, 22 Q. B. D. 467.

(i) *The Queen v. Reg. of J. S. Cos.*, 21 Q. B. D. 135. See also *R. v. Cambridge*, 3 Burr. 1659; and *Reg. v. St. Giles*, 66 L. J. Q. B. 337.

(k) *Baxter v. L. C. C.*, 63 L. T. 771; *Smith v. Chorley*, (1897) 1 Q. B. 539.

We will proceed then to consider the two remedies from this point of view and to deal first with the writ of mandamus.

The writ of mandamus.

This remedy is one that has been much used and much discussed in Courts of law with the result that the authorities do not constitute a perfectly coherent body of doctrine. But one or two cases in recent years in which the authorities have been reviewed, if not exhaustively at least very instructively, have gone far towards clearing the ground and reducing the doctrine to system (*l*). It will suffice for present purposes if we collect the following points:—

Jurisdiction.

First; as to the jurisdiction to issue the writ. This is confined to the Queen's Bench Division of the High Court (*m*). It was indeed at first thought that the Chancery Division had been clothed with this power by the Judicature Act of 1873 (*n*) but the later authorities, although in the nature of *obiter dicta*, are understood to have settled the doctrine in sense here stated. The writ can as a matter of jurisdiction be granted for the assertion of any right whatever. The rule is not indeed usually stated in such simple terms. Thus Tapping on Mandamus says (*o*) “As to the jurisdiction of the writ it may be generally stated, that it comprehends the execution of the common law, of statutes, Acts of Parliament or of the King's charter in all cases for which there exists no legal remedy. It is not, however, applicable as a private remedy to enforce simple common law rights between individuals, as to compel payment of money due on bond or the restitution of chattels, still less to command a party to abstain from a tort or from the abuse of his office.” And Mr. Shortt has drawn up a scheme of

(*l*) See the following cases: *In re Nathan*, 12 Q. B. D. 469 *et seq.*; *Queen v. Lambourn Valley Rail. Co.* 22 Q. B. D. 466; *Smith v. Chorley District Council*, (1897) 1 Q. B. D. 534. See also the older cases of *Rex v. Bank of England*, 2 Doug. 526, and *In re Barlow*, 30 L. J. Ch. 271.

(*m*) *Glossop v. Heston & Isleworth*, 12 C. D. 122; *Queen v. Lambourn Valley Rail. Co.*, 22 Q. B. D. 469.

(*n*) *In re Paris Skating Rink Co.*, 6 Ch. D. 733. This case may, however, be understood to refer to the interlocutory mandamus only.

(*o*) Page 11.

general rules as to the grant of mandamus containing seven particulars as follows:—

1. The applicant must have a legal right to the performance of some duty of a public and not merely private character. Mr. Shortt's rules.
2. There must be no other effective lawful method of enforcing the right.
3. The Court must be convinced that the remedy by mandamus will be practically effective to secure the object aimed at.
4. There must have been a demand upon the person or body on whom the performance of the duty sought to be enforced is incumbent and a neglect and refusal by such person or body to perform it.
5. The application must be to compel the performance of some duty which has not been done, it must not be to order the undoing of an act which has been done.
6. The application must be in proper time *i.e.* it must not have been delayed too long; neither, on the other hand, must it be made prematurely; and
7. The Court must be satisfied as to the propriety of the motives of the applicant (*p*).

These statements however are guarded by the importation of some of those limitations which the Court has as a matter of discretion imposed upon the granting of the writ. For the granting of it is in the discretion of the Court and not *ex debito justitiæ* (*q*).

But of the *jurisdiction* to grant it in every case in which a legal right exists there seems to be no doubt. Thus Sir William Blackstone says:—

“A writ of mandamus is, in general, a command issuing in the King’s name from the Court of King’s Bench and directed to any person, corporation or inferior Court” Blackstone on the jurisdiction.

(*p*) Informations, Mandamus and Prohibition, p. 227.

(*q*) *R. v. Askew*, 4 Burr. 2189; *The Queen v. Churchwardens of Wigan*, 1 A. C. 620.

“ of Judicature within the King’s dominions, requiring  
 “ them to do some particular thing therein specified which  
 “ appertains to their office and duty and which the Court  
 “ of King’s Bench has previously determined or at least  
 “ supposes to be consonant to right and justice. It is a  
 “ high prerogative writ of a most extensive remedial  
 “ nature and may be issued in some cases where the in-  
 “ jured party has also another more tedious method of  
 “ redress; as in the case of admission or restitution to an  
 “ office; but it issues in all cases where the party hath a  
 “ right to have anything done and hath no other specific  
 “ means of compelling its performance” (r). And to the  
 same effect Bowen L. J. in *In re Nathan* says “ What is  
 “ the origin of the right that any man has to ask the Court  
 “ for a writ of mandamus? A writ of mandamus, as  
 “ everybody knows, is a high prerogative writ, invented  
 “ for the purpose of supplying defects of justice. By  
 “ Magna Charta the Crown is bound neither to deny  
 “ justice to anybody nor to delay anybody in obtaining  
 “ justice. If, therefore, there is no other means of obtain-  
 “ ing justice the writ of mandamus is granted to enable  
 “ justice to be done” (s).

Bowen, L. J.,  
 on the juris-  
 diction.

Discretion.

But the Court, while not fettered by any constitutional doctrine as to the limits of its jurisdiction in granting this writ, has adopted a number of rules for its own guidance in the exercise of its discretion to grant or withhold it and hence the elaborate statement of conditions above quoted from Mr. Shortt’s book. The most important of these rules for our present purpose are (1) that the duty to be enforced must be of a public and not merely of a private character and (2) that the writ shall not be granted if there be another effective lawful method of enforcing the right. The remaining rules relate to what are in effect points of practice but these now quoted serve to discriminate

See above,  
 p. 139.

(r) 3 Commentaries, 110.

(s) 12 Q. B. D. 478. It is curious  
 to compare with these observations

the remarks of Bailey, J., and Lord  
 Hardwicke, quoted on the next  
 page.

the class of cases in which the writ is to be granted from those in which it is to be refused. Tested in this way the case of an order by the Board of Trade would seem, apart from the statute, to be a proper case for relief by means of the writ.

The question as to the nature of the right to be asserted has been considered in another connection and there the conclusion reached that it is a statutable right founded in no sort of privity between the parties and therefore not enforceable by action. For the same reason, that is to say, want of privity between the parties the duty to be enforced must be classed as a public duty and one "not merely of a private character" although the meaning of this expression is a little obscure. The rule was laid down by Bailey J. in *R. v. Bank of England* (t) where he said "The Court never grants this writ except for public purposes and to compel the performance of public duties. This is an application, at the instance of one of several partners in a trading company to compel his co-partners to divide their profits but that is a mere private purpose and presents a fit subject for enquiry on the other side of the hall." Somewhat to the same effect is the dictum of Lord Hardwicke in *R. v. Wheeler* (u) "The reason why we grant these writs is to prevent a failure of justice and for the execution of the common law or of some statute or of the King's charter and never as a private remedy to the party, except on the statute of Queen Anne and that stands on another footing . . . ." But in that case the right which it was sought to enforce by mandamus was at that very time the subject of a suit in Chancery so that the distinction between a public right and a private right seems to have been no more than the distinction between a right enforceable at law and one enforceable only in equity and it seems probable that the rule that the right must be a public one means no more

(t) 2 B. & Ald. 622.

(u) Lee, Cas. temp. Hardwicke, 99.

See above,  
p. 39.

than this that if the right, although undeniable, be enforceable by proceedings in equity the writ will not be granted. At the time at which it was formulated it expressed the determination of the common law Courts not to be beguiled into establishing an equitable jurisdiction by means of the machinery of mandamus. At the present day any such self-denying doctrine has wholly lost its point and probably upon a true construction of this first of Mr. Shortt's rules it is comprised in the second. The older authorities in fact stated his second rule somewhat differently. Thus Buller J. in *R. v. Stafford* says "A party applying for a mandamus must make out a legal right though if he show a legal right and there be also a remedy in equity that is no answer to an application for a mandamus for when the Court refuse to grant a mandamus because there is another specific remedy they mean only a specific remedy at law" (x). But, be that as it may, it seems clear that the absence of privity between the parties will at least take this out of the category of rights "of a merely private character." The word "private" in this connexion has in fact borne many different meanings from time to time. Thus on the cases cited above it signifies a right not founded in a legal title but in an equitable claim. By Lord Campbell in *Norris v. Irish Land Company* "a private contract" is distinguished from one the performance of which is secured by the provisions of a Royal Charter (y) and in nearly the same sense Byles J. in *Fotherby v. Metropolitan Rail. Co.* speaks of a "public or official duty" contrasting this with a duty arising out of personal contract and in words, though perhaps not in intention, with a duty created by statute (z). In *Glossop v. Heston & Isleworth* the jurisdiction to grant the writ of mandamus is connected with the duties of "public bodies" by James L.J. where "public bodies"

(x) 3 T. R. 651. See also *R. v. Kendal*, 1 Q. B. 366; *R. v. Abrahams*, 4 Q. B. 160.

(y) 8 E. & B. 526.  
(z) 2 C. P. 196.



signifies "bodies having an authority under an Act of Parliament" (a) so that in this sense a "public duty" probably means a duty to exercise powers conferred by Parliament for the benefit of the public. The expression "duties merely of a public nature" is used probably in nearly the same sense by Wright J. in *Reg. v. Vestry of St. George* although there is nothing to indicate that the duty there referred to is to be of parliamentary origin. Probably any duty to exercise powers drawn whether from an Act of Parliament from a royal grant or from any other fountain of authority and given for the benefit of the public, would be within the words used as in this place. It is submitted that the use of the words "public" and "private" in this connexion tends in recent times to settle down into conformity with this definition. Very much in the spirit of these later decisions Wood V.-C. in *Simpson v. Scottish Union* says "Where an entirely new right is given by Act of Parliament there the remedy is by mandamus" (b).

On principle then there is no difficulty about applying the remedy of the writ of mandamus to the present case. In practice it would be no novelty. Mandamus has long been the recognised mode of compelling corporations to execute documents (c) and in a case in which a seal was in the custody of a warden who refused to apply it in accordance with a resolution of the corporation the mandamus was directed to him personally (d).

It may be convenient at this point to turn to the Rules of the Supreme Court in order to ascertain whether a mandamus

Action of Mandamus.  
See below,  
p. 321.

(a) 12 Ch. D. 116.

(b) 32 L. J. Ch. 333.

(c) *The King v. Cambridge*, 1 W. Bl. 517; 3 Burr. 1617; *Gosling v. Feley*, 7 Q. B. 457; *R. v. Mayor of York*, 4 T. R. 699; Grant, Law of Corporations.

(d) *Rev v. Windham*, 1 Cowp. 377. There is a dictum (*obiter*) by Lord Campbell in *Norris v. Irish Land Co.*, 8 E. & B. 526, which

ought to be cited here although perhaps it should not be pressed as referring to a case in all respects analogous to that of a patentee in the position now under discussion. Lord Campbell says "In the case now before us a prerogative writ of mandamus would have been granted it would have gone to order that to be done which ought to be done by a company established by royal charter."

When it lies.

under O. 53 is equally available for the present purpose. Here the authorities are neither so abundant nor so clear as those relating to a common law mandamus. The earliest dicta tend to the conclusion that the action for mandamus will lie in all cases in which the writ can be granted and that the action is only a simplified procedure for obtaining the writ. Thus in *Benson v. Paull*—a case decided in 1856,—Lord Campbell said “I think the  
 “enactment must be confined to such duties as might have  
 “been enforced by a prerogative writ of mandamus” (e). The context shows that the class of cases which the Chief Justice intended to exclude from the purview of the Act was that in which specific performance of a contract was sought to be enforced. It is true that in *Norris v. Irish Land Co.* the same judge, quoting the foregoing passage from his earlier judgment, remarked “I am not now prepared to adhere to that” (f) but even in the later case he would not extend the statutable mandamus to the enforcement of every contract. He recognised its application only to a case in which the duty to be enforced, although arising on a contract, was one due to be performed under a Royal Charter and this he distinguished from “a merely  
 “private contract.” This doctrine was in 1866 somewhat amplified by Byles, J., in *Fotherby v. Metropolitan Rail. Co.* (g) who there said “Lord Campbell says . . . that  
 “an action for mandamus may sometimes lie when the  
 “old writ of mandamus would not have been issued but  
 “that at any rate, when there is a public or official duty  
 “or a duty created by statute such an action will certainly  
 “lie. . . . It is clear that the intention of the Legislature was to introduce an adequate legal remedy in  
 “those cases in which there was no such remedy before  
 “and in the present case damages would not afford a  
 “reasonable compensation.”

These were decisions under the Common Law Procedure

(e) 6 E. & B. 275.

(f) 8 E. & B. 526.

(g) L. R. 2 C. P. 195.

Act which has in effect been repealed by the Judicature Act of 1873. The substance of the repealed clauses has however been re-enacted by Order 53 of the Rules of the Supreme Court (given below on p. 321), and it is generally understood that the old authorities may be accepted as illustrating the new statute. The new authorities have however taken a somewhat divergent course. Thus in *Glossop v. Heston and Isleworth*, Brett L.J. says "I think the mandamus spoken of in the 8th sub-section of the 25th section of the Judicature Act is ". . . only a mandamus which may be granted to direct the performance of some act, of something to be done which is the result of an action where an action will lie" (*h*). Again in *Baxter v. London County Council*, Day J. discussed the nature of the new remedy connecting it with the Common Law Procedure Act and said "the action of mandamus is simply an attempt to engraft upon the old common law remedy a right in the nature of specific performance. When private persons had rights one against the other the Court had power to grant a mandamus, or direct specific performance or something in the nature of an injunction, to command that the right claimed by one party should be acceded to by the other. But it never was contemplated that the action for mandamus was to supersede the prerogative writ of mandamus. In this case no action will lie. I am perfectly clear that this is not an action which will lie between the parties or a case in which a statutable mandamus will be applicable because no action would lie and a mandamus is only granted as ancillary to the action and for the purpose of enforcing the private right in respect of which the private litigation had arisen. It was never contemplated that a private mandamus should be granted in cases in which a prerogative mandamus

(*h*) 12 Ch. D. 122. [Although the learned judge speaks here of "the mandamus spoken of in the 8th sub-section of the 25th section of the Judicature Act"; *i.e.*, an interlocutory order; he apparently had a final order (under O. 53) actually in mind.]

“ had from time whereof memory does not run to the  
 “ contrary been alone the effective remedy ” (l). In the  
 same sense Wright J. in *Reg. v. Vestry of St. George*  
 says “ I think it very doubtful whether the provision for a  
 “ mandamus given either by the Common Law Procedure  
 “ Act or the Judicature Act extends at all to any relief  
 “ that could not have been claimed in an action before the  
 “ Common Law Procedure Act and whether the remedy  
 “ given is not intended there merely as an additional mode  
 “ of enforcing judgment which the Court has power to give.  
 “ There is authority for that view, I think, in the case of  
 “ *Glossop v. Heston &c. Board*. At any rate it appears to  
 “ me that the decision in the Lambourne Valley Railway  
 “ Case is intended to apply and must be understood as  
 “ applying only to a case where the duty sought to be  
 “ enforced, as well as the right to claim are in substance of  
 “ a private nature and that it does not extend to any case  
 “ where the duties sought to be enforced are merely of a  
 “ public nature. If it were otherwise a very great part  
 “ of the jurisdiction of this Court in granting writs of  
 “ mandamus would be taken away ” (m).

Review of the  
 authorities.

It must be admitted that the question whether the  
 action for a mandamus will lie to enforce the order of the  
 Board of Trade is in this state of the authorities a question  
 very difficult to answer. Upon the older authorities it  
 would have seemed clear that it would lie. The action  
 was in effect according to them chiefly an improved mode  
 of obtaining the writ. Incidentally the Act which gave  
 the action had somewhat relaxed the rule of law as to the  
 exercise of the judicial discretion to issue the writ and  
 thus had let in some new cases to which the remedy could  
 be applied but there seems at first to have been no doubt  
 that the writ was the same thing whether granted upon  
 motion or upon writ of summons and that the applicant  
 could obtain it in the way which best suited his convenience.

(l) 63 L. T. 771.

(m) 67 L. T. 414.

In this view of the matter no question as to which remedy was intended would have arisen and the conclusion already suggested above that Parliament intended in the section to give the licensee his choice of the procedure for obtaining the mandamus would not have been questioned. But the modern authorities have established the sharp distinction just pointed out and have gone far towards formulating a new technical rule to the effect that if the duty to be enforced be a public duty recourse must be had to the prerogative writ, if a private duty the procedure must be by action. Having regard to the date of some of the decisions cited and particularly of *Glossop v. Heston & Isleworth* (u) it may be fairly contended that this view of the matter was present to the mind of the Legislature in 1883.

See above,  
p. 136.

If that be the correct view of this matter then the right to proceed by way of action for a mandamus depends upon the view of the Court as to whether the duty to be enforced is a public or a private duty; a question the discussion of which falls to another chapter and has been there brought to a very doubtful conclusion. Probably the duty is a public duty and the right a private right and this in a special sense. Of course the right is always private in the sense that a complainant invariably shows a private interest in the performance of the public duty which he seeks to have enforced. But in the cases which have so far been discussed there has always been a right in the public which the Attorney General might have insisted upon. In the present case there is no such public right. The public duty is one of imperfect obligation until some person acquires a private interest in its discharge and when that happens the anomalous case occurs of an imperious public duty upon which no co-ordinate public right arises but only a private right. Whether such a duty can be enforced by an action for mandamus

Will the  
action lie in  
this case?

See above,  
p. 39.

(u) Anno 1879, 12 Ch. D. 116, 122.

only a Court can determine for no doctrine of law seems to have any bearing whatever upon the question.

Recapitulation.

The result of the investigation so far, therefore, establishes little beyond the position that there is a strong tendency on the part of the Courts to establish a hard technical distinction between the common law mandamus and the statutable mandamus and to assign to each its own territory so that the mere existence of the one remedy in given circumstances excludes the other. In favour of the writ are the general considerations that there can be no question of jurisdiction to issue the writ; the only doubt being as to how the judicial discretion to do so ought to be exercised; whereas in the case of the action a difficult question of jurisdiction to entertain it arises and that the writ has, time out of mind, been the extraordinary remedy for all cases to which no ordinary remedy could be applied and even for cases in which the application of an ordinary remedy was peculiarly difficult or of doubtful efficacy (o). In favour of the action is the essentially private nature of the relief sought and the strong analogy which the patentee's duty presents to a contractual obligation.

The argument from convenience.

So the matter stands upon authority. It is clearly desirable, the question being in this position, to consider it from the point of view of convenience. But here it is necessary to consider first what precisely is the object to be attained by means of the mandamus. This, in effect, is neither more nor less than execution of the order made at the Board of Trade and for the purpose of execution it is obviously necessary to get to the stage of a peremptory mandamus. From this point of view, then, the question now under consideration may be propounded in this form—What is the simplest and most expeditious way of arriving at the peremptory mandamus? Stated in that form the question seems to suggest the answer. It is

(o) *In re Nathan*, 12 Q. B. D. 469, and see the other cases cited above, p. 138.

provided by the Crown Office Rules that the Court or a judge may, if they or he shall think fit, order that any writ of mandamus shall be peremptory in the first instance (*p*).

This rule was made in 1886 and is manifestly founded upon the 8th subsection of section 25 of the Judicature Act 1873 which provides that "a mandamus . . . . may be granted . . . . by an interlocutory order of the Court in all cases in which it shall appear just or convenient that such order shall be made" (*q*). It may therefore be taken to have conferred upon the Courts a new discretion to grant a peremptory mandamus in the first instance and it may fairly be argued upon the analogy of the exercise by the Courts of a similarly enlarged discretion with reference to injunctions that this new power should be liberally used in all cases in which it can be employed to bring about a beneficial result. Upon this view therefore the old authorities upon peremptory mandamus are now obsolete. Prior to the Common Law Procedure Act only two instances appear to have been reported in which a peremptory mandamus was granted in the first instance. In one of these a gaoler was ordered to give up a dead body for burial (*r*) and in the other to provide his prisoner with sustenance (*s*). Both were cases which obviously would not brook the delay of a return and although in these cases no precise rule is laid down for the guidance of the Court it is abundantly plain, not only from the notable lack of examples but also from the established course of practice in many cases of considerable urgency, that the old Court of King's Bench was very reluctant to have recourse to so summary a proceeding.

But even before the introduction of the new Crown Office Rules the Court had broken away from the old strictness. Thus in *Rex v. Lichfield* (*t*) a mandamus

(*p*) C. O. R., r. 67. See below, p. 219.

(*q*) See below, p. 285.

(*r*) *R. v. Fox*, 2 Q. B. 246.

(*s*) *In the matter of John Long*, 14 L. J. (N. S.) Q. B. 23.

(*t*) 1 H. & W. 463.

absolute in the first instance was granted to require an archdeacon to swear in a churchwarden where there was no rival candidate and no reason assigned for the archdeacon's refusal to administer the oath. The same practice was followed in a case in which the refusal was to swear in overseers of the poor (*t*).

Since the introduction of the new Crown Office Rules the whole reason for this strictness has disappeared. Thus in the recent case of *The Queen v. Bangor* Lord Esher (M. R.) said "The reasons for declining to issue a peremptory mandamus where the Court has doubt and hesitation have now gone because any order for a mandamus may now be instantly appealed against. I therefore think that where there is no real dispute about the facts, the Queen's Bench Division are right in not inflicting a prolongation of litigation upon the parties by issuing a mandamus to which a return must be made" (*u*).

Such being the law it may be reasonably asked cannot a peremptory mandamus be obtained in the first instance to enforce an order made by the Board of Trade? Of course if any real question arises as to the jurisdiction of the Board it must be sifted and in that case probably, the patentee ought to have an opportunity upon the return to the writ of showing cause against its being made absolute. This would obviously be so in any case in which the question of jurisdiction turned upon disputed facts. Perhaps if facts were not in dispute but only a dry legal point it might be better argued upon appeal from the writ than upon return. But it may be that the patentee cannot allege any ground of want of jurisdiction and when that is so inasmuch as the making of the order and its terms are in the discretion of the Board and the Court cannot control the exercise of that discretion, it would seem that there can be no reason whatever for interposing any steps

(*t*) *Reg. v. Manchester*, 7 D. P. C. 707. See also *Ex parte Penruddock*, 1 H. & W. 347.

(*u*) 18 Q. B. D. 360. See also 13 A. C. 246.



between the application and the issue of the peremptory mandamus. In that case it may and should issue at once. The application being made upon a rule *nisi* the respondent has full opportunity to take exception to the jurisdiction if so advised. See p. 318.

In a case of this kind the proceeding by writ of mandamus is so expeditious and convenient as to leave nothing to be desired and if the courts were to decide, as possibly they might upon the analogy of judicial proceedings that an order duly authenticated must be presumed to have been properly made and held for good unless and until it is set aside (*x*) there would then be no reason for refusing the peremptory mandamus in any case even although the jurisdiction were in dispute. That however would be a very strong proceeding since it would cut the patentee off from all recourse to the High Court except by way of prohibition. See above, p. 51.

If this be a correct view of the remedy by writ of mandamus there can be no doubt that it affords much the most appropriate machinery that could be devised for the purpose in view. To a peremptory mandamus the only admissible return is obedience and in case of disobedience the defaulter may be attached for his contempt or the duty which he was commanded to perform may be, under the order and authority of the Court, performed by some other person in his behalf (*y*).

It now appears how extremely convenient this mode of enforcing the order is. The steps are as follows: (1) Order *nisi*. (2) Motion to a Divisional Court for a peremptory mandamus. (3) Issue of the writ with an early day for the return. (4) In case of disobedience motion to appoint some person, probably the registrar of the Court or the comptroller of patents, to execute the licence in behalf of the patentee. (5) Execution of the licence in accordance with the order made upon the last named motion and regis- Convenience of the writ.

(*x*) *Reg. v. Brennan*, 16 L. J. Q. B. 292. See also *Lyttleton v. Cross*, 3 B. & C. 327.

(*y*) R. S. C.; O. 42, r. 30, incorporated in the C. O. practice by C. O. R., r. 217, below, p. 343.

tration of the licence so granted at the Patent Office. It is clear that if the Courts are to interfere at all in the carrying out of these arrangements nothing could well be simpler or more expeditious than this procedure. This is worthy of note for it is constantly said that the common law mandamus is a "cumbrous" and "expensive" remedy (z).

But these criticisms apply to an alternative, not to a peremptory mandamus and to a case where there is a real dispute between the parties and questions to be litigated. In such a case it is no advantage to have the statement of claim in the form of a writ and the defence in the form of a return. It is a distinct disadvantage that each of these documents—mere pleadings as in effect they are—should have to be delivered in open court and supported by affidavit. Compared with the procedure in an ordinary action upon contract or tort this is most appropriately described as "cumbrous" and "inconvenient" and hence the unwillingness of the Courts to permit it to be used in any case to which an ordinary action is appropriate. But the charge of being cumbrous or inconvenient cannot be brought against the summary proceeding by way of peremptory mandamus which is now under discussion and it may safely be alleged that no procedure could be more appropriate to the purpose of bringing into play for enforcing the order of the Board the machinery by which the Courts compel submission.

Difficulty in case of an alien resident abroad.

It has of course been assumed in what has been said so far that the patentee can be served with the notice and with the writ but a serious practical difficulty might arise in the case of a foreigner resident abroad. The Crown Office Rules do not provide for service out of the jurisdiction and such service, if effected, would probably not be good service. In fact as the Court in that case would have no means of asserting its authority by attachment if the patentee should treat the order with contempt there

(z) *E.g.*, by Bowen, L. J., in *In re Nathan*, 12 Q. B. D. 479; and by Field, J., in *The Queen v. Reg. of J. S. Cos.*, 21 Q. B. D. 135.

would seem to be very good reason for saying that a mandamus ought not to issue in any such circumstances (a). The difficulty is not a difficulty about making the rule absolute. Effect to the order asked might be given, as above mentioned, by directing some person other than the patentee to execute the licence in his behalf. But the difficulty is that of compelling the patentee to make any return at all. In the case of a person within the jurisdiction, if he refuses to make a return the Court can compel compliance by attachment, probably not otherwise, but in the case of a person who cannot be attached the Court is powerless and would by issuing process be exposing itself to contempt. This is probably a point which was overlooked in the drafting of the Act of Parliament but having regard to the large number of British patents which are held by foreigners resident abroad it is a matter of serious consequence as affecting the efficiency of the prerogative writ as machinery for the enforcement of an order made by the Board of Trade.

As compared with the process just considered the proceeding by way of action of mandamus is very slow and circuitous. It commences by writ of summons, proceeds by the ordinary stages of pleading, takes its place among other actions in the Cause List and eventuates in an order in the nature of a peremptory mandamus thus reaching, after months of interlocutory proceedings, a point which can be attained by means of the Common Law mandamus in a week and with no more interlocutory proceeding than is involved in the preparation of a set of formal affidavits.

The proceeding by action.

It is, however, quite possible that a more expeditious way of putting the statutable mandamus in operation may be devised. An action founded nominally upon a claim for damages for the refusal to grant a licence or upon some other claim, real or imaginary, arising out of the facts of the case might be commenced and the application for a

Interlocutory mandamus.

(a) 3 Commentaries, 110; quoted above, p. 139.

statutable mandamus made upon motion in that action. For it is provided by the Judicature Act (a) that the mandamus order may be made upon an interlocutory proceeding. It is possible that the Courts would hesitate to make a final order upon an interlocutory application and this objection might prove fatal to the interlocutory application if the specific relief claimed in the action were itself the order of mandamus since in that case, whenever made, it would make an end of the litigation. But if the nominal relief sought were damages, the application for the mandamus would be a perfectly correct application to be made in interlocutory form. In that case it might be applied for at once before delivery of the statement of claim and, by leave, upon notice of motion served with the writ (b). In this way the statutable mandamus might be made as efficient for the purpose as the prerogative writ since the action for damages could of course be discontinued so soon as the mandamus had been obtained. It savours no doubt of the practice of the last century to attach so much weight to the mere form of an action and to look for results so important from so transparent an artifice but until a precedent has been established the course here recommended though "the farthest way about," affords a fair promise of proving to be "the nearest way home." At least it opens out a mode of obtaining the mandamus by interlocutory proceedings to which no serious objection could be made and this cannot be said of the same procedure if taken in an action for a mandamus instituted under Order 53 of the Rules of the Supreme Court for in such a case the making of the order upon an interlocutory application would have the effect of depriving the defendant of the benefit pleadings and a trial.

Recapitulation.

The whole result of the discussion seems therefore to be that until the Courts have decided what is to be under-

(a) 36 & 37 Vict. c. 66, s. 25 (8).

(b) R. S. C., O. 52, r. 9, below, p. 334. The application being

made in the Queen's Bench Division may be made in Chambers.

stood by the equivocal word "mandamus" in the section it is impossible to tell whether the Writ or the Order is the proper form of the remedy; that there is much reason to suppose that whichever of these forms is eventually selected as the proper remedy for an applicant to pursue will oust the other or, to put the point in another way, that the applicant cannot exercise a discretion as to which he will take but is bound to that form of mandamus, whichever it may be; that is prescribed by the Act of Parliament: that as a matter of convenience the writ of mandamus will be preferable if the Courts refuse to entertain the question of jurisdiction upon an application for the writ but that if the jurisdiction is to be examined an order under the Judicature Act will perhaps be more convenient but that in the latter case it will probably be more expeditious and less expensive for the applicant to bring his action for damages and to ask for the mandamus order as an interlocutory proceeding in that action than to make the order itself the principal relief. All these questions however are left so obscure by the Act and the authorities that any views put forward at the present time can be but little if any better than conjectures and the whole subject can only be really elucidated by a decision which will supply upon the authority of a court of law what is wanting to the statute and the doctrine of mandamus as at present deducible from the law reports (c).

It seems idle, until the fundamental question has been

(c) I observe that in more than one recent text-book, *e.g.*, Lawson, 2nd ed., Frost, 2nd ed., the learned authors identify the mandamus with the writ. But it does not appear what is their reason for preferring the writ to the action. Possibly they have relied upon the analogy of *Re The Bristol & N. Somerset Rail. Co.*, 3 Q. B. D. 11, which case they cite to show that the Court will not as a mere matter of course grant mandamus to enforce an order made by the Board of Trade. But that case differs

from a case under the present section in the important particular that under the Railway Clauses Act of 1863—under the provisions of which statute the order then in question was made—the Board of Trade acted not in a judicial but in an administrative capacity and itself applied to the Court for the mandamus. Considerations entirely different arise when the Board of Trade acts as a tribunal empowered to declare what is just between parties and itself wholly disinterested in the relief sought.

elucidated, to offer any observations upon the different procedures under these various modes of seeking enforcement of the order. The procedure under Order 53 of the Rules of the Supreme Court presents indeed no difficulty since it is assimilated to an ordinary action. Upon the prerogative writ of mandamus and the procedure thereunder the principal sources of information are Tapping on Mandamus, Shortt on Informations Mandamus and Prohibition and Short and Mellor's Crown Office Practice. The Rules of Court—Crown Office Rules and Rules of the Supreme Court bearing upon these several forms of mandamus respectively are collected for the readers' convenience in Appendix III.

See below,  
p. 318.

The order  
considered as  
an equitable  
defence to an  
infringement  
action.

There is a further way in which probably it may be found possible to give effect to the order; namely, by setting it up as a ground of defence to an action for infringement. It would of course be necessary for the defendant in such a case to have perfected his title by executing the counterpart licence but this under the course of procedure actually adopted at the Board of Trade need not occasion any difficulty. The form of order which may now be regarded as, to some extent at least, an approved form settles the terms of the licence and provides that each party shall execute it; the patentee in part, the licensee in counterpart and that when signed and sealed the part and counterpart shall be severally delivered at the Board of Trade. This mode of procedure obviates any technical difficulty about the execution of the document and puts the licensee who has performed his duty under the order in the position of being entitled to have the licence executed by the patentee. It is indeed probable that the licensee cannot bring an action for specific performance upon the award (*d*) but his position would be entirely different as a defendant. In that case he would be able to plead that the contract had been actually entered into for

(*d*) See next page.

all its terms would have been settled, the patentee would have derived the benefit of it, since the counterpart is already in the hands of the Board of Trade, who are for this purpose his agents, and can be taken up by him whensoever he pleases to take it up and the execution by the patentee may well be taken to be a formality and nothing more. In such a state of facts it is, as regards any legal consequence, a matter perfectly indifferent whether the deed be executed by the patentee or not (c). It would seem therefore that although the Court may be precluded from entertaining an action for specific performance except in the statutable form of mandamus proceedings a defendant cannot be deprived by the plaintiff's perversity in refusing to execute the deed of the benefit of the licence.

It will probably turn out in many cases, if the view here taken be correct, that this will be the most advantageous course for a successful petitioner to adopt. Cases may of course arise in which for the purposes of conveyance or of sublicensing or otherwise for the satisfaction of a third party it may be necessary to obtain an executed licence in due form. In such a case the petitioner must have recourse to the remedy prescribed by the section—whatever that may ultimately prove to be. But if he desires only to be able to carry on his business without fear of molestation by the patentee it is probably correct to say that he has nothing to gain by insisting upon having the formal deed. His equitable defence, if clear upon the facts, is apparently perfectly good in law. But of course it is quite essential to this defence that there should have been jurisdiction in the Board to make the order and a proper exercise of the jurisdiction in making it.

Reference has been above made to the possibility of proceeding to enforce the order by an action for specific performance. This remedy is apparently ousted by the

See p. 156.  
Specific  
performance.

(c) *Rossiter v. Miller*, 3 A. C. 1137; *Filby v. Hounsell*, (1896) 2 Ch. 742.

section itself for this is no doubt a case in which the law gives a new right and a remedy to enforce the right. In such a case it is well established law that no other remedy can be pursued (*f*).

Resistance to  
the order.  
By the  
patentee.

If in any of these ways the successful petitioner seeks to enforce his order against the patentee the question will of course arise from the patentee's point of view:—How can he resist? It is obvious that he can raise any objection to the jurisdiction: and upon this point reference may be made to the Chapter on Procedure in which this point is touched (*g*). He may also insist upon any irregularity in the exercise of the jurisdiction as vitiating the award (*h*) and if a foreigner resident abroad he may probably defeat any proceedings by way of writ of mandamus by the simple expedient of refusing to accept service of the writ or to make any return to it (*i*).

By the peti-  
tioner.

If the party seeking to enforce the order be the patentee—a case not impossible, though less likely than the converse case to arise in practice,—the designated licensee will have in addition to the above mentioned grounds of resistance to the order—which are quite independent of the terms in which the order is drawn up, a special ground in case the order be made in what may perhaps be shortly called the *Levinstein Order* form. For that order contains a defeasance by reason of which it comes to nothing if not taken up by the petitioner and such an order as has been already pointed out in the foregoing chapter is not enforceable at all in the interest of the patentee.

See above,  
p. 112.

(*f*) *Wolverhampton Waterworks*  
*v. Hawkesford*, 28 L. J. C. P. 246.

(*g*) See below, p. 195.

(*h*) See above, p. 108 and p. 123,  
n. (*v*), and below, p. 195 and p. 365,  
n. (*a*).

(*i*) See above, p. 152.



## CHAPTER VIII.

## PROCEDURE.

*The petition—Joinder of patents—Of patentees—Consolidation of petitions—Joinder of Parties—Adducing the register—The invention to be licensed—Petitioner's interest—Must be fully stated—Under clauses (a) and (b)—Under clause (c)—Recapitulation—The petition must disclose substantial interest—Grant of relief—Petitioner's case to be stated fully but without prolixity—The patentee's default—The petitioner's ability—Royalty rates &c.—Course of business &c.—What facts should be set out—The schedule—The prayer—Alternative relief—Prayer for hearing—Signature of the petition—Unsigned petitions—"Your petitioner will ever pray"—Affidavits in support of petition—Reference to "expert"—Service of the petition—Public notice—Patentee's affidavits—Notice of opposition—Patentee's answer—Notice of opposition by strangers—To be delivered at the Patent Office—Affidavits in reply—Referee's further report—Notice of hearing—The hearing—The right to begin—The right of general reply—Reading the affidavits—Cross-examination to affidavits—Adjournment—Shorthand note—The referee's report—The decision—Reporting—Enforcement of the order—Is the procedure regular?—Acquiescence of parties—Advantages of the present practice—Time for objecting to the procedure—Official scheme of procedure.*

PROCEEDINGS under this enactment are commenced by a petition addressed to "the Lords of the Committee of Privy Council for Trade." This form of words is officially prescribed (a) although it apparently is not the correct official style of the Board of Trade (b). The

(a) See Form H1, below, p. 351.

(b) See above, p. 42.

The petition. petition and an examined copy of it are left at the Patent Office under cover of a letter addressed to the Comptroller of Patents requesting him to bring the petition to the notice of the Board of Trade. This letter is to be in a prescribed form (c). The petition so lodged is forwarded by the comptroller to the solicitor to the Board of Trade and subject to a point to be presently noticed the subsequent transactions pass between the parties and the Solicitor's Department at Whitehall Gardens, the Patent Office being left out of account.

See below,  
pp. 180, 181.

The petition is framed upon a skeleton form prescribed by the Patents Rules (d) and must show clearly:—

- i. The nature of the petitioner's interest.
- ii. The ground or grounds upon which he claims to be entitled to relief.
- iii. The circumstances of the case in detail.
- iv. The terms upon which he asks that an order may be made; and
- v. The purport of the proposed order (e).

The foregoing are the official requirements according to the Patent Rules. But it will be found convenient and even necessary to make the petition somewhat fuller than the rules prescribe. By the courtesy of Messrs. Levinstein Ld. and their advisers I am enabled to reproduce for the purposes of criticism the petition actually lodged in *Re Meister Lucius (Imray's) Patent—Levinstein's Petition* (f). An analysis of this document yields the following result. It sets out—

#### 1. The number and title of the patents affected by the petition.

Joinder of patents.

In this case there were two patents affected, both vested in the same patentees by assignment. The case has therefore settled the practice that one petition may be

(c) See Form H, below, p. 351.

(d) See Form H1, below, p. 351.

(e) Patent Rules, 1890, r. 60,

below, p. 345.

(f) Below, p. 352.

lodged in respect of more than one patent. Probably a petitioner would be allowed in a proper case to join two or more patentees as co-respondents in respect of separate patents since if a licence under one patent would be ineffectual, or ineffectual for the end in view, without a licence under another patent it would be much more convenient to consider the two applications together than separately and the joinder, far from tending to embarrass the respondents in their opposition to the application would tend rather to facilitate the defence since each of them would in that case get the benefit of any objection to the grant of a licence which the other might be able to sustain. If the questions were separately considered it might well happen that the application first heard might be granted while that coming later under consideration might be refused and an abortive order made. Moreover if a royalty rate had been fixed in the first case without regard to the second petition it might well be that the first patentee would be found in the end to have secured an unduly large share of the profits of the trade and this necessarily in the circumstances at the expense of the other patentee. It must therefore be easier for the Board of Trade to ascertain what terms will be just when all the parties whose interests are in conflict are before the Board and the proper course would seem to be to encourage by every means the presentation to the Board of projects of working under royalty in as complete a form as possible.

Joinder of patentees, see above, P. 69.

It is more doubtful whether separate petitions could be consolidated at the instance of a respondent and the several petitioners required to attend one and the same hearing. It is not difficult to imagine circumstances in which such a course would be very convenient. For example rival contractors might be petitioning for licences to erect patented sewage works at one town and the determination as to which of them should secure the contract from the urban authority might depend upon which

Consolidating petitions.

of them secured the licence or secured it upon more advantageous terms. In such a case as this where the real conflict might be between competing petitioners; the patentee perhaps only standing out for the highest terms that he could exact from the rival contractors; it would obviously be much more convenient to dispose of the discussion as one than as two transactions. For one thing as the patentee in such a case could only get the benefit of one licence it would be very hard to put him to the expense of two hearings. Probably in the matter of joinder the Rules of the Supreme Court will be followed *mutatis mutandis* at the Board of Trade. Joinder of inventions and joinder of patents will probably be allowed whenever the questions relating to them can be conveniently discussed and disposed of together which will, speaking broadly, be whenever the result, supposing it to be favourable to the petitioner, will be one licence: or two or more interdependent licences. But separate proceedings will be required in respect of matters which can only be regulated by independent licences (g). Similarly persons claiming jointly severally or in the alternative the same relief, that is to say, who claim only one licence or only interdependent licences may no doubt be joined as co-petitioners and similarly again all persons against whom, jointly, severally, in the alternative or by consequence a licence is claimed may no doubt be joined as co-respondents (h). In the *Lerinstein Case* the petition was presented by a limited company and its managing director jointly. The petition does not clearly distinguish between the interest of the one petitioner and of the other but as it attributes to the petitioners collectively the discovery of a process by which valuable new dyestuffs can be manufactured it may be conjectured that whereas the company was to undertake the manufacture its co-petitioner was in a special sense the person "in possession of an invention" within the

Joinder of parties.

See above, p. 69.

(g) See R. S. C., O. 18, below, p. 323.

(h) See R. S. C., O. 16, below, p. 322.

meaning of the Act. The joinder in that case gave rise to no discussion but it shows that the language of the Act will be understood to include the case of co-petitioners and it no doubt implies that some doctrine regulating the joinder of persons as well as of matters in a petition is ascertainable although not at present embodied in any formal rule.

**2. The title of the respondents to the patent as appearing from the register.**

This is obviously a necessary statement of fact and a feature of the petitioner's case since he would have no right to bring any person not interested in the patent before the Board. It is submitted that more than this should be required of the applicant. He ought to place before the Board a full extract from the register so far as it relates to the patent in question since there may be other persons besides the respondent interested in opposing the grant of a licence. For example, there may be co-patentees—mortgagees—exclusive licensees and perhaps other persons whose interest may be co-ordinate with that of the respondent or even paramount to it. In such a case the Board ought to direct notice of the proceedings to be given and in order to the proper discharge of this duty the Board ought as a matter of routine to inspect the register.

Adding the register.

Notice of proceedings.

See p. 179.

**3. The claims made by the patentee under which the required licence is asked for.**

This is perhaps one of "the circumstances of the case" which by the third provision of Rule 60 are required to be stated in detail. But in a good logical order it precedes the statement of the petitioner's interest to which in the rule as formulated it seems to be more or less subordinate. It is therefore convenient to treat it as a separate head of relevant matter and to set it out, as in this petition, in a separate paragraph. The importance of indicating in this way the claims which are affected by the petition will be

The invention to be licensed.

obvious. In the first place it greatly facilitates the statement of the petitioner's case and in the next it serves to define the object of the licence in a case in which, as will frequently happen, the licence required is not to be co-extensive with the patent grant but limited to some particular claim or claims comprised in the specification (*g*).

#### 4. The nature of the petitioner's interest.

Petitioner's  
interest.

This means, of course, the nature of the petitioner's interest in the relief sought. The expression is borrowed from the Act and has no doubt the same meaning in the rule as in the statute (*h*), and must accordingly be construed with reference to the contingencies enumerated in subsections (a), (b) and (c) of the section. Thus the petitioner may show that the patent is not being worked in the United Kingdom and that he is in a position to promote its being worked here: or that the reasonable requirements of the public in respect of the invention cannot be supplied as matters stand and that he as a member of the public is prejudiced thereby or is prepared as an undertaker to make good or to assist in making good the deficiency: or again he may show that he is in possession of an invention and is prevented by the patentee's privilege from working or using it to the best advantage. It is to be observed that in this last case the interest shown is not simply an interest in the relief but an involuntary interest as an injured party in the default complained of. In this last case the petitioner is not only interested but also aggrieved and it is worthy of note that the qualification of a petitioner required to found the jurisdiction of the Board is not grievance but interest.

See above,  
p. 61.

The expression "person interested" is of constant occurrence in Acts of Parliament and other documents and although not easy to define is well understood. The nearest approximation to a definition which I have been

(*g*) See, for example, the Hulton and Bleakley licence, p. 365.

(*h*) Conf. Pat. R. 3, below, p. 344.

able to trace in the reported cases occurs in *Tomlinson v. London and North Western Railway* (i). That was an application under the Regulation of Railways Act 1873 to the Railway Commissioners for an order directing the railway company to distinguish in certain rate books the component parts of certain aggregate rates charged. The order could only under the Act be made on the application of "any person interested." In giving judgment Wills J. said "The Act does not define the nature of the interest " but as the order to be granted is one to divide the rates " into their component parts, it seems to me that no one " has a *locus standi* unless he has at least a *bonâ fide* interest " in knowing how the rates are made up. . . . If the " applicant has no reasonable cause of complaint to estab- " lish or remedy or no tangible or appreciable reason of " self-protection to advance I should be reluctant to gratify " idle curiosity or to encourage mere fishing enquiries simply " to enable a person to see if he can discover anything to " find fault with." This is manifestly not an exhaustive definition, for "interest" cannot be restricted to the remedy of a grievance and the right of self-protection to the exclusion of beneficial interest which last is indeed the form in which interest commonly appears. But the definition is very instructive for it shows (1) that the criterion of what is the nature of the interest to be considered is found in the relief sought—"as the order to be granted is" &c.—and (2) that the alternative to a "person interested" is a person interesting himself upon indefinite or conjectural grounds—a volunteer (k).

In accordance with this view the statement of the petitioner's interest should show that he will be in a position to take advantage of the licence when granted (l). It probably is not necessary for him to show that he will

(i) 63 L. T. 89.

*Lord Haldon's Estate*, W. N. (1889) 96.

(k) See also *Carr v. Met. B. W.*, 14 C. D. 815; *Pelsall v. L. & N. W. Rail. Co.*, 23 Q. B. D. 545; *In re*

(l) *Re Taylor's (Buxton's) Patent, Hulton & Bleakley's Petition*, 15 R. P. C. 751, and below, p. 243.

himself manufacture under it for his case may be that the reasonable requirements of the public in respect of the invention cannot apart from the licence be supplied. In such a case it would be equally to the point to ask for a licence to enable some third person to carry on the manufacture and the applicant would, no doubt, be held to be a "person interested" if he showed that by reason of the insufficient supply of the public requirements he was personally inconvenienced. But probably in such a case it would be the proper course to make the intending manufacturer a joint applicant for it is hardly to be supposed that the Board could make proper arrangements concerning the keeping and rendering of accounts unless the actual manufacturer were made a party to the licensing agreement (*m*). Of course a case may easily arise in which an applicant will ask for power to employ an agent or contractor to manufacture for him and in such a case there seems to be no reason why any difficulty as to accounts should arise. A licensee can just as well render accounts of goods manufactured in his behalf as of goods manufactured by himself. At any point in the course of dealing with the goods to which all the goods must come the account can equally well be taken and therefore, provided some person responsible for the rendering of accounts at such a stage is made fully responsible for so doing, this condition of the granting of a licence may be taken to be satisfied.

See above,  
pp. 69 and  
162.

Accounting  
party a neces-  
sary party.

Petitioner's  
interest must  
be fully  
stated.

But this last consideration shows that the words of the rule "nature of the petitioner's interest" must be construed in a liberal sense. A co-petitioner may be added for no other reason than that of facilitating the rendering of accounts and may in that case have no personal interest properly so called in the relief sought. But he will be concerned as a necessary party in the contract and he must therefore be a necessary party to the enquiry. The state-

(*m*) *Incandescent (Imray's) Patent, Continental Gluhlicht Petition*, 15 R. P. C. 727, and below, p. 215.



ment of the petitioner's interest must therefore include a statement explaining the position towards the matter of such a co-petitioner and the rule should no doubt be read as providing that the petition shall show clearly the nature of the interest or concern of all the co-petitioners, in the case of a petition by more than one, in the subject-matter of the petition.

In the case of a petition grounded upon Clauses (a) or (b) of the section—which clauses relate to prejudice to the public—the petitioner must no doubt show a special private interest in the relief. It would be difficult otherwise to assign any meaning to the word “interested” as qualifying the person who may be a petitioner, for in a general sense when the public are prejudiced every individual may be said to be interested in the correcting of the abuse from which they suffer. It would be manifestly unjust and would open the door to the unlimited vexation of patentees if everybody might present a petition in such a case. The difficulty would arise which led the common lawyers to cut down the right of action in a case of obstruction to a common way. “If the way be a common “way” says Sir Edward Coke “if any man be disturbed “to go that way or if a ditch be made overthwart the way “so as he cannot go yet shall he not have an action upon “his case and this the law provided for avoiding of multiplicity of suits for if any one man might have an action “all men might have the like” (n). Indeed upon this point the law of nuisance presents a very close analogy to the present statute. In both cases the mischief is one from which the public suffers. In both cases a remedy is given by the common law in the public interest; that is to say, a public nuisance may be made the subject of indictment and a mischievous patent grant is *ipso facto* void and may be repealed. And in both cases the person injured in his private rights may have redress against the trans-

Petitioner's interests under Clauses (a) and (b). See above, p. 61.

(n) Co. Litt. 56 a.

gressor, in the case of a nuisance by action, in the case of a mischievous grant by compulsory licence. The analogy is plain and it is equally clear that the Legislature, when restricting the right of petition to "Any person interested," intended to prevent "multiplicity of suits" and to establish a rule upon the analogy of that long recognised at common law that the special relief can only be claimed by a person who suffers or will otherwise suffer special damage (o).

Petitioner's interest under Clause (c).

It is obvious that in the remaining case, that is to say when the petitioner shows that "any person is prevented from working or using to the best advantage, an invention of which he is possessed," he must disclose the nature of this dependent invention. And it seems to follow that in such a case the person in possession of the subordinate invention must himself come forward in the capacity of a petitioner for otherwise the difficulty would arise that a person who would be a necessary party to the contract not being before the tribunal could not be bound by the order but would be left at liberty to institute fresh proceedings in his own name.

See p. 162.

Recapitulation.

It is clear, then, that the statement of the petitioner's interest must be full in the sense of shewing plainly (a) the facts which give the petitioner the right to apply to the Board of Trade and (b) the facts from which it can be inferred that the order, if made, will actually enure for the petitioner's benefit.

The petitioner must disclose substantial interest.

It has been assumed in the foregoing discussion that the petition is to comprise a statement of matters of substance rather than of matters of form. If matters of form were considered to be of vital consequence it might be possible to construe the words of the rule as meaning only that the petitioner must define his interest by reference to the three

(o) As to the doctrine of special damage in an action upon a nuisance, see *Soltau v. De Held*, 2 Sim. N. S. 145; *Williams' Case*, 5 Rep. 73; *Payne v. Patrick*, Carth. 194; *Hubert v. Groves*, 1 Esp. 148;

*Greasley v. Colling*, 2 Bing. 263; *Winterbottom v. Lord Derby*, L. R. 2 Ex. 320; *Benjamin v. Stoor*, 9 C. P. 407; *Fritz v. Hobson*, 14 C. D. 555; *Iveson v. Moore*, 1 Ld. Raym. 486.

subclauses (a), (b) and (c) and by stating categorically that he came under one or another or under more than one, as the case might be. But the words "show clearly" seem to point to a fuller exposition of the petitioner's case and what is even of greater weight than the minute discussion of the language of the rule is the consideration that whereas the mere selection of the statutable head of title would afford to the tribunal and to the patentee no information of any value concerning the petitioner's case the statement of the facts above referred to is of vital consequence first to the patentee in order that he may decide whether it is proper for him to resist the demand or to submit to it and next to the tribunal which receives the evidence in order that it may direct the course of the enquiry. This in a proceeding in which evidence can be largely or even exclusively given by affidavit and therefore without any preliminary oral statement of the case proposed to be made is a matter of vital consequence and apart from this information it is plain that the Board could not properly discharge the functions assigned to it by Rules 62 & 66 which place under its direction the course to be followed in conducting the enquiry in every case as it arises.

5. The grounds upon which he claims to be entitled to relief.

The petitioner's title to relief will no doubt rest in part upon the interest which he discloses and to this extent the present head of statement covers that last considered. But the grounds go beyond the mere statement of interest, either that in respect of which the petitioner qualifies under the Act or that in respect of which he looks to benefit under the order. It is necessary for him to show a default on the part of the patentee and an inconvenience suffered by the public or, as it may be, by a private person. Now the measure of fulness with which these grounds are to be stated in the petition is a matter which must depend in a large measure upon the draughtsman. But it

Grounds of relief.

Petitioner's case to be stated fully, but without prolixity.

is submitted that the rule of pleading applies in this case that the facts to be alleged are the *facta probanda* not the *facta probantia*. The facts which will be adduced merely to establish other facts may with propriety and advantage be left out; such facts are evidence and evidence should no more be stated in a petition to the Board of Trade than in a pleading. In both cases the mischief is the same—prolixity. The facts adduced in support of the facts alleged as determining facts of the case do not give any new direction to the enquiry but only lend weight to the argument. Hence they are not material facts at this stage of the enquiry when the immediate object of the proceedings is to narrow the discussion and bring the parties to definite issues. Every new fact stated in the petition should itself be a new point in the petitioner's case. When his case has been fully stated every allegation of fact beyond that must be either evidence or irrelevancy and should therefore be avoided. A further rule closely connected with the rule against pleading evidence is the rule that material facts should be stated in a naked, summary form and divested of all detail that is not indispensable. The strict observance upon these points of the rules of pleading tends as much to clearness as to brevity and the rules themselves, being founded in logic, are just as applicable to the proceedings now in contemplation as to proceedings in the High Court (*n*).

#### 6. The patentee's default.

The patentee's default.

This again is obviously a necessary matter of fact without which it is not possible for the applicant to make out a *prima facie* case. It is no doubt intended to be comprised in the rule under one or other of the general heads "the ground of relief" or the "circumstances of the case." But there is an advantage in isolating it and treating it as a distinct step in the petitioner's statement because it is one of the points upon which the jurisdiction

(*n*) For the further discussion of these rules, see Blake Odgers on Pleading (3rd ed.), pp. 88—99.

of the Board depends. Unless the Board were satisfied of the default it would clearly have no power to make the order. This therefore is one of the matters which may come into question when the High Court is asked to issue a mandamus for enforcing such an order and then it will be a matter of the greatest consequence to show that this question was discussed at the hearing and decided by the Board. Another consideration pointing in the same direction is that if the petitioner fails to show a *prima facie* case there is power, and certainly the disposition ought not to be lacking, to refuse his application out of hand without putting the patentee to the expense of proceedings in defence (o). Hence an explicit statement on this point should be required at the earliest stage in the proceedings. Of course an explicit statement does not signify a prolix statement. Thus in the *Levinstein Petition* the statement of default, following upon the statement of the grounds upon which the petitioners claimed to be entitled to a licence and of the fact that an application for a licence had been made to the patentees, was in the following compendious form. "The patentees have refused to entertain the said application for a licence and still refuse to grant such licence as is necessary to enable your petitioners" &c. The correspondence by which this position was established was set out in an affidavit verifying the petition.

Incidentally it may be remarked that the statement by the petitioner of the patentee's default will of necessity show under which of the heads of Section 22 the petition is launched (p).

As to what facts establish a default on the part of the patentee for the purpose of this section reference may be made to the Chapter upon the Mischief where the patentee's duty and, by necessary implication, his default is fully discussed. See p. 37.

(o) *Dunlop Patent — Chisholm's Petition*, below, p. 280.

(p) See the official form of petition H<sup>1</sup>, par. 3, below, p. 352.

7. The use proposed to be made by the petitioner of the licence when granted.

The petitioner's ability.

See below, p. 257.

This again is an indispensable fact in the petitioner's statement of his case. It is obviously such in the circumstances mentioned in Clause (c) of the section which extends relief to any person "prevented from working or "using to the best advantage an invention of which he is "possessed." And it is in truth equally indispensable in the other cases—which contemplate the public interest in a more immediate sense. For not only has the Board to exercise a discretion in granting or withholding the order—from which alone it might be confidently inferred that the Board must be fully informed as to the use to which the order will be put—but the Board also is expressly required to lay down the conditions "as to security for payment or otherwise" upon which the licence is to be granted. This duty it cannot discharge unless in the light of full information as to the petitioner's intentions and ability to turn the licence to account. In this respect also therefore the petition must disclose a good *prima facie* case for the licence.

8. The circumstances of the case in detail.

Royalty rate.

This requirement is laid down in the Patents Rules of 1890 (r. 60) (g) and it is not very clear what circumstances were in the draughtsman's mind. Possibly the clause was inserted in the rule to indicate that the more precise requirements of the rule are not exhaustive. But there is one class of facts very necessary to be stated and not otherwise pointed at by the rule to which this clause may be fairly considered to apply. These are facts which bear upon the rate of royalty to be paid and upon any special term which it may be thought proper to introduce into the licence. Thus, recurring for an illustration to the *Levinstein Petition*, there is set out in the third paragraph a

Course of business, &c.

(g) See below, p. 345.

statement of facts concerning the course of business adopted by the patentees, and concerning the conditions of trade competition under which the exercise of the licensed invention would have to be carried on all tending to the conclusion that the licence must be granted at a low rate of royalty (*r*). This of course is an essential part of the petitioner's case. The allegations are analogous to allegations made in support of a claim to special damage in an action of tort. They stand on a different footing from facts which go to found the jurisdiction of the Board and in this sense they are perhaps not indispensable. But they are clearly proper to be stated. They are not in the nature of evidence, they are not merely *res gestæ*. They are material facts because they are material to the rate of royalty which is one of the questions raised between the parties. Perhaps the best conception of their relation to the discussion may be obtained by considering them as of the nature of particulars. The analogy is not perfect. Particulars in an action are given for the benefit of the opposite party almost exclusively whereas these details are given in aid of the proponent's case. Hence there is no need to strive after greater particularity in this part of the petition than in any other part. A summary statement is all that is necessary and all, therefore, that is proper even under this head but the statement, though summary, ought to be so full that the respondent need not be taken by surprise by the evidence to be produced. This last is of course the real criterion in the case of a petition as in the case of a pleading by which to try whether a given fact should be set out or not. It will probably be found less easy to state the facts bearing upon royalty rate in a connected and therefore compendious form than so to state those other facts which go to found jurisdiction. And in this respect there will arise a resemblance not wholly superficial between these matters

What facts  
should be set  
out.

(*r*) Below, p. 353.

and particulars in an action. But the most compendious statement that is consistent with a full and clear exposition of the petitioner's case under this head is the best.

9. The terms upon which the petitioner asks that the order may be made and

The schedule. 10. The purport of such order.

These are requirements of the rule (r) (P. R. 1890 r. 60) and relate to matters manifestly essential to a properly drawn petition. The simplest way of satisfying them will in future be to append as a schedule to the petition a draft of the proposed licence. A form of licence having been settled at the Board of Trade there can of course be no difficulty about adapting it to the requirements of a particular case. The matter then comes forward in the form most convenient for discussion and with a certain presumption in favour at least of the form in which the order is asked for. The substance of this schedule is discussed elsewhere in this volume (s).

See p. 363.

11. The prayer.

The prayer.

The rules do not require a petition to end with a prayer but this is obviously indispensable. In the *Levinstein Petition* the prayer was twofold and demanded (1) an order for a licence (2) such other relief in the premises as the Board might deem just. The second alternative was strictly correct in form because the first alternative referred in terms to a licence upon the terms set out in the heads of agreement scheduled to the petition. It was not, of course, intended to insist upon every detail of those suggested heads of agreement and it was therefore proper to open the door by means of an alternative prayer to modifications such as might result from the discussion. The alternative derives additional appropriateness from the circumstance that it also gives the respondent notice that the petitioner does not consider himself tied to the

Alternative relief.

(r) See below, p. 345.

(s) See above, pp. 116—134.



exact proposals which he has made but will be prepared to discuss any alternative that may appear just. Thus in the case of the *Continental Gas Gluhlicht Petition* the petitioner at the hearing sought leave to amend the prayer of his petition by substituting the Meteor Company for the Stock and Debenture Corporation Ltd. as the manufacturing licensees (t). In such a case it would be obviously convenient to have an alternative prayer in general terms.

It may be suggested that there would be usefully added to the prayer a request in some such terms as the following:—

“That your petitioner may be heard by his counsel (or Prayer for  
hearing.  
“in person or otherwise as the case may be) and witnesses  
“in support of this his petition at some convenient time  
“and place to be for that purpose appointed.”

The convenience to the patentee of having thus early notice of the intention of the applicant to seek an opportunity for oral discussion would be quite appreciable. If he thought that a hearing could not be avoided he might content himself with a merely categorical statement of his own case and save the expense of putting his evidence into documentary form. If, on the other hand, he considered a hearing unnecessary—if he thought, for instance, that he could meet the application with an offer which would obviate further discussion—he might make such an offer on the express ground that it was made in order to escape the necessity of a hearing and then at the hearing, if the offer had been declined, he would be morally as well as technically free from it. It would perhaps in view of these considerations be well if the Board would make it one of the requirements enforced by rule that the petitioner shall state in his petition whether he demands a hearing and the opportunity of producing oral evidence or not. It certainly should not be taken for granted that

(t) 15 R. P. C. 731, and below, p. 218. See also *Dunlop Patents—Wolverhampton Petition*, below, p. 266.

that procedure will always be indispensable. It will probably be found hereafter, if this section proves to be a success, that much can be done by direct negotiation between the parties under the stimulus of a little judicious pressure by the Board of Trade (u).

Signature of  
the petitioner.

There is no express rule as to the signing of a petition but at present it appears to be the usual course for the petition to be signed by the petitioner or where the petitioner is a corporation for the petition to be executed by appending to it the Common Seal. This practice is perhaps based upon the analogy of the Patent Office rule as to the signing of applications for patents (v). But if on the other hand the analogy of proceedings in the High Court be taken as a guide then the proper course is for the petition to be signed by counsel when settled by counsel and if not so settled to be signed by the solicitor appearing in the case or by the party if he appears in person (x). Patent agents have the same standing as solicitors at the Board of Trade and it cannot be doubted that if a solicitor be the proper person to sign a petition a patent agent acting in behalf of a petitioner would be equally authorised to sign it. The analogy of High Court proceedings is probably a sounder basis for a rule in this matter than the somewhat remote analogy of an application for a patent grant. The reason why the High Court requires the signature of the actual draughtsman to be appended to a pleading is that it attaches weight to the allegations made in a pleading and it desires to know what weight to attach to them. If a statement of fact is drawn up by a skilled person the Court expects to find a higher degree of accuracy in the statement than if it is prepared by a person unskilled (y) and in some cases it relies upon the pleader's knowledge of the facts and known character as a voucher that the case made is not a

(u) See *Cassella's Patents—Levinstein's Petition*, below, p. 242, and *Dunlop Patents—Wolverhampton Petition*, below, p. 279.

(v) P. R. 1890, r. 8.  
(x) R. S. C., O. 19, r. 4, below, p. 324.  
(y) *Boulton's Trust*, 30 W. R. 596.

mere fiction (s). These considerations apply with special weight to a petition for a compulsory licence. Such a petition is considered in the first instance as an *ex parte* statement and only when it has been found, as so considered, to disclose a *prima facie* case is the patentee cited to appear and make answer. The Board has no power over costs and if the petitioner's proceedings be never so vexatious it cannot protect the patentee against the expense to which he may have been put. It is therefore of the highest consequence that the preliminary consideration of the petition as an *ex parte* application should be a really critical examination and a circumstance such as the draughtsman's signature, carrying as it does the responsibility of a professional man in a case in which the petition has been settled by a legal practitioner, is a circumstance of which at that stage the Board would be entitled to take note. It is conceived therefore that on principle the petition should be signed by the draughtsman who settles it although in the absence of a rule which is exactly in point the question must be considered to be an open one and no doubt the signature of any responsible person purporting to act for the petitioner would be accepted.

In some cases petitions have been presented and considered by the Board without any signature at all. This course, although it has to that extent the sanction of usage is, it is submitted, manifestly a bad practice. Unsigned petitions.

In petitions addressed to the Crown—and the Crown is theoretically present in Parliament, the Privy Council and the High Court of Justice,—it is customary to subscribe to the petition a quaint phrase in the terms “and your petitioner will ever pray.” The phrase is the truncated remnant of a declaration, which in more courtly days and days when adhesion to the cause of the reigning house was less a matter of course than now, expressed the petitioner's devotion to the Crown and pious interest in “Your petitioner will ever pray.”

(s) *Great Australian v. Martin*, 5 C. D. 10.

the "prosperous estate" of its wearer. The present petition is addressed to a committee only of the Privy Council. Neither the committee nor its petitioners need be concerned with high politics and therefore any reference, however covert, to the Wars of the Roses would in the present petition be an impertinence.

Affidavit in support of petition.

With the petition the petitioner must lodge at the Patent Office an affidavit in support of the allegations in the petition which go to show default on the part of the patentee. The rules do not actually prescribe an affidavit. The language of Rule 61 is "affidavits or statutory declarations or other documentary evidence if any." But it may be taken now to be established practice to lodge affidavits and indeed the officials of the Board insist upon having the evidence in this form (a). There is manifest propriety in this course. The Board of Trade is asked to take a certain course upon the faith of the petition which course will affect the patentee adversely to the extent at least of putting him to the expense and trouble of preparing a reply. As this must be done *ex parte* the Board is entitled to receive proof in support of the facts stated for its information in the most solemn form in which documentary evidence can be given.

Reference to "expert."

These documents when lodged will, as above stated, be transferred to the office of the solicitor to the Board of Trade and will by the solicitor be referred to "a legal expert in patent law" (b). What this curious phrase denotes has not as yet been explained but apparently; to judge from the context; nothing more unfamiliar than practising counsel. The course followed so far by the office;—and it is understood to be a course definitely settled after deliberation;—is in fact to refer the petition and evidence at this stage to

(a) See App. III., below, p. 349; also Lawson, p. 633. This rule however, like the other rules relating to this procedure has, so far, not been strictly enforced. Thus in the case of *Dunlop Patents—Wolverhampton Petition*, the petitioners'

documentary evidence was given in the form not of affidavit but of statutory declaration. The irregularity passed without criticism. See below, p. 264.

(b) Lawson, 3rd ed., p. 633, below, p. 349.

some practising counsel who later on, if the case proceeds to a hearing, will take the evidence on behalf of the Board and report upon the result of it. If the referee reports that in his opinion the prayer of the petition should be refused the Board may dismiss it out of hand (c). Otherwise the Board will direct the petitioner to appear before the referee and take his directions as to further proceedings.

At this appointment the referee may require the petitioner to supplement his petition or his evidence with additional statements tending to make out a *prima facie* case or, assuming a *prima facie* case to be already clear upon the documents submitted, the referee will give directions as to the service of the petition and evidence in support of it upon the patentee and upon any other persons whom it may be necessary to serve. The directions will include directions as to the mode of service, concerning which no rules have been framed, this matter being left entirely in the referee's discretion. The rules however require that copies of the petition and documentary evidence lodged in support of it shall be delivered "to the patentee." "The patentee" means the person or persons for the time being entitled to the benefit of the patent (d). It would seem that in the case of a foreign patentee service upon his agent in this country has been allowed as a sufficient service. But unless by consent it is conceived that such service would not be a sufficient compliance with the rule. There is no rule requiring personal service and it is conceived that service by post is sufficient (e).

Service of the petition.

See above, p. 64.

It is not the practice to require any public notice by advertisement of an application for a compulsory licence. Probably the referee has jurisdiction to require notice to be given in this way in a case which he thinks proper to be so notified. But the existing rules do not require it. This is a somewhat singular omission seeing that the

Public notice.

(c) *Dunlop Patents — Chisholm's* p. 303.  
*Petition*, below, p. 280.

(d) Pat. Act, 1883, s. 46, below, (e) Patent Rules, r. 16 A.; below, p. 345.

making of an order may adversely affect many interests that do not appear upon the register. It is quite possible that the importance of this last consideration has not as yet been fully appreciated by those who are administering this law.

Patentee's affidavits.

Notice of opposition.

Patentee's answer.

The patentee after receiving delivery of the copy petition and evidence is required within fourteen days to leave at the Patent Office his affidavits (or statutory declarations) (*e*) in opposition to the petition and to deliver copies to the petitioner (*f*). He is also required to address to the Comptroller of Patents a notice of opposition to the grant of the proposed licence in the official Form I. (*g*). The official notice is purely formal and assigns no grounds of objection to the grant of the licence. In the Levinstein case the patentees adopted the course of putting in an answer in pleading form in addition to the answering affidavits. Such an answer is not required by any rule to be put in nor is there any practice on the point but it affords a very convenient mode of setting out compendiously the patentee's case and also of making in carefully thought out language admissions of those statements of fact in the petition which the respondents may be unwilling or unable to deny. From this point of view the putting in of an answer has so much to recommend it that it is a course which may be confidently adopted in ordinary circumstances.

Notice of opposition by strangers.

See p. 66.

The notice of opposition to the grant of the licence is, as above stated, quite general in its terms and such as can be signed by any person interested, or not interested, in the question (*gg*). In the case of a person who desires to intervene it would appear that notice to that effect should be given at this stage of the proceedings. We have discussed in another connection the right of exclusive licensees and others to intervene and although the present rules do not appear to contemplate such a procedure it is manifest

(*e*) See above, p. 178.

(*f*) P. R. 1890, r. 64, below, p. 346.

(*g*) App. IV., p. 357.

(*gg*) But it is noteworthy that

the official Scale of Fees makes no provision for the payment of a fee upon the lodging of such a notice by any person other than a patentee. See below, p. 348.

that the Board could not properly refuse to allow an interested party to take part in the discussion (*h*). In the absence of any general rules upon the point it must be assumed that the referee has power, acting under authority from the Board, to make regulations in an individual case and this view has been adopted by Mr. W. R. Bousfield sitting as referee (*i*). The arrangement is not quite a convenient one because the intervener may come forward at any point in the proceedings he may therefore be too late to receive attention at the appointment provided for by Rule 62 and it may be necessary to make a special appointment and adopt procedure wholly outside the scope of the existing general rules for the purpose of dealing with his case. This, however, is a matter which the officials of the Board of Trade can arrange when it arises. The one step necessary to be taken by the intending intervener is clearly provided for if not by the rules at least by the officially published forms. He must procure and fill up a notice in the terms of Form I. and must deliver this notice to the comptroller at the Patent Office.

To be delivered at the Patent Office.

See below, p. 357.

The petitioner, within fourteen days of the delivery to him of the patentee's affidavits in answer, must leave at the Patent Office his affidavits (or statutory declaration) (*j*) in reply and must deliver copies to the patentee (*k*). The rule requires such affidavits and declarations to be confined strictly to matters in reply. There is no machinery for taking off the file or disallowing affidavits which offend against the rule. It is conceived, however, that it will be within the discretion of the referee to refuse to consider any matters not properly put forward and that in the absence of machinery enabling the respondents to bring the question of materiality to a decision it is the duty of a

Affidavits in reply.

(*h*) "No rule is more invariable than that a person shall not be prejudiced in any manner without being heard." *Per* Lord Denman, C. J., *Reg. v. JJ. of West Riding*, 7 Ad. & E. 592. See also *Capel v. Child*, 2 Cr. & J. 579, quoted below, p. 195.

(*i*) In *Dunlop Patent—Gormully & Jeffery's Petition*, below, p. 253; and *Dunlop Patents—Wolverhampton Petition*, below, p. 263.

(*j*) See above, p. 178.

(*k*) P. R. 1890, r. 65, below, p. 346.

referee to insist rigidly upon giving full effect to the rule.

Referee's  
further  
report.

The documentary evidence is now closed and the referee makes a further report to the Board upon the question of granting or refusing the licence. If he reports that the matter requires fuller consideration an appointment will be made for the parties to attend before him for the purpose of submitting additional evidence and of arguing their cases. Of this appointment the Board will give the parties notice requiring them to say respectively whether they intend to "appear in person or if not what counsel or patent agent will represent them." The official scheme makes mention in these terms of counsel and patent agents but does not make mention of solicitors (*h*). The omission is probably due to an oversight and it is expressly stated that the scheme as formulated is provisional only. It may no doubt be taken for granted that audience would be given to a solicitor appearing on behalf of his client and it may be surmised that the Board would also accord to any duly authorized officer of a corporation the right to represent the corporation upon such an enquiry if the corporation were not otherwise represented.

Notice of  
hearing.

The hearing.

At the hearing the proceedings follow the ordinary course of arbitration proceedings before a single arbitrator. The petitioner opens his case and leads his evidence subject to cross-examination by the respondent. At the close of the petitioner's case the respondent opens an answering case and leads evidence in answer, subject of course in like manner to cross-examination, and sums up. The petitioner replies. If any new evidence is led by the respondent in respect of which no opportunity of giving countervailing evidence was afforded to the applicant in the cross-examination of the applicant's witnesses the applicant will be allowed to call rebutting evidence.

The right to  
begin.

A very curious question arose and was considerably discussed at the hearing of the Levinstein petition as to

(*h*) See below, p. 349.



whether in these proceedings the patentee was not entitled to open and reply. In support of the contention that he must have such a right reliance was placed upon the supposed analogy of proceedings upon petition for revocation in which proceedings the patentee has by virtue of an express provision in the Patents Act 1883 (l) the right to begin at the hearing. The analogy, even if it could be made out, would not, however, be very convincing for the history of that enactment is somewhat curious and by no means decisive in favour of its soundness in law or expediency in practice. The provision in the Patents Act of 1883 was borrowed from the earlier statute of 1852 and for its justification reference must be made to the state of things at that time existing. At that date the issues of fact raised in *scire facias* were always sent to a jury to be tried and in this practice the Act of 1852 made no change. It is not easy now to ascertain the reasons which prompted the legislature to transfer to the patentee the right to begin which both on principle and as a matter of practice till then obtaining lay with the Crown or rather in effect with the relator. To judge from Hansard's report of the debates all questions of legal procedure were left to one or two lawyers among whom Mr. Roundell Palmer (Lord Selborne) was conspicuous. Mr. Lewis Edmunds in the first edition of his book on Patents (m) assigned as the reason for the change the great advantage which was considered to attach to the right of saying the first word and the last. It does not quite appear whether this is a conjectural explanation or one founded upon any contemporary document and as the passage has been omitted—possibly through pressure upon space—from the second edition of the book it is perhaps of less weight now than when it was originally published. But in any case the explanation is intrinsically probable and it is very clear that there would be an especial reason for assigning importance to the right of opening and reply when the facts were submitted to a

(l) Sect. 26 (7), below. p. 296.

(m) Pages 359, 360.

jury which no longer applied when the facts came to be decided, upon petition, by a judge.

Whether the rule established by the Act of 1852 was ever of the least advantage to a patentee cannot now be determined but it probably was not. Shortly after that date the proceeding by *scire facias* to repeal a patent for a new invention passed wholly into disuse for the officials of the Patent Office—that is to say of the office of the Commissioners of Patents created by that Act—discontinued the practice of enrolling patents (*n*) so that when all the patents had run out which were in existence when the Act came into force the *scire facias* itself became obsolete in this connection since there was no record of the patent upon which to found the writ. It thus happened that long before 1883 there had ceased to be any proceeding available for the repeal of an invalid patent for an invention and there is, so far as I can discover, no reported case of any such repeal under the Act of 1852. A writ of *scire facias* was issued at least in one case *R. v. Hancock* upon which some interlocutory proceedings were had in 1855 (*o*) but the trial would seem not to have been reported. The Legislature therefore in 1883 had no experience to go upon in perpetuating this rule in favour of the patentee and must have blindly followed the abortive precedent of 1852.

Since the year 1883 applications to repeal patents have been more frequent and some three-and-twenty petitions are reported as having come to hearing in the official Reports of patent cases. The reports, however, do not throw much light upon the question whether the privilege of opening and reply is or is not of any value to the patentee. In two of the twenty-three cases the report does not make it appear whether or not the right was exercised. In five of the remaining cases judgment was obtained by consent and in other five by default of appear-

(*n*) This very extraordinary fact is wholly unexplained and so far as I can learn inexplicable. It has

been ascertained by examination of the Patent Rolls.

(*o*) 5 De G. M. & G. 332.

ance on the part of the patentee. In these ten instances therefore the right remained in abeyance and in point of fact the petitioner opened. In four of the cases still remaining the patentee either expressly or tacitly waived the right and in only seven out of the whole number does it appear that the right was insisted upon. This is a sufficiently small result to show as the justification of an enactment that has been for five and forty years in force but even it will wither away upon closer examination. The question is whether the privilege of opening and replying has ever *benefited* the patentee and to that it may be at once replied that in five of the seven cases the patentee derived no material benefit from it for in all these instances the patent was revoked. There remain two cases in which the patentee, opening the proceedings, made a successful resistance to the attack upon his patent. Was his success advanced by the right to open and reply? The reader who desires to determine this question for himself may refer to *Walker's Case* (*p*) and to *Lewis & Stirkler's Case* (*q*). But the broad facts seem to be conclusive on the point. In both cases the issue tried was wholly a question of construction of documents. The petitioner in the first alleged a prior grant to himself and in the second an anticipation by an earlier specification. All that the Court had in either case to do was to compare two printed specifications and come to the conclusion whether the one was or was not distinguishable from the other and in each case the Court consisted of a judge without a jury. To ask the question whether in these circumstances it could make a pennyworth of difference whether the patentee or the petitioner opened the case is to answer it. It may, then, be safely asserted that so far as the law reports and the garnered experience of the Courts afford any ground of inference this curious privilege is of no real advantage to a patentee.

The result then of this experiment is hardly such as to

(*p*) 2 R. P. C. 7.

(*q*) 11 R. P. C. 28.

recommend the practice for extended adoption. Even had it been successful in the circumstances for which it was originally designed those circumstances are so remote from the conditions under which an enquiry at the Board of Trade is held that other considerations would in any case need to be taken into account if the practice were to be transplanted. But in fact the only thing that can be said in its favour is that the right of reply improves the position of a litigant before a jury and that there was a certain rough equity in days when patent rights were regarded with a large measure of jealousy in giving to a patentee, when defending his property before a jury which would probably be disposed to be hypercritical, the benefit of the last word. But before an expert tribunal and in a proceeding in which the effective burden of proof is on the petitioner there is absolutely nothing to be said in favour of a departure from the accustomed rule that he must open on whom the burden of proof lies.

It is a great mistake to imagine that this rule as to the right to open and reply is a mere rule of law. It is in fact a rule of logic. In civil proceedings the Courts in this country do not act *mero motu*. They must be set in motion by some party and they will not conduct their proceedings by way of inquest but by way of trial. That is to say some definite issue or issues must be agreed—joined—between the parties as being the issues upon which the Court has to decide. Not until such issues have been agreed will the Court undertake any investigation. Until that agreement is arrived at the whole procedure is directed to forcing the parties to come to this preliminary accord. How is the necessary pressure exerted? By the simple device of allowing the party who proposes to set the Court in motion to formulate the issue according to his own view of it. This is his statement of his claim. The other party can then accept the issue so tendered or propose a new one. If he accepts it he undertakes to disprove what the complainant alleges as the facts on which he relies.

If he proposes a new issue he thereby admits the facts alleged and denies the inference from them which he may seek to displace either by the establishment of additional facts which put a new colour on the facts admitted or by disputing the legal consequences which the complainant draws from the facts. At this point a trial may take place and it is clear that the agreement arrived at out of Court will have fettered both parties. The complainant is committed to his allegations of fact and the defendant to his admissions of fact or counter allegations as the case may be. Upon the admitted facts if nothing more be proved the Court will grant or refuse relief as the case may be. But the decision so arrived at would be unsatisfactory to one party or the other. Then the dissatisfied party must prove a case not made out by the admitted facts and to this end must lead evidence upon the disputed points. To that party the right of opening necessarily falls. For no headway can possibly be made with the enquiry until this point is reached. The other party may in fact be heard to deal in argument or even by rebutting evidence with the case which it is supposed that the dissatisfied party will afterwards set up. But such inverted procedure is practically very inconvenient and liable to be little better than a waste of time. The evidence which it is intended to rebut may when it comes to be adduced break down of itself or it may prove to be different from what it was expected to be and to call for rebutting evidence of a different character from that which was given by anticipation. Consequently an answer propounded in advance of the case which it is intended to meet does not of necessity or even with any reasonable certainty get rid of a subsequent answer to be formulated when the case is fully known and formally stated. In other words anything interposed in advance of the opening of his case by that party who would be dissatisfied with a judgment upon the pleadings is little if any better than a waste of time and attention.

The foregoing amounts, it is believed, to a statement in general terms of the rule followed in the Supreme Court as to the right to open (r) but it has been stated in general terms because there is nothing which does not apply equally to a hearing at the Board of Trade or indeed to the orderly discussion before any tribunal proceeding in the way of trial of a litigated question. The whole matter turns upon the question "How is the real point in dispute to be brought most clearly and with the least delay to the knowledge of the tribunal which will have to decide it?" In an enquiry at the Board of Trade the issues are apt to be a little obscured for want of pleadings. The respondent, as we have seen, is under no obligation to put in an answer apart from his affidavits and his affidavits are naturally directed rather to proving his case than to formulating it. The task then of picking out the issues to be tried is by so much the more difficult as it has to be performed with the help of evidence and not of pleadings and this circumstance lends special importance to the opening statement of counsel. It affords therefore an additional reason for adhering to the logical and practically convenient course of calling upon the applicant to begin and certainly affords no encouragement to the suggestion that the fanciful rule which inverts the usual procedure in the case of a petition for revocation should be extended to the present case.

The right of  
general reply.

The right to open carries with it the right of general reply. For it is impossible to confine the party who makes answer to matter in reply to the case made against him. He must have a free hand to set up countervailing rights on his own part. For example, if a plaintiff proves a debt the defendant cannot be debarred from admitting the debt and setting up the new fact of payment as an answer. Nor again, if any such answer is set up can the

(r) See on this subject *Homan v. Thompson*, 6 Car. & P. 717; *Kino v. Rudkin*, 6 C. D. 163; 3 Chitty,

Gen. Practice, 3rd ed. 744; Starkie on Evidence, 4th ed. 595; R. S. C., O. 36, rr. 31—39, below, p. 336.

plaintiff be prevented from replying with evidence in denial of the alleged payment. These three elements of the discussion; opening, answer and reply; must be admitted and the only use of rules of procedure is to bring them out as orderly and as briefly as possible. Rules may assist the discussion or they may impede it but there can be no discussion at all unless each party has a full opportunity of opening his own case and of replying to that set up by his adversary. The first opening statement may be no more than opening *i.e.* in no sense a reply and therefore a special opportunity of reply must be accorded to the party who opens first. But the answer is or should be both opening and reply in one;—reply so far as the first opening is concerned, opening so far as those matters are concerned which formed no part of the first party's case. Thus the three elements of opening, answer and reply are not only indispensable to an effective discussion but they are sufficient. Of course it may happen that, through lack of skill or force of circumstances, new matter may be opened in the course of a reply and the Court may think proper to admit the new matter so introduced. Then, equally of course, a right of further reply accrues to the party making answer which may be compared to the right of rejoinder that, in an analogous case, accrues in pleading to a party defendant. But this is an exceptional case and does not in the least affect the principle involved which is that for a full and effective discussion it is necessary that each party should have an opportunity of freely stating his own case and of fully replying to his opponent. In most cases it is not necessary, if the discussion be conducted with competent skill, that either party should have more than one opportunity of opening or more than one opportunity of replying. Hence the routine adopted as the result of long practice in the Courts of law can on theoretical grounds of the highest generality be justified as being both necessary and sufficient for the end in view.

The question which has just been considered at some length has been in fact resolved, so far as it has been

resolved at all, in the sense here indicated but as the practice can hardly yet be considered to be unalterably settled and as an idea seems to be very prevalent that a patentee should for all purposes be regarded as a privileged person it is perhaps not improper that these materials should be collected here with a view to a possible further discussion of the question (r).

Reading the affidavits.

The course of procedure having been settled and the petitioner's case opened a question very naturally arises. What is to be done with the evidence already given on affidavit? Is it or is it not to be considered as being in? The answer seems to be that it is in. It is obvious that this is the only sound rule, for the evidence given by affidavit is not given *de bene esse* but is considered when given and before the hearing by the referee who takes the evidence and reports upon it to the Board. It has therefore already affected his mind and should accordingly be treated as part of the proceedings. Moreover the adverse party may have prepared his evidence with the evidence given by his antagonist in view and is clearly entitled to rely upon any fact so proved which he can turn to account for his own purposes. It would be extremely unfair in such circumstances to make his right to use the evidence dependent upon the election of his adversary to put it in or not and the existence of a doubt upon this point could only serve to aggravate the expense of preparing a case for hearing.

Cross-examination to affidavits.

There is however one difficulty connected with the use of affidavits at the hearing which cannot in the existing state of the law be satisfactorily met. There is no power at the Board of Trade to order a deponent to attend for cross-examination. Now oral evidence which has passed the test of cross-examination is entitled to so much higher credit than evidence not cross-examined to, contained in an affidavit carefully drafted, and probably

(r) The practice is much more settled now than when the preceding passage was written and in the sense here contended for.



settled by counsel, that it is not possible to admit the written evidence upon any point in dispute under these conditions upon an equal footing with oral testimony. The difficulty is surmounted in the High Court procedure by the rules which provide for compelling the attendance for cross-examination of any person who has given evidence upon affidavit (*s*). The Board of Trade cannot, of course, order a witness to appear for cross-examination or for any other purpose but it is conceived that the Board has full authority to make a rule in the sense of Order 38, r. 28 of the High Court Rules which reads as follows:—

When the evidence is taken by affidavit, any party desiring to cross-examine a deponent who has made an affidavit filed on behalf of the opposite party may serve upon the party by whom such affidavit has been filed a notice in writing, requiring the production of the deponent for cross-examination at the trial, such notice to be served at any time before the expiration of fourteen days next after the end of the time allowed for filing affidavits in reply, or within such time as in any case the Court or a judge may specially appoint; and unless such deponent is produced accordingly, his affidavit shall not be used as evidence unless by the special leave of the Court or a judge. The party producing such deponent for cross-examination shall not be entitled to demand the expenses thereof in the first instance from the party requiring such production.

Even apart from rule it is probably the duty of the referee to deal with the evidence given by affidavit on this principle. He cannot indeed refuse to read it since he must read it for the purpose of his preliminary report as to the necessity for the taking of oral testimony. But he can and should exclude it from his final report if the party tendering the evidence in this form refuses to afford

(*s*) R. S. C., O. 37, r. 20; O. 38, rr. 1 and 28, below, pp. 328—332.

facilities for cross-examination unless in a case such as that provided for in the High Court rule in which special leave to read the affidavit would be accorded by a judge. The High Court rule, as it stands, is probably not quite well adapted to the circumstances of proceedings at the Board of Trade for it would be very unsatisfactory in a case in which a hearing was assigned for the taking of oral testimony to appoint any other time and place than the hearing for the purpose of cross-examination. This, however, is a line of comment which must not be followed in this place since it has reference rather to the discussion of amendments of the existing practice than to the description of what that practice actually is.

The foregoing remarks apply even in the case in which a witness who has made an affidavit is called at the hearing to give oral testimony. And therefore it may be inferred that it is not necessary in such a case to ask the witness to repeat by word of mouth what he has already put into his affidavit. The fact of his having made the affidavit is not considered to be any objection to his being so called at the hearing and it is conceived that no objection to his oral evidence could be based upon this ground. This view has in fact been acted upon in the hearings already held at the Board of Trade.

**Adjournment.** The referee has the same power as an arbitrator to adjourn the proceedings from time to time and when the evidence is completed he makes his report in writing to the Board.

**Shorthand note.**

The Board of Trade has made it a rule to have the proceedings before the referee taken down in shorthand and printed *in extenso*. The parties are supplied with copies of the print upon the condition of sharing the expense of producing it which thus falls in third shares each upon the two parties and the Board.

**The referee's final report.**

The referee's report is treated by the Board as a private document and is not communicated to the parties. But it is understood that the report is considered at the Board of

Trade and that the authority conferred by Parliament upon the Board or its president, secretary or assistant secretary by the statute is not, even as a matter of practice, delegated to the referee. The extent to which the decision of the president, or as the case may be, of the assistant secretary, will be influenced by the opinion of the referee, as expressed in his report, will no doubt depend very largely upon personal considerations. But in any case the parties to the application receive the result only in the shape of a formal notification from the office of the Board. The decision.

No explanation has as yet been officially given of this curious procedure: but it may probably be traced to a desire on the part of the officials to accumulate experience in dealing with these matters before admitting the public to their confidence. The practice causes great and very natural dissatisfaction to parties interested who are accustomed in the Courts of justice to see the entire operation of arriving at a determination of rights conducted with the fullest publicity. The idea of committing the decision of litigated issues to a judge who has not heard the parties or the evidence and who is entrenched in the seclusion of an office is so repugnant to the most rooted convictions and established practice obtaining in this country in relation to the administration of justice that although it is at this moment adopted in the procedure of the Board of Trade it may be confidently anticipated that it will not long withstand the criticism to which it will certainly be exposed. Incidentally it has caused a very curious anomaly in the way of reporting these proceedings, for the department has adopted the course of giving in the official Reports of Patent Cases so much of the proceedings as takes place in the presence of the parties together with the formal decision issued by the Board. As the referee always, and indeed of necessity, takes part in the discussions which arise at the hearing his *obiter dicta* are reported with due or it may be overdue solemnity whereas his considered report is jealously suppressed. Reporting.

The procedure  
discussed.

It may be hoped that the authorities will shortly perceive the great improvement that would result from bringing their procedure into harmony with the traditions of our judicial practice. No method of adjudicating upon disputed rights could be more unsatisfactory—considered as a method—than that which has actually resulted from the provisions of the Act and by which the decision of the litigated questions is left in the hands of an officer who does not see the witnesses or hear the argument but makes up his mind by the light of a shorthand note and with the assistance of a report which the parties are not allowed to see. Such a proceeding behind closed doors is unsatisfactory from every point of view. It deprives the officers of the Board of assistance which judges of the High Court find in similar cases to be indispensably important to the due administration of justice. It places the referee in a position of great difficulty. He is made responsible to public and professional opinion for all his *obiter dicta* but denied the opportunity of laying down the law in a full and considered review of the whole case and it is obviously most unsatisfactory to the litigating parties who see themselves deprived not only of recourse to the Courts of law for the defence of their rights but also of that security for the due administration of the law by the special tribunal entrusted with it which results from the publicity—including full reporting—of its proceedings.

It may seem that the foregoing observations pertain too much to the domain of criticism to be completely in place here and to that opinion the author would himself subscribe if there were not a special and imperious reason for an exposition of views as well as of practice in this place. But the simple fact is that the practice here sketched and criticised is so manifestly defective that the barest statement of it reads like a diatribe and it might easily be supposed that the author who should be content to leave his account of it in the form of mere exposition was actuated by an intention to write of it in a sarcastic vein.

This is not a point upon which opinions will differ nor is it one about which the interested public will be contentedly apathetic. No one who has taken part in these proceedings can be unaware of the great dissatisfaction which prevails at the division of responsibility between the referee and the Board or the strong distrust which all persons interested feel of the secret tribunal. In such a case it would be mere pedantry, and pedantry tinged with bad taste, to abstain from expressing an opinion which even in spite of all possible circumspection on the writer's part would of necessity betray itself.

The order when made may be enforced by what is equivocally called "mandamus" in the Act of Parliament but this need not be here considered since it opens questions so numerous and of such difficulty that it has seemed expedient to devote a separate chapter to their discussion.

Enforcement of the order. See above, p. 135.

The foregoing considerations show that there are grave objections to the course of proceeding adopted at the Board of Trade even on the assumption that it is within the competence of the Board to proceed in this way. But its competence to do so may well be questioned. It is "a common principle in every case which has in itself the character of a judicial proceeding that the party against whom the judgment is to operate should have an opportunity of being heard" (t). So stringently has this doctrine been laid down by the English Courts that if any one delivers judgment without hearing one of the parties even although the judgment be correct the judge is unjust (u). And this requirement of the law is not satisfied by sending the parties before a deputy and affording them an opportunity of being heard by him. This is a case in which the maxim *delegatus non potest delegare* applies (x). The special tribunal may delegate its ministerial but not

Is the procedure regular?

(t) *Capel v. Child*, 2 Cr. & J. 579. See also *Reg. v. JJ. of West Riding*, 7 Ad. & E. 592. C. B. N. S. 416; *In re Hammer-smith Rentcharge*, 4 Exch. 97.

(u) *Bagg's Case*, 11 Rep. 99 a. See also *Re Brook & Delcomyn*, 16 (x) Russell on Arbitrations, 7th ed., p. 207.

any judicial functions (*y*) and from this it seems to follow that the law is embodied in the very language of Erle C. J. in *Brook v. Delcomyn* and that in conformity with "one of the first principles of justice the tribunal which is to decide must hear both sides and give both an opportunity of hearing the evidence upon which the decision is to turn" (*z*). It is difficult to justify by this rule either the withdrawal from the hearing of the representative of the Board or the concealment from the parties of the referee's report which forms, presumably, the principal item in the evidence upon which the Board proceeds.

These criticisms relate to the course of procedure described in the preceding pages, a procedure which has now been followed upon several occasions, but is not in any other sense a settled course of procedure. It is, of course, competent to any party to ask for a hearing by the Board and it is conceived that this course would be the proper course for any applicant or patentee to take who desired to secure such a hearing. It might well be contended that however open to criticism the procedure may be it is the duty of any party objecting to it to give notice of his objection and not to suffer the whole proceeding to go through upon a misunderstanding (*a*). This view is the more reasonable because it is difficult to suppose that the parties would not, generally speaking, be as well content to accept the decision of the referee appointed by the Board of Trade as of the secretary or of the assistant secretary of the Board if the referee were invested with jurisdiction to decide the cases that he hears. If his report were the real decision and its adoption by the Board a matter of course it is probable that the public would be as well satisfied as they would if the president or secretary of the Board sat personally to hear their causes. The care and judgment of the Board in selecting referees has never been

Acquiescence  
of parties.

(*y*) *Eastern Counties Rail. Co. v. Eastern Union Rail. Co.*, 3 De G. J. & S. 610.

(*z*) 16 C. B. N. S. 416. See above, p. 109, n. (*e*).

(*a*) *Bignall v. Gale*, 2 M. & G. 830.

called in question. The whole ground of dissatisfaction is that A. hears and B. decides under the existing arrangement. This is in theory a very formidable objection indeed to the jurisdiction. But it is an objection which ought in fairness to be taken in face of the tribunal and at a stage in the proceedings at which it can be considered with good effect. There are many advantages, even in spite of its manifest shortcomings, in the present practice. Parties who insisted upon being heard by one of the three or four officers of the Board invested with power to act in its name would probably not get so prompt a hearing, most likely not so thorough a hearing and undoubtedly not so patient a hearing as under the practice now in question. Is it an unreasonable thing to suppose that in consideration of these advantages an applicant or a patentee has waived his right—if entitled he be—to require the personal attendance at the hearing of the representative of the Board? (*b*).

Advantages  
of the present  
practice.

Even if it be possible to contend that mere acquiescence is not a waiver of the right at least it cannot be doubted that the earliest moment is the right moment for launching an objection of this kind and that a party to one of these enquiries who should keep it in reserve would not only be guilty of treating his opponent with gross unfairness but would also incur a very serious risk of losing the benefit of his objection when the time came for insisting upon it. He would certainly be met with the rebuke of Taunton J. in *Re Tunno* "You lie by and take the chance of an award and when disappointed come to the Court to set it aside for the non-reception of evidence which the umpire was never required to hear" (*c*). The force of this argument would be in no wise diminished if the objection alleged were, instead of the non-reception of evidence, the non-attendance of the person having authority

Time for  
objecting to  
the procedure.

(*b*) See *Clout v. Met. & Dist. Rail. Co.*, 46 L. T. 142; *Hall v. Lawrence*, 4 T. R. 589; *Mills v. Bowyers*, 3

K. & J. 71; *Hawsorth v. Brammall*, 5 M. & Cr. 296.  
(*c*) 5 B. & Ad. 494.

to decide for by the arrangements made by the Board of Trade that official has both evidence and arguments laid before him in printed form and can attend to them if minded so to do. It would surely be as forcible an *argumentum ad hominem* to say; You did not require the arbitrator to attend in person; as to say; You did not require him to take this piece of material evidence.

On the other hand it would seem that a party can lodge his protest and nevertheless attend and take part in the proceedings under protest without forfeiting the benefit of a right to attack the jurisdiction or the regularity of the proceedings (*d*).

Official  
scheme of  
procedure.

A scheme of procedure understood to be provisional has been issued from the office of the Board of Trade and will be found in an Appendix below. (See Appendix III., p. 349.)

(*d*) *Davies v. Price*, 11 L. T. N. S. 204; *Ringland v. Lowndes*, 17 C. B. N. S. 527.



## CHAPTER IX.

## PRACTICAL SUGGESTIONS.

*Who should petition; the patent action criterion—Does an injunction bar the application?—Saving the applicant's rights in a patent action—Cases suitable for the remedy—Criteria—Public demand not indispensable—An offer to supply by the patentee—The promotion of British industries—Private interests—Is there an existing prior grant?—The presentation of the petitioner's case—Be precise and conciliatory—The merit of a fair proposal—Worthlessness of technical points to a petitioner—A detailed proposal—Registration of the licence—Resistance to the petition—Objections to the jurisdiction—Attendance under protest—Prohibition.*

It is not intended in this chapter to put forward any suggestions for the amendment of the law or the improvement of the procedure under which applications for compulsory licences come under consideration. Many suggestions of that kind have presented themselves; have, so to speak, floated to the surface of the discussion at several points in the foregoing pages but even if the present writer felt equal to the task of landing them that operation is one which would demand another and better opportunity than offers here and now. The lesser and in a more special sense the practical considerations of when and how to apply for a compulsory licence or to resist the application are now proposed for discussion.

It is obvious to remark that nobody needs to trouble about a compulsory licence unless he has reason to apprehend a patent action or the enforcement against himself Who should petition.

The patent  
action  
criterion.

of patent rights in some other form. The number of dormant patents and of patents which for one reason or another cannot be enforced is so large that no tradesman needs to feel greatly concerned at the mere terms of a patent grant however nearly they may touch his own trade. The strongest patent will do no harm if it be held in weak hands and in this, as indeed in most other cases, it is a sound practical rule to let sleeping dogs lie.

Does an  
injunction  
bar the appli-  
cation?

On the other hand the commencement of a patent action and even the existence of an injunction against the applicant appears to be no bar to proceedings to obtain a licence. Thus in the *Incandescent Patent Continental Gluhlicht Petition* the respondents commenced an action for infringement against the petitioners, apparently with the object of defeating the petition, and then contended at the hearing that the Board of Trade proceedings should stand adjourned to await the result of the action. The hearing proceeded, but the referee—Mr. R. W. Wallace Q.C.—appears to have expressed an opinion that the order of the dates of the application and of the writ were important, implying apparently that if the application had been made after action brought it might have been necessary to defer the consideration of it until the action had been decided (a). The ground of this conclusion, if conclusion it were, does not appear and the later case of *Re Dunlop Patent—Gormully & Jeffery Petition* seems to have made the view of the Board of Trade clearer. In that case an action had taken place between the parties and an injunction had issued restraining the petitioners from infringing the patents in question. It was therefore a strong thing to say that in these circumstances the patentee had committed any default by refusing to licence the use of his patented invention for the purposes of the petitioner's manufacture. The Board of Trade was, however, apparently prepared to take the view that the

(a) 15 R. P. C. 720, and below, p. 218.

patentee, notwithstanding his judgment, was in default in the sense of sect. 22, for the granting of the injunction was duly set out in the petition and, this notwithstanding, the petitioner was treated as having made out a *prima facie* case and was accorded an appointment for the hearing of oral evidence and argument (*b*). It should, however, be added that no order was made in this case and the case itself was not fully argued out. It therefore is not decisive even of the view of the Board of Trade upon the point and it, of course, does not throw any light upon the equally important question whether the Courts would issue a mandamus which must incidentally have the effect of dissolving an injunction.

It is submitted, however, that the view which gives jurisdiction to the Board notwithstanding the injunction is the correct view of the statute. If default really means, as is above contended, the stinting of the use of the invention then the patentee committed a default as soon as he refused, on reasonable terms, to relax the stringency of his injunction. The injunction, indeed, does not extend the patent right. It is a remedy merely not a new grant of privilege and should not therefore be allowed in any way to complicate proceedings at the Board of Trade.

See above,  
pp. 27, 39.

It was suggested in *Monopolies by Patents* that in order to get rid of any difficulty from this source it would be a proper course in a suitable case to mould the injunction granted in a successful action for infringement into such a form that it would save the defendant's right, if any, of recourse to the Board of Trade. In further elaboration of this suggestion it was indicated that the point should be taken in pleading in order that it might not be said at the trial that it took the plaintiff by surprise and a form of plea was proposed to serve the purpose (*c*). An alternative defence in this form has since the publication of that book been twice put upon the record in patent actions on

Saving the  
applicant's  
rights in a  
patent action.

(*b*) Below, p. 250.

(*c*) *Monopolies by Patents*, p. 153.

the Chancery side and in each case the plaintiff succeeded before the judge in chambers upon an application to strike it out. It is not often possible to assign the grounds of a decision given in chambers and in these cases no reason was given, the judge remarking only in the first case that the point could be raised at the trial without pleading and in the second case that it had served its purpose of giving the plaintiff notice of the defendant's contention and could now be dispensed with. The judge in the second case was informed that the judge in the first case had struck the paragraph out. These assigned reasons do not seem to be sufficient grounds for striking out a pleading but as in each case the judge to whom the cause was assigned intimated that the point would be open for whatever it was worth at the trial the defendants were advised that no practical advantage would be gained by appealing. Both actions were eventually settled out of Court. The matter thus rests in a very unsatisfactory position and must so remain until some litigant carries the point to appeal. While so much doubt remains as to what view the Board may ultimately take concerning the effect of an injunction, and further what view the Court may take if asked to issue a mandamus to enforce an order of the Board made in spite of an injunction, it is certainly a matter of great moment, as a precaution, to have the right of recourse to the Board under sect. 22 saved to the defendant by the terms of the injunction. If the injunction is to be moulded in this way, then it is conceived that the only safe course is to plead the section. There is obviously great risk that the pleader may experience the annoyance of having his pleading struck out in chambers but if the same view is taken by judges in future as by the two judges above mentioned the annoyance will end with the pleader and the litigant will get the substantial benefit of having given his adversary notice of this branch of his defence.

The cases in which it is advisable to apply to the Board

of Trade are chiefly those in which a large capital actually embarked or about to be embarked in some given industry is seriously threatened by patent rights. Unless the interest threatened is of considerable value it can hardly be worth while to undertake its defence by this procedure which, as matters stand, involves serious expense fully comparable to the expense of a patent action. This however is a consideration to which it is not possible to assign definite importance. The reasons which go to show that the present costliness of the proceedings is abnormal are developed in another chapter and they tend to show also that this hindrance to the usefulness of the remedy will probably grow less with time. On this point therefore no book lore can be of any real service since only the latest experience counts for the formation of an opinion.

Cases suitable for the remedy.

See above, p. 14.

But, assuming an interest of sufficient importance to be imperilled, two very distinct cases present themselves.

1. The case in which the capital expenditure has been incurred.
2. The case in which the capital expenditure is contemplated.

The first is a simple case; simple, that is to say, for the purposes of discussion. If the interest be large enough, the capital actually sunk and the threat sufficiently serious, then there cannot be a doubt as to the expediency of making the application. The difficulty here is to determine when the interest involved is large enough and how serious is the threat in question. And upon these points, eminently matters of judgment, no general propositions can be helpful.

But the second class of cases may with advantage be subdivided for the purposes of criticism and without any claim to systematic completeness the following questions will serve perhaps to indicate the main points to which attention should be directed.

Criterion.

1. Is any public interest apart from and additional to the private interest of the applicant involved, to

- its advantage or to its detriment, with the grant of the licence ?
2. Has the patentee been guilty of any flagrant default ?
  3. Will the proposed licence result in a new industry or will it only facilitate the carrying on of an industry already existing ?
  4. Will the licensed trade compete or not with the patentee's trade or tend directly, or indirectly, to cut down his profit derivable from the invention ?
  5. What are the magnitudes, absolutely and in relation to one another, of the various interests liable to be affected by the grant of the licence ?
  6. Can the practical result desired be attained in any other way ; as, for example, by the supply of manufactured goods ; which will occasion less disturbance than a licence to the patentee's subsisting trade arrangements ?

Public  
demand not  
indispensable.

All the foregoing are matters which should be carefully considered by any proposing applicant for a compulsory licence seeing that they are matters of serious consideration at the Board of Trade. Yet no one of them is likely to be decisive. Thus a public demand for the licensed manufacture is an immense help to the argument but the terms of Clause (c) prove that it is not indispensable and that in a proper case an order may be made simply to secure to the possessor of a subordinate invention the benefit of using it to the best advantage. So again the flagrancy of the patentee's default may be a matter of great consequence in the adjustment of the terms upon which the licence shall be granted but the least default serves to found the jurisdiction and, seemingly, to set the Board in motion (*d*). The course of the discussion in the *Gormully & Jeffery* application showed how very unwilling the Board is likely to be to promote unnecessary competition

(*d*) *Re Dunlop Co.'s Patent, Gormully & Jeffery's Petition*, below, p. 259.

with a patentee's established business but the result of the *Hulton & Bleakley Petition* shows that no competition can be too severe if warranted by the circumstances in which the licence is asked for (*e*) and in the *Levinstein Case* the terms of the licence were actually adjusted with a view to enabling the licensees to compete with the patentees—a German firm manufacturing in a country in which they were not protected by a local patent—in the open markets of the world (*f*).

So with the other points brought under notice in these questions. They are all considerable but not crucial. Even the prospect of being met with an offer to supply manufactured goods—if the manufacture is in question—need not be a reason for refraining from applying. A petition may prove to be a very efficient instrument of negotiation with a view to such an offer. And even if the offer itself be much less acceptable than a licence it may be worth the trouble of getting in this way. Thus, the question of having recourse to this remedy is complicated by numerous issues and will in most cases be one to which no written rules can have any decisive application. Broad principles, applied with such judgment as the adviser can bring to bear upon their application, must be the determining factors.

An offer to supply by the patentee.

In these circumstances it becomes a matter of great importance to gauge the feeling of the Board of Trade. Upon this point the following general observations are hazarded not as being in any sense authorised or authoritative for they are in fact entirely destitute of the least shred or colour of authority but as being the writer's impressions derived from a somewhat careful following of the proceedings so far taken under the new powers.

The Board of Trade, according to this view, is greatly and even anxiously concerned to make the new jurisdiction

The promotion of British industries.

(*e*) 15 R. P. C. 749, and below, p. 246.

(*f*) *Meister Lucius' Patents—Levinstein's Petition*, below, p. 232.

a success and in particular to make it promotive of the growth of British manufactures. Where British manufactures are seriously handicapped in competition with foreign manufactures so that they languish by reason of the mischievous operation of British patent rights, in such a case the Board of Trade will exert its full powers to correct the mischief. This is probably from the official point of view the ideal case for the Board's intervention. It is not a little curious that of the half dozen petitions already presented two should have been presented by foreigners. In one of these cases the petitioners made no proposal whatever to establish manufactures in this country. At first they admittedly demanded such a licence as would have enabled them to import and sell goods manufactured in America and to the extent of their success under the licence to displace British manufactures. This was a very bold proposition, far too bold to be persisted in, for an undertaking to set up the manufacture in this country was tendered in the course of the hearing. With the original proposal the Board could have had no sympathy whatever and indeed it represents the very opposite of the practical result which the Board keeps in view. To promote the introduction of manufactures into this country and to do that with the least possible disturbance of existing arrangements are the two main public objects at which the administration aims. An application framed to secure these objects will be sure of a favourable reception.

Private  
interests.

But the Board is not insensible to the claims of private persons to consideration. The clause (c) of the section which recognises these claims is probably regarded by the Board as difficult to interpret in the form of working rules but there is no reason to think that it will be disposed to ignore or even to minimise the jurisdiction so created. The Hulton and Bleakley order (f) was in a large measure

(f) 15 R. P. C. 719, below, p. 243.



a concession to private interests although it was not made upon that ground. On the contrary it was expressly grounded on Clause (b) and justified by proof that the public would, by reason of the order, obtain in increased measure the supply of their reasonable requirements with regard to the invention. Still there was private interest involved. A newspaper proprietor was prejudiced by the competition of improved printing machinery and this was felt to be an unfair use of patent rights. The case cannot be quoted as an instance of the readiness of the Board to recognise rights of this description and yet it serves, and even in a marked degree, to produce the impression that the Board is quite alive to them.

Assuming the case to be in its nature a fitting case for the application of the new remedy a serious question will arise as to the validity and priority of the patent under which it is proposed to take a licence. The licensee, according to a well-known rule, will be estopped during the continuance of his licence from disputing the validity of the patent. It is therefore a matter of some consequence to him to satisfy himself before entering into such a contract that the patent is really valid since otherwise it may pay him better to set the patentee at defiance. This, however, is an obvious point and need not be insisted upon. What is a little more remote from the customary line of enquiry is the question whether the patent in question confers an uncontrollable right to exercise the invention or is itself subject to some other patent of earlier date. It is clear that if the applicant is incautious enough to take a licence under a subordinate patent he may find himself compelled later on to deal with the owner of a master patent on very disadvantageous terms. It should therefore be a fixed rule in all these cases to ascertain before launching the petition that the patent in question is not only good in law but also uncontrolled by any other patent right. If it be found to be subject to a paramount grant that fact

Is there an existing prior grant?

must have a most material bearing upon the terms to be imposed and should at least be brought to the notice of the Board when the rate of royalty and other terms of the licence come under discussion. The question of prior grant is one that can be settled by a search at the Patent Office and involves in fact a much less extended examination of the file than the search for anticipations. It is not therefore a matter presenting any difficulty but it is a point of great importance which, for the reason above mentioned of its lying somewhat apart from the beaten track of enquiries concerning patents, is probably liable in an especial degree to be overlooked.

Passing now from the consideration of what circumstances call for the remedy we propose to deal next, still in general terms, with the question how should the application be put forward?

The presenta-  
tion of the  
petitioner's  
case.

The foregoing description of the procedure prescribed by rule and of that actually followed in these enquiries will have conveyed to the reader's mind an impression that the effective rule is "go as you please." In particular it is quite possible to be extremely vague in making an application as to the terms which it is proposed to offer. In point of fact the petitions so far presented have, with the single exception of the Levinstein petition, left the terms and conditions of the licence entirely undefined. Is this a wise course to pursue? Should the pleader leave the matter as much as possible at large or should he narrow the issues as much as possible? It is submitted with great respect to what appears to be the prevalent notion that the wiser course by far is to be as precise and as conciliatory as possible in putting forward the demand. Do not labour the default too much—the Board of Trade is not going to punish it. If the licence promises to work well a very little default will suffice to found the jurisdiction and beyond that the default should only be laboured with a view to influencing the terms of the order. If

Be precise  
and  
conciliatory.

the allegation of default is overcharged it may influence them in a sense that would afford no satisfaction to the applicant.

Similarly it is unwise to attempt to drive too hard a bargain at the Board of Trade. It should be borne in mind that the person actually deciding will decide very much in the dark. Even the referee will probably feel no little doubt and difficulty as to the exact determination of royalty rates and saving clauses. The battle is much more than half won if he is satisfied that the one party is a reasonable person, honestly intending to make a fair bargain. In that case not only will he pay the greater heed to evidence put forward by the party who has won his confidence but he will also rely to a greater or less degree upon the proposals put forward by that party and when his own opinion wavers he will look for guidance in that direction. This may easily become in the end an advantage of capital importance. And the advantage which results from a display of candour and moderation can be secured by the applicant in these proceedings absolutely free of cost. Save upon the point of jurisdiction there is no value at the Board of Trade in mere technical points. Now the applicant never wants to take an objection to the jurisdiction. He therefore has nothing whatever to gain by being circumspect and astute. Indeed the highest astuteness on his part will be to find out at first what will be absolutely fair between himself and his antagonist and to ask for that. If the referee comes, after a more or less prolonged discussion, to the conclusion that the order must in substance be what the applicant asked for from the first he will probably argue from the substance to the details and adopt them largely upon the applicant's authority. The tribunal is wholly unlike a Court of Law and must be dealt with accordingly. Its decisions are in a very preponderating measure the results of discretion, scarcely at all of fixed rules. The argument

The merit of a fair proposal.

See above, p. 91.

Worthlessness of technical points to a petitioner.

must consequently be *argumentum ad hominem* and the best argument of that sort is one that convinces the Court of the perfect *bona fides* of the applicant.

A detailed proposal.

For the same reason it is a judicious course to make the proposal laid before the Board as precise and complete in all its details as possible. A detailed scheme "looks like business." But there is an additional reason for such fulness of detail. It has been shewn above in the examination of the form of licence which has been actually adopted by the Board that this form is very imperfect even to the point of being probably unworkable save under very favourable conditions. It behoves an applicant who desires to obtain an effectual order to afford all the assistance that he can to the Board in the settlement of its terms. This, however, is a point which need not be here pursued since it has been fully dealt with above in the discussion of the form of order.

See above, p. 130.

Registration of the licence.

The applicant, if he succeeds and obtains a licence, should take care to have it duly registered at the Patent Office.

Resistance to the petition.

Turning now to consider how such an application should be resisted we arrive at conclusions in striking contrast with those already reached. In the first place it is not possible to dismiss technical arguments with easy depreciation. They may prove to be of capital importance if they bear upon the question of jurisdiction. Arguments under that head and objections on the score of irregularity are addressed less to the Board which makes the order than to the Court which can alone enforce it. Any such objection should, however, be taken since it may otherwise be held to have been waived (*g*). It is conceived that if the objection be submitted at the proper time the objecting party may nevertheless continue to attend the proceedings and to assist at the enquiry under protest (*h*).

Objections to the jurisdiction, &c.

See above, p. 195.

Attendance under protest.

See above, p. 198.

(*g*) *Bignall v. Gale*, 2 M. & G. 203; *Ringland v. Lowndes*, 17 C. B. 830. See above, p. 197. N. S. 514; *Sheanath v. Rannath*, 35 L. J. P. C. 1.  
 (*h*) *Davies v. Price*, 11 L. T. N. S.

Beside taking and reserving his objections to the jurisdiction the respondent can probably obtain a prohibition from the High Court to prevent the Board from exceeding its jurisdiction. The question is not free from difficulty. In the first place a doubt may arise as to whether the power of prohibition extends to a committee of the Privy Council. This question was much discussed in *Martin v. Mackonochie* (i) and in *Mackonochie v. Lord Penzance* (k). Opinions differed greatly but upon the whole perhaps the preponderating opinion was that even the Judicial Committee of the Privy Council could in a proper case be prohibited (l). However doubtful this view may be it would probably be found that, having regard to the way in which the jurisdiction conferred upon the Privy Council is actually administered, the Court would brush aside as a fiction the superlative dignity of the tribunal to which the Act of Parliament has committed these interests and treat it as a special Court of limited jurisdiction. In that case the Court may not improbably adopt the view expressed by Brett L. J. in *Reg. v. Local Government Board* (m) that the Court should "not be chary of exercising" the power of prohibition "and that wherever the Legislature "entrusts to any body of persons other than to the "superior Courts the power of imposing an obligation "upon individuals the Courts ought to exercise as widely "as they can the power of controlling those bodies of "persons if those persons admittedly attempt to exercise "powers beyond the powers given to them by Act of "Parliament." It is a point not to be lost sight of in arguing for a prohibition that in this case there is no

See above,  
p. 49.

(i) 3 Q. B. D. 731; 4 Q. B. D. 697.

(k) 6 A. C. 424.

(l) See the opinion of Cockburn, C. J., at 3 Q. B. D. 749, and of Lord Blackburn, 6 A. C. 447, 452, and on the other hand the observa-

tions of Thesiger, L. J., 4 Q. B. D. 722, adopted by Lord Cairns at 6 A. C. 440, and the opinion of Brett, L. J., at 4 Q. B. D. 755, and of Cotton, L. J., *ibid.* 741, and of Coleridge, C. J., *ibid.* 783.

(m) 10 Q. B. D. 321.

See above,  
pp. 4 and 14.

appeal. This is undoubtedly, as has been already pointed out, a serious defect in the new machinery (*n*) and it has a special bearing upon the granting of prohibition because the greatest difficulty in discussing the right to prohibition has usually been to draw a clear distinction between matters which are properly ground of prohibition and those which can be dealt with by a Court of Appeal (*o*). In this case no such difficulty arises and the absence of any control by a Court of Appeal may perhaps afford an argument for the more liberal construction of the power to prohibit as applied to the present case.

(*n*) See the observation of Pratt, C. J., in *R. v. Cambridge*, 1 Str. 565. "It is the glory and happiness of our excellent constitution that to prevent any injustice no man is concluded by the first judgment; but that if he apprehends himself to be aggrieved he has another Court to which he can resort for relief; for this purpose the law

furnishes him with appeals, with writs of error and false judgment, and lest in this particular case the party should be remediless, it was become absolutely necessary for this Court to require the University to lay the state of their proceedings before us;" &c.

(*o*) *Martin v. Mackonochie*, 3 Q. B. D. 744.

## APPENDIX I.

REPORTS OF HEARINGS AT THE BOARD OF TRADE OF  
APPLICATIONS FOR COMPULSORY LICENCES.

	PAGE
1. <i>Incandescent Gas Light Company's (Welsbach's &amp; Imray's) Patents—Continental Gas Gluhlicht Petition</i> .....	214
2. <i>Meister Lucius (Imray's) Patents—Levinstein's Petition</i> ..	219
3. <i>Cassella's (Pitt's) Patents—Levinstein's Petition</i> .....	234
4. <i>Taylor Gurnett &amp; Co.'s (Buxton's) Patent—Hulton &amp; Bleakley's Petition</i> .....	242
5. <i>Dunlop Pneumatic Tyre Co.'s (Bartlett's) Patent—Gormully &amp; Jeffery's Petition</i> .....	249
6. <i>Dunlop Pneumatic Tyre Co.'s (Welch's &amp; Bartlett's) Patents—Wolverhampton Tyre Syndicate Petition</i> .....	262
7. <i>Dunlop Pneumatic Tyre Co.'s (Welch's &amp; Bartlett's) Patents—Chisholm's Petition</i> .....	280

In compiling the following reports I have had the great benefit, of which I have taken full advantage, of freely using for the purpose the reports already published in the Official Reports of Patent Cases of the first, second and fourth cases enumerated in the above list. For permission, kindly given, to make this use of these materials my best thanks are due and hereby tendered to Mr. John Cutler, Q.C., the Editor of those Reports and to Mr. C. N. Dalton, C.B., the Comptroller-General of Patents. The remaining reports have been compiled mainly from the shorthand notes taken under the supervision of the Board of Trade of the various proceedings.

Before ROGER W. WALLACE, Esq., Q.C. (Referee).

November 17th and 19th, December 17th and 20th, 1897; and  
January 17th, 19th, and 20th, and February 10th, 1898.

S. C., 15 R.  
P. C. 727.

INCANDESCENT GAS COMPANY'S (WELSBACH & IMRAY'S) PATENTS  
—CONTINENTAL GAS GLUHLICHT PETITION.

*Joint petitioner:—Default of patentee—Service of petition—Petitioner's  
answer—Action for infringement pending—Preliminary objec-  
tion—Procedure—Withdrawal of one petitioner—Leave to  
amend refused—Petition dismissed—Costs.*

Parties.

The joint petitioners in this case were the Continental Gas Gluhlicht Actien Gesellschaft "Meteor" vormals Kroll, Berger & Co. of Berlin and the Stock and Debenture Corporation, Ltd. of London. The respondents were the Incandescent Gas Light Company of London.

The patents.

On the 12th of December 1885, Letters Patent (No. 15,286 of 1885) were granted to Carl Auor von Welsbach for "The manufacture of an illuminant appliance for gas and other burners"; and on the 3rd of January 1893, Letters Patent (No. 124 of 1893) were granted to Oliver Imray for "An improvement in incandescent burners."

Joint  
petitioners.

The Continental Gas Gluhlicht Actien Gesellschaft "Meteor" vormals Kroll, Berger & Co. and the Stock and Debenture Corporation, Ltd. presented a petition dated the 23rd of April 1898, under the 22nd section of the Patents, &c. Act, 1883.

Petition.

The petition, after alleging the facts stated above as to the said patents, contained the following paragraphs, which are the only parts material for the purposes of this report:—“(3) The said patents are those under which the Incandescent Gas Light Company, Ltd., make their incandescent mantles, now so well known and extensively used in this country on gas burners. The manufacture is a complete monopoly as no efficient incandescent mantle can, according to existing knowledge, be made except in accordance with the said patents. (4) The petitioners, the Continental Gas Gluhlicht Actien Gesellschaft 'Meteor' vormals Kroll, Berger & Co., are the owners of Letters Patent No. 24,083 of 1896, granted to W. P. Thompson as a communication by the said petitioners for an invention of 'Improvements in burners for incandescent petroleum lamps.' (5) The invention, forming the subject of the said patent No. 24,083 of 1896, consists of an improved form of burners for an oil lamp so constructed as to produce a hot blue smokeless flame, similar to the Bunsen flame of a gas burner without the use of forced draught,

Petitioner's  
invention.



“ and thereby to be capable of rendering incandescent mantles  
 “ such as those hereinbefore mentioned. (10) A lamp made  
 “ according to the said patent, fitted with an incandescent mantle,  
 “ gives a very perfect light, and the invention has supplied a long-  
 “ felt want, and is of very great public utility and merit. It has  
 “ opened up a new field for the employment of incandescent  
 “ mantles, the use of which in this country has hitherto been  
 “ practically restricted to use with gas. (11) The said lamp is  
 “ being manufactured on a large scale in Germany by the Con-  
 “ tinental Gas Gluhlicht Actien Gesellschaft ‘Meteor’ vormals  
 “ Kroll, Berger & Co., and its importance and great value are  
 “ universally recognized there. A very large business is being  
 “ developed both for the German Empire and for countries in  
 “ which the manufacture of the same cannot be undertaken locally.  
 “ An amicable arrangement has been arrived at between the  
 “ Continental Gas Gluhlicht Actien Gesellschaft ‘Meteor’ vormals  
 “ Kroll, Berger & Co. and the continental companies controlling  
 “ under foreign patents the manufacture of incandescent mantles  
 “ according to the invention, the subject of the said patents of the  
 “ Incandescent Gas Light Company, whereby the said companies  
 “ agree to supply the Continental Gas Gluhlicht Actien Gesell-  
 “ schaft ‘Meteor’ vormals Kroll, Berger & Co. with the mantles  
 “ requisite for their lamps at a reasonable profit on the actual cost  
 “ of production, leaving a sufficient margin between the ordinary  
 “ selling price in the respective countries of the mantles and the  
 “ price paid by the Continental Gas Gluhlicht Actien Gesellschaft  
 “ ‘Meteor’ vormals Kroll, Berger & Co. to enable these latter to  
 “ obtain a reasonable profit on the re-sale of the said mantles.  
 “ (12) The said Stock and Debenture Corporation, Ltd., has agreed  
 “ with the said Continental Gas Gluhlicht Actien Gesellschaft  
 “ ‘Meteor’ vormals Kroll, Berger & Co. for the exclusive right of  
 “ manufacturing lamps under the said patent, and is prepared to  
 “ immediately commence the manufacture and sale in Great Britain  
 “ of lamps made according to the said patent. (13) In order to  
 “ work or use the said invention, the subject of patent No. 24,083  
 “ of 1896, it is necessary to use incandescent mantles of the kind  
 “ described in the above-mentioned patents No. 15,286 of 1885 and  
 “ No. 124 of 1893 respectively. (14) On the 18th day of February  
 “ 1897, the said William Phillips Thompson addressed the Incan-  
 “ descent Gas Light Company, Ltd., aforesaid as follows :—‘ I have  
 “ ‘ recently patented an invention for an incandescent petroleum  
 “ ‘ lamp, No. 24,083 of 1896, as a communication from abroad.  
 “ ‘ In order to develop the same commercially in this country, I

Proposal as to  
manufacture.

Default of  
patentee.

“ ‘ or my principals will require the use of a mantle containing  
 “ ‘ thorium, of which substance I understand you claim the  
 “ ‘ monopoly for this purpose. Will you kindly inform me on  
 “ ‘ what rate of royalty and on what terms you will grant a licence  
 “ ‘ to import such mantles from abroad for use for such patented  
 “ ‘ lamp. I should also be glad to know whether, and on what  
 “ ‘ terms, you would be disposed to undertake to supply mantles  
 “ ‘ equal in quality to those you supply for the gas burners to be  
 “ ‘ used with the said lamp. Awaiting the favour of an early  
 “ ‘ reply, I remain.’ (15) On the 22nd day of February 1897,  
 “ the Incandescent Gas Light Company, Ltd., replied as follows:—  
 “ ‘ In reply to your enquiry of the 18th instant, we are not disposed  
 “ ‘ to grant any licence or to supply mantles.’ (16) Having regard  
 “ to the circumstances above stated, the petitioners submit that by  
 “ reason of the aforesaid default of the Incandescent Gas Light  
 “ Company to grant a licence on reasonable terms under their said  
 “ patents, the petitioners are prevented from working or using to  
 “ the best advantage the said invention of patent No. 24,083 of  
 “ 1896; and further, that the reasonable requirements of the public  
 “ with respect to the invention of the said patents of the Incan-  
 “ descent Gas Light Company cannot be supplied.”

Prayer.

The petition ended with a prayer that an order might be made by the Board of Trade that the Incandescent Gas Light Company, Ltd. (who were then the registered owners of the said patents), should grant to the petitioners a licence to make incandescent mantles under the said patents, and to use and sell the same upon certain terms therein set forth, or that the petitioners might have such other relief as the Board of Trade might deem just.

Affidavits were filed in support of the petition.

Service of  
petition, &c.

The Board of Trade being of opinion that *à primâ facie* case for relief had been made out, the petitioners were required to deliver to the Incandescent Gas Light Company, Ltd. (hereinafter called the patentees), copies of the petition and the documentary evidence tendered in support thereof. This having been done, the patentees delivered an answer to the petition, dated the 2nd of October 1897, in which they stated (*inter alia*):—“The said patentees have been  
 “ making experiments with the object of utilizing the Welsbach  
 “ incandescent mantle in connection with the petroleum lamp, and  
 “ succeeded, in the early part of 1895, in constructing a petroleum  
 “ lamp which was capable of rendering the Welsbach mantle incan-  
 “ descent. This invention was patented on the 28th of February  
 “ 1895, No. 4,325, by their managing director, Julius Moeller.  
 “ . . . . The experiments and improvements on this system

Patentees’  
answer.

“ were continued by the patentees until the latter part of 1896,  
 “ when the Graetz patent (No. 14,844 of 1892) was brought to the  
 “ notice of the patentees. . . . The patentees therefore entered  
 “ into negotiations with Messrs. Graetz, and arranged with them  
 “ for an exclusive licence. . . . As regards Thompson’s patent  
 “ (No. 24,083 of 1896), the patentees are advised that the patents  
 “ No. 14,844 of 1892 and No. 4325 of 1895 completely cover the  
 “ invention described in Thompson’s specification, and that this  
 “ specification discloses no new principle, but is simply a copy of  
 “ the construction described in the two prior specifications. As  
 “ the patentees consider that Thompson’s so-called invention is  
 “ anticipated in every detail by the two prior specifications,  
 “ Messrs. Graetz and the patentees have brought an action against  
 “ the petitioners, the Stock and Debenture Corporation, Ltd., in  
 “ the High Court of Justice, for an injunction restraining the  
 “ defendants therein from infringing the two said Letters Patent  
 “ of Graetz and Moeller, and such action is founded upon the fact  
 “ that in their petition to your Honourable Board for compulsory  
 “ licences they threaten to infringe the said patents by making,  
 “ using, and selling burners in accordance with Thompson’s said  
 “ specification.”

The patentees submitted that no compulsory licence should be granted:—“(1) Because the petitioners are not in possession of the invention set forth in Thompson’s specification, which is the only invention they claim to be in possession of. (2) Because the invention described and claimed in Thompson’s specification is not practicable from a commercial point of view. (3) Because the patentees are themselves in possession of all that is contained in Thompson’s specification, and of the only invention which, in accordance with present public knowledge, can be applied to incandescent lighting by petroleum.”

The action mentioned in the answer to the petition was commenced on the 17th of September 1897, after the service of the petition on the patentees. Action.

The matter now came on for hearing before Mr. ROGER W. WALLACE, Q.C., the referee appointed by the Board of Trade to hear the petition and to report.

*Bousfield*, Q.C., and *Jenkins*, Q.C. (instructed by *W. P. Thompson & Co.*), appeared in the first instance for both the petitioners; *Moulton*, Q.C., *T. Terrell*, Q.C., and *A. J. Walter* (instructed by *Faithfull & Owen*) appeared for the patentees.

*Moulton*, for the patentees, submitted that the inquiry should be adjourned until the action mentioned in the answer had Preliminary objection.

been decided. Supposing infringement to be established, it could not be said that there was any default in not granting a licence to use the patentees' mantle with an infringing lamp; also it would not be by reason of the petitioners not getting mantles that they were prevented from working or using to the best advantage an invention of which they were possessed but because they had no right to work the invention. [*Bousfield*.—It is a mere coincidence that the patentees have also the lamp patent.] Default on our part must be established.

In the course of further discussion the REFEREE expressed an opinion that the order of the dates of the application for the compulsory licence and of the writ in the action was very important, and intimated that the rights of the patentees in respect of the questions in that action would in drawing any licence be safeguarded.

Procedure.

The course of procedure was then discussed, and it was arranged that the question whether the petitioners were entitled to any licence should be first gone into, and the REFEREE intimated that it would be better to adopt in the particular case the method of the Chancery Division on interlocutory proceedings, but to extend that by allowing cross-examination, and by allowing any further evidence to be taken *vivâ voce*, if necessary.

*Bousfield*, then opened the case on behalf of the petitioners, after which witnesses were called in support of their case.

*Moulton*, then addressed the REFEREE on behalf of the patentees, urging that it had not been made out by the petitioners that the patentees had been guilty of any default within the meaning of section 22 of the Patents, &c. Act, 1883, and that under the circumstances no unreasonable refusal on the part of the patentees had been shown. He also submitted that the Stock and Debenture Corporation, Ltd., were not in such a position as to warrant the grant of the licence to them.

Amendment  
of petition.

*Bousfield*, applied for leave to amend the petition.

The REFEREE stated that he could not see how the petition could be satisfactorily amended, but allowed the proceedings to be adjourned until the 10th of February, on which day the REFEREE was informed that the Stock and Debenture Corporation withdrew from the petition.

*Bousfield*, then applied for leave to amend the petition by asking for the grant of a licence to the Meteor Company, on their giving an undertaking to manufacture in this country, and he submitted that the original application which was made for a licence and the refusal which was given covered that. The appli-

cation was made on behalf of the Meteor Company, and the refusal was clearly a refusal to allow the Meteor Company or anybody else to have the mantles, and he submitted that the Board of Trade ought to allow the petition to be amended in that way and, if it thought it a proper case, to grant a licence on the amended petition to the Meteor Company. He asked the REFEREE to give his decision on this point before going any further and said that if the decision was against the petitioners there would be an end of the matter.

The REFEREE.—I think you may take it that I am against you. I report to the Board of Trade, and the Board of Trade gives the decision. Position of the referee.

Walter submitted the question whether costs could be given against the petitioners. Costs.

Bousfield.—Where a licence is entirely refused there is no power to give costs.

The REFEREE.—That is quite clear. It is extremely unfair to patentees that these applications should be allowed without the Board of Trade having the power to make the applicant pay the costs in the event of the refusal of the application.

By the order of the Board of Trade, which was made on the 19th of May 1898, the petition was dismissed. Order.

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Before R. W. WALLACE, ESQ., Q.C. (Referee appointed by the Board of Trade).

January 31st, February 1st, 15th, 16th, 17th, 21st, 22nd, 24th, 28th, and March 1st, 1898.

MEISTER LUCIUS (IMRAY'S) PATENTS NOS. 9642 AND 15,176 OF 1889—LEVINSTEIN'S PETITION. S. C., 15 R.  
P. C. 732.

*Joint Petition—Respondents' patents not worked in United Kingdom—Refusal to grant licences—Offer by respondents to sell materials to petitioners on terms—Amount of royalty—Default of respondents—Respondents manufacturing in Germany—No patents in Germany—Procedure—Witnesses called to support and oppose petition—Licence granted.*

The petitioners, Levinstein, Ld., were a firm of manufacturing chemists carrying on business in Manchester. The co-petitioner, Ivan Levinstein, was the managing director of the Petitioning Company. The respondents, the Farbwerke vormals Meister Lucius, und Brüning, were also a firm of manufacturing chemists carrying on business at Hoechst-am-Maine, in Germany. Parties.

Grant of  
patents.

On the 11th of June 1889, an English Patent (No. 9642 of 1889) was granted to Oliver Imray, on behalf of the respondents, for an invention relating to the production of oxysulphonic acids of naphthalin.

On the 26th of September 1889, a second English patent (No. 15,176 of 1889) was granted to Oliver Imray, on behalf of the respondents, for improvements in the production of amido-naphthol-monosulphonic acids, and the manufacture of their diazo compounds and azo colouring matters therefrom. Both these patents were duly assigned by Oliver Imray to the respondents.

On the 6th of March 1897, petitioners wrote to respondents the following letter:—

“ Manchester, 6th March 1897.

“ Messrs. Meister Lucius, & Brüning.

“ Gentlemen,—We desire to have licences under Section 22,  
“ clauses (A) and (C) of your English patents No. 9642, A.D.  
“ 1889, and No. 15,176, A.D. 1889, and take the liberty of en-  
“ quiring on what terms you will grant to us these said licences.

“ Yours, &c.,

“ LEVINSTEIN, LD.”

Application  
for licence.

The following correspondence then passed:—

“ Manchester, 11th March 1897.

“ Messrs. Farbwerke vormals

“ Meister Lucius, & Brüning.

“ Gentlemen,—We beg to confirm our letter of the 6th inst.  
“ asking on what terms you will grant to us licences under  
“ Section 22, clauses (A) and (C) of your English patents No.  
“ 9642, A.D. 1889, and No. 15,176, A.D. 1889, and would feel  
“ obliged if you would kindly let us have your reply per return  
“ of post. To-day we beg to enquire under the same clauses  
“ for licences of your English patents No. 9258, A.D. 1890,  
“ and No. 5904, A.D. 1891, and would also be pleased to learn  
“ on what terms you will grant to us these licences.

“ Yours, &c.,

“ LEVINSTEIN, LD.”

“ 11th March 1897.

“ Messrs. Levinstein, Ld.

“ Gentlemen,—We acknowledge receipt of your letter of the  
“ 6th inst., but before replying to the question contained

“ therein you would oblige me by letting us know for what  
 “ purpose you are desirous of acquiring the licences referred to.

“ Yours, &c.,

“ FARBWERKE VORMALS

“ MEISTER LUCIUS, AND Co.”

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“ 13th March 1897.

“ Messrs. Farbwerke vormals

“ Meister Lucius, & Brüning.

“ Gentlemen,—We beg to acknowledge receipt of your  
 “ favour of the 11th, and in reply desire to say that we cannot  
 “ see any reason for letting you know the purpose for which  
 “ we are desirous of obtaining the licences beyond what we  
 “ have already stated in our letter of March 6th, viz., that we  
 “ desire to have licences under Section 22, clauses (A) and (C).  
 “ Your patent is not being worked in this country, which is  
 “ sufficient reason for our application to you for a licence, and  
 “ further we are prevented from working or using to the best  
 “ advantage an invention of which we are possessed.

“ Yours, &c.,

“ LEVINSTEIN, LD.”

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“ 16th March 1897.

“ Messrs. Lovinstoin, Ld.

“ Gentlemen,—We beg to acknowledge receipt of your letter Refusal of  
 “ of the 13th inst. We note that you are unable or unwilling licence.  
 “ to let us know the purpose for which you are desirous of  
 “ acquiring the licences in question, and that you can or may  
 “ not name the invention, the working or using of which you  
 “ say you are prevented from by our patents. Under these  
 “ circumstances, and as we are working our patents in your  
 “ country, we cannot grant you the licences required in your  
 “ letters of the 6th and 11th inst.

“ Yours, &c.,

“ FARBWERKE VORMALS

“ MEISTER LUCIUS, & BRÜNING.”

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“ Manchester, 19th March 1897.

“ Messrs. Farbwerke vormals

“ Meister Lucius, & Brüning.

“ Gentlemen,—In reply to your letter of March 16th, you  
 “ are scarcely right in saying that we are unable or unwilling

“ to let you know the purpose for which we are desirous of  
 “ acquiring the licences in question. What we said was that  
 “ we cannot see any reason for letting you know the purpose  
 “ beyond that we desire to have licences of the patents specified  
 “ under Section 22, clauses (A) and (c). This we considered  
 “ a sufficient answer to your question, as it must be evident  
 “ that if anybody applies for a licence under clause (A) that  
 “ he wishes to work the patent, and under clause (c) that he  
 “ is prevented from working or using to the best advantage an  
 “ invention of which he is possessed—both of which are our  
 “ reasons for our application to you. You state in your letter  
 “ that you are working the patents in question in this country  
 “ —if this is the case, we feel sure that you will not consider  
 “ it unreasonable on our part to ask you in what town, or in  
 “ what place, and under what address you are working the  
 “ said invention in this country.

“ Yours, &c.,

“ LEVINSTEIN, LD.”

“ 24th March 1897.

“ Messrs. Levinstein, Ltd.

Refusal  
confirmed.

“ Gentlemen,—We are in receipt of your letter of the 19th  
 “ inst., which, however, does not contain a satisfactory  
 “ answer to our question. Under these circumstances, we are  
 “ of opinion that your object is merely to avail yourselves of  
 “ them for agitation purposes. We consequently see no reason  
 “ why we should answer the question you now address to us.

“ Yours, &c.,

“ FARBERWERKE VORMALS

“ MEISTER LUCIUS, & BRÜNING ” (a).

(a) It is not easy to discover either a definite request for a licence or an explicit refusal of one in this very argumentative correspondence. The Board of Trade had not only the correspondence but also the answer put in by the respondents to go upon, and it will be seen from that answer that there was a refusal on the part of the patentees to grant the licence asked for on certain terms that had been offered

in the proceedings by the applicants. See below, p. 359, and in particular the 6th paragraph of the answer. It is conceived that all these matters would be taken into account, and that by the light of everything that had appeared the Board of Trade was able to discover a latent meaning in the correspondence. See upon this point *Re Cassella Patents—Levinstein's Petition*, below, p. 240.



The correspondence between the petitioners and respondents having terminated, the petitioners presented a petition to the Board of Trade for a compulsory licence under the two patents. The petition is set out in full below p. 352, and concluded with the following prayer:—

“Your petitioners therefore pray that an order may be made by the Board of Trade under Section 22 of the Patents, Designs and Trade Marks Act, of 1883, that the Patentees shall grant to your petitioners, Lovinsein, Ltd., a licence under the two patents hereinbefore mentioned, upon the terms set out in the Schedule, or upon such other terms as may be just, and  
 “That the petitioners may have such other relief in the premises as the Board of Trade may deem just.”

The petition was verified by an affidavit of Ivan Levinstein, the managing director of the petitioning company, to which the correspondence was exhibited. Paragraph 3 of the affidavit was as follows:—

“(3) And with regard to the allegations contained in the third paragraph of the said petition, I say that I have, by reason of my long connection aforesaid with the trade in artificial dye-stuffs, had ample opportunity for becoming acquainted with the course of business followed in this country by the patentees, and that it is the result of my observations that the patentees have adopted, as in the third paragraph alleged, a settled policy of preventing the introduction of their said processes within the realm, and in proof of this I adduce the following matters of fact:—(a) The said processes have never, according to the best of my knowledge, information and belief, been carried on within this realm. It is quite impossible that they should so have been carried on upon a commercial scale without my knowledge, since the products form, as above stated, an important chemical industry and it is a matter of business importance to me to keep myself informed as to how that industry is carried on. I know, as a matter of fact, that the English market is supplied from the patentees' works in Germany; (b) The said products are sold in the English market at prices higher than those for which they are sold in open markets. The increased price of the goods in Great Britain is wholly due to the monopoly which the patentees have established here by means of their patents.”

Affidavit in support of petition.

The sixth paragraph of the affidavit showed that the deponent had read and carefully considered the terms of the proposed heads of agreement in the schedule appended to the petition and was of opinion that they were in all respects reasonable and just. Reasons were therein assigned for saying that the royalty rate proposed was sufficient.

Answer.

The Board of Trade considered that a *prima facie* case had been made out, and ordered that the matter should proceed, and copies of the petition and affidavit in support were then served upon the respondents. The respondents filed an answer and affidavits in opposition to the petition; and the petitioners filed an affidavit in reply. The answer is set out at length below at p. 358 (Appendix IV.).

Appointment of referee.

On completion of the documentary evidence the Board of Trade appointed Mr. R. W. WALLACE, Q.C., referee to hear the petition. The petition now came on for hearing.

*Moulton*, Q.C., and *J. W. Gordon* (instructed by *Heys and Sons*) appeared for petitioners; *Terrell*, Q.C., *A. J. Walter*, and *J. A. S. Bucknill* (instructed by *Faithfull and Owen*) appeared for respondents.

Opening petitioners' case.

*Moulton*—The petitioners desire licences to manufacture under the respondents' two patents, Nos. 9642 and 15,176 of 1889, neither of which has been worked in the United Kingdom. The petitioners have discovered valuable dye-stuffs in which some of the respondents' materials are incorporated, and the petitioners are owners of and have taken out patents for these new dye-stuffs. The petitioners are unable to work their patents to the best advantage without obtaining licences from the respondents. In particular, and for the sake of giving examples, the following patents belonging to the petitioners amongst others are those which petitioners are prevented from working:—(1) No. 23,523 of 1895; (2) No. 17,064 of 1896; (3) No. 17,065 of 1896; (4) No. 7596 of 1896; and (5) No. 20,548 of 1895. The petitioners have actually made dyes under these inventions, and have found them to be useful and likely to compete successfully with other colouring matters now on the market. [Examples by diagrams were furnished to the referee, showing the composition of the said dyes and showing how the respondents' materials were used and the purposes for which the petitioners required licences.] The respondents' inventions are for raw materials and have little merit in themselves, nor were respondents able to produce any valuable dye-stuffs from their raw materials; the reactions also by which the respondents' raw materials are produced were well known. The petitioners' inventions have given value to the respondents' inventions, and the

Petitioners in possession of certain inventions.

real merit is with the petitioners. The petitioners desire under patent No. 15,176 of 1889 a licence to manufacture only the raw material—amidonaphthol mono sulphonic acid. They do not propose to make any of the dye-stuffs which are particularly described and claimed in that specification. The question of comparative merit must be considered in gauging the amount of royalty. In no other country have respondents now got patents for these materials; and in Germany and elsewhere manufacturers can, if they wish, freely make these articles protected by respondents' English patents. If a large royalty is imposed, petitioners cannot possibly compete abroad with those manufacturers who can make the respondents' acids without royalty. By their refusal to grant licences respondents merely block the English manufacturers, and this state of affairs should be the proper subject of relief. [Terrell here offered, on behalf of the respondents, to sell manufactured substances to petitioners at the same price as the respondents obtained for them in countries where there are no patents for these substances, but Moulton, refused the offer, stating that what was required was a licence to manufacture, and that the price at which respondents offered to sell was too high.]

Royalty rate.

Offer to supply.

When the petition and affidavits had been read some discussion took place as to further evidence, and it was decided that witnesses should be called on both sides, and that where a witness called to give oral evidence had already made an affidavit the affidavit should be printed in the shorthand note at the head of that witness's evidence.

Procedure.

The following witnesses were then called in support of the petition:—

Ivan Levinstein stated that the diagrams were correct and gave examples of cases where the respondents' patents prevented petitioners from working their own patents. All petitioners' inventions, which they are thus prevented from working, dye cotton goods direct, that is without a mordant. There is a large demand for this class of dyes. Some of the examples given are actually on the market, and seem likely to compete successfully with other dyes on the market. The other examples given are really only in the laboratory stage, but, as far as can be judged, are excellent. Of the two patents belonging to respondents, No. 15,176 of 1889 has been largely employed in foreign countries in making dye-stuffs, but it is free abroad. The other of the respondents' patents, No. 9642 of 1889, has not been used commercially, and petitioners are the first manufacturers to adopt it. No manufacture under either of the patents has been established in this country. The materials

Evidence.

Petitioners' inventions.

Patentees' default.

patented under No. 15,176 are manufactured abroad and sold in this country at prices higher than those for which they are sold in open markets. The increased price of the goods in Great Britain is wholly due to the monopoly which the patentees have established here by means of their patents. The petitioners applied to the patentees for a licence and the licence was refused. The witness verified the correspondence above set out. The competition in these classes of dyes is very severe, and 10 per cent. royalty on the net profit of the dye would be about the largest amount which could be paid. The terms upon which the licences are obtained will affect the extent of the manufactures to which they can be applied. The petitioners cannot afford to buy the respondents' materials at the price offered, nor could the petitioners tie themselves down to taking a guaranteed quantity. There is always a chance that a cheaper method of making respondents' materials may come out, or new colours, as good as and cheaper than petitioners' inventions, may take away petitioners' market. About  $\frac{1}{2}$ d. per lb. on the respondents' materials is the utmost royalty which petitioners' invention could carry if they are to compete with dyes at present on the market.

Royalty rate.

Offer to supply criticised.

Merit of the patented invention.

Petitioners' inventions.

*Cross-examined.*—In working to produce new dyes failure is much more common than success; the discovery of a new substance which would probably be of value as a colour-producing agent would be of importance. Imray's invention, No. 15,176 of 1889, would suggest itself strongly as capable of being used in producing colouring matters. The process which the petitioners now have to use in preparing respondents' inventions under No. 15,176 of 1889 is a more expensive process than respondents', and that is why the licence is required. Respondents' process is the cheapest known. The same applies to No. 9642 of 1889, respondents' other patent. Although isomers of Imray's acids in No. 15,176 of 1889 were known prior to the date of the patent, they were not diazotisable or capable of being coupled with diazotised bases, two very important attributes for colour-producing groups. With regard to the petitioners' inventions, analogous processes had previously been carried out, though in the later steps not identical reactions. In any case no chemist could foresee what would be the value of the reactions at all, although he might theoretically expect the reactions to take place. The result is the important discovery; the mode of obtaining the result may be fortuitous. Besides this, in the petitioners' patent No. 17,065 of 1896, the petitioners introduce a naphthaline diamine sulphonic acid, which, in addition to being a new raw material, is also capable of being diazotised without the

intervention of an acetyl reaction. This was not previously done with any isomer, but it was possible with a naphthaline diamine. In petitioners' patent No. 20,548 of 1895, the phenylamido naphthol sulphonic acid described therein in Example 1 had been made prior to the patent, but in a different manner, and it would not be absolutely necessary to use the respondents' dioxynaphthaline sulphonic acid in order to make it. If respondents' dioxynaphthaline sulphonic acid is used, the process would be cheapened. Analogous processes to petitioners' example given under petitioners' patent No. 7596 of 1896 had been carried out prior to the patent, but the actual processes patented could not have been definitely foreseen.

*Re-examined.*—It is never possible to say exactly what reactions will take place in these complicated bodies without experiment. Apart from further discovery, the substances patented in the respondents' patent No. 15,176 of 1889 are useless. Cassella & Co., the chemical firm, were the first to apply it to any useful process. As to No. 9642 of 1889, until petitioners' invention it was practically useless.

Merit of patented invention.

Julius Hübner then gave evidence and produced samples showing the commercial character of the petitioners' inventions.

Ivan Levinstein was recalled and said:—The actual yield in the processes varies a good deal. The cost of the expenses in preparing these dyes is about one-third of the selling prices. The commercial names of dyes often do not in any way indicate what their construction is. These commercially-named dyes are often mixtures. Twopence a lb. profit on the dyes would be a good profit.

Cost of manufacture.

*Terrell*, for respondents.—The respondents have not been guilty of any "default" within the meaning of sect. 22 of the Patents, &c. Act, 1883. "Default" means "improper refusal." Sub-sect. (a) must be read to mean that not working a patent in the United Kingdom cannot by itself be a ground for the grant of a compulsory licence unless the patentee has also refused to give a reasonable licence. There has been no default on respondents' part in this case. The same applies to sub-sect. (b); but in any case there have been no requirements of the public with respect to the respondents' patents. As to sub-sect. (c), this must also be read with the refusal to grant a licence. It is absurd for the petitioners to say, "We are in possession of an invention of which "part is the respondents' patent. We wish to compete with "unpatented similar articles, and in order that we may do so "successfully we must have a licence to use respondents' invention

Opening respondents' case.

Patentees' default.

Offer to supply.

“at an extremely low royalty.” The respondents have always offered to sell to petitioners at a fair price. The respondents can manufacture their inventions at as cheap a rate as anyone else; and there can therefore be no good reason for the petitioners’ requiring a licence to make the respondents’ inventions. The respondents have even offered to manufacture their materials in England if a guaranteed market is given by the petitioners. There has never been any default to grant licences by respondents on reasonable terms, and the section of the Act cannot apply here at all. As to the comparative merit of the respondents’ inventions and those of petitioners, the really important advance is due to the former.

Witnesses were then called for the respondents.

Merit of patented invention.

Dr. Passmore.—Both the respondents’ patents are valuable discoveries. With regard to No. 15,176 of 1889, isomers of these acids were known prior to the letters patent, but they were curiosities only. The respondents’ acids were the first of the amidonaphthol sulphonic acids which could be azotised, and (with the exception of one isomer known as “Meldola’s acid”) the first capable of coupling with azotised bases. Both these facts were of great importance, and, considering the well-known character of the corresponding naphthol disulphonic acids (which were recognized as of great commercial utility) of high practical value. Analogous reactions to those given as examples by the petitioners had previously been carried out, and in all these examples the chief merit lies in the presence of the respondents’ acids. Petitioners’ examples are new combinations, which were put together in an ordinary manner. With regard to Levinstein’s new raw material (the second example given), the value of this new substance, the naphthaline diamine sulpho acid, is due to the position of the two amido groupings, a fact previously known and discovered by the respondents in connection with the corresponding naphthaline diamine. The method used by the respondents for introducing their hydroxyl group in place of a sulphonic acid group is a well-known one in analogous cases, but it would not be possible to foretell which sulphonic group would be replaced.

Cost of manufacture.

A. G. Bloxam gave evidence, based upon calculations, to show that the petitioners’ inventions were too expensive in their preparation to compete with the dyes mentioned, which were already on the market.

Some discussion took place at this stage of the proceedings as to those figures, and as to differences between theoretical and actual yields, and it was suggested that a joint experiment should be con-

ducted to determine the point but the proposal was eventually dropped.

It was decided to recall Mr. Levinstein again as to the actual proportions of quantities used in the examples given.

Levinstein was recalled and gave the figures, and stated that the dyes were all standardised by the addition of salt, so that each batch was of the same strength. With regard to prices of dyes and the profit, it was very difficult to get firm figures. The price varies very much. 10 per cent. might be saved by the adoption of respondents' patent No. 9642 of 1889: possibly only 5 per cent. With regard to the yield, an excess of one constituent is often put in on purpose, in order to obtain a particular shade of colour, and the actual amount of dye-stuff obtained is thus often greater than the theoretical yield.

Dr. Fuchs was then called for respondents, and corroborated Dr. Passmore's evidence, also stating that experiments conducted by himself in making the petitioners' first example had not been successful—the dye produced was inferior, the process unsatisfactory and the dye quite unable to compete with such a dye as diamino brown, already on the market. Also with regard to the petitioners' third example he obtained the same result. The experiments were only carried out on a small laboratory scale. The specifications were rigidly followed. Respondents have a very large number of English patents, but have no works in England, and have never granted licences in England. Respondents sell about 30,000 kilos. per annum of amidonaphthol sulphonic acid, made under their patent No. 15,176 of 1889. The world's production is many times greater than this quantity. Many other manufacturers make it.

Merit of  
petitioners'  
invention.

Dr. Mensching was then called for the petitioners and gave evidence to the effect that the petitioners' examples, when carried out on a commercial scale, were satisfactory processes.

Some discussion here took place as to whether the petitioners or the respondents should have the right of replying, and it was decided that in this case the petitioners should be entitled to speak last but that respondents should have an opportunity of again replying to any fresh arguments brought forward in the petitioners' reply.

Procedure.

*Terrell*, for respondents.—The allegations in the petition have not been proved. The respondents do not manufacture in this country, but have always been ready to sell at a reasonable figure. Hitherto there has been no demand in this country for their acids. The petitioners' dye-stuffs can be made without the respondents'

Respondents'  
case summed  
up.

Patentees'  
default.

patents, but the petitioners say not economically. Until the lodging of the petition the respondents were never acquainted with the purposes for which the petitioners required these licences. The respondents were entitled to know before the proceedings were commenced. The words "to the best advantage" and the context in sub-section (c) of the 22nd section of the Act, cannot be construed to mean that because an English patentee holds no patents abroad he should therefore get no remuneration or profit on his invention. An applicant for a licence under this section cannot assert that because in other countries in which he wishes to compete there are no patents, the patentee in England therefore must be put on such terms that the applicant can successfully compete with the free traders in these other countries. The section is not intended for that case at all. It is only intended to prevent a patentee saying I do not work my patent, and nobody else shall, even if they have the best reasons for wishing to do so. The licence cannot be sought successfully on the ground that a foreign patentee by his English patent prevents successful competition by English manufacturers in foreign countries. The petitioners can buy from the respondents—there is no reason why the petitioners must work under the respondents' patents. The petitioners cannot make the materials any cheaper than the respondents. No licence to make should be granted. As to amount of royalty, the evidence shows that the chief merit of the petitioners' inventions is with the respondents. The terms in the schedule attached to the petition cannot be taken seriously.

Royalty rate.

Patentees'  
default.

*Moulton*, in reply.—Respondents only hold their patents in England for the sake of blocking trade. If you look at the history of letters patent and consider how letters patent came to be excepted from the general condemnation of monopolies you will see what a comical inversion of the fundamental principles of patent law is established by the respondents in this case. When monopolies were condemned by the whole of the English Courts in Elizabeth's reign and in the reign of James the First, the exception was made in favour of patents for new inventions because the patentee had at his own trouble and cost introduced a new industry into England and it was in view of the benefits derived by the people of this realm from the introduction of new manufactures which would give employment to the labour in the kingdom that this form of reward to the inventor was approved. And from this history comes the peculiarity which reigns dominant in English law, namely, that you do not heed whether or not the man invented the invention himself or introduced it from abroad. The inventor and the importer are alike meritorious in the eyes of our Courts. Why?



Because the merit consisted in the introduction of a new trade into England. The consideration of telling the public how they can work the invention after the expiry of the term, by means of the specification is a part but a small part only of the patentee's merit. So little was that thought of at the time of the great debate as to what should be the period of a patent that it was then contended that the period ought to be seven years because seven years was the period of apprenticeship and that it would be wrong to keep journeymen who had passed through their term of apprenticeship for seven years longer out of the exercise of their craft. Let me read in support of that position from a book not without authority—Coke's Institutes, Vol. 3, p. 184:—

“ The cause wherefore the privileges of new manufactures either  
 “ before this Act granted, or which after this Act should be granted,  
 “ having these seven properties were not declared to be good was  
 “ for that the reason wherefore such a privilege is good in law is  
 “ because the inventor bringeth to and for the commonwealth a  
 “ new manufacture by his invention, costs and charges and there-  
 “ fore it is reason that he should have a privilege for his reward  
 “ (and the encouragement of others in the like) for a convenient  
 “ time: but it was thought that the times limited by this Act were  
 “ too long for the private before the commonwealth should be  
 “ partaker thereof and such as served such privileged persons by  
 “ the space of seven years in making or working of the new manu-  
 “ facture (which is the time limited by law of apprenticeship) must  
 “ be apprentices or servants during the residue of the privilege by  
 “ means whereof such numbers of men would not apply themselves  
 “ thereunto as should be requisite for the commonwealth after the  
 “ privilege ended. And this was the true cause wherefore both  
 “ for the time passed and for the time to come they were left of  
 “ such force as they were before the making of this Act.”

Recapitulating, Mr. Moulton added: Now if I am right the sanction for section 22, sub-section (a) rests in the fundamentals of patent law although the particular statutory remedy which has enabled us to take advantage of a failure on the part of the patentee of the performance of the meritorious cause of the grant is novel. The respondents do not work any of their patents in England, nor have they granted licences to anyone in England, nor do they wish to, nor will they. There is, therefore, default. The respondents, it is true, will sell, but not on terms which could be accepted by us—only on prohibitive terms. This is a very strong case for relief. If there had been no patent in England, the processes would have been worked. As to the amount of royalty, it should be very small, **Royalty rate.**

say  $\frac{1}{2}d.$  a lb. of raw material which is about equivalent to our 10 per cent. on the net profits of the completed dye, and a minimum of 250*l.* a year. The petitioners will be taking all the risk of their manufactures being a failure. The petitioners desire to manufacture for purposes of export to compete in foreign countries where there are no patents. As to sub-section (b), the requirements of the public is shown by their desire for petitioners' dyes. As to sub-section (c), it is clear that petitioners are prevented from working their own inventions to the best advantage. As to comparative merit, the respondents' inventions *per se* are useless, and the reactions used are old. The petitioners have, on the other hand, chosen out of thousands of substances a selection which is of practical value as a dye producer. In a comparison, therefore, between the merits of respondents' and petitioners' inventions, the practical merit is entirely with petitioners. Petitioners do not mind the form the royalty takes if licences are granted;  $\frac{1}{2}d.$  per lb. would be fair for both. Petitioners are merely giving this money to respondents as respondents have not found any use for their inventions, at any rate in the case of No. 9642 of 1889. In arriving at these figures, the fact that there are no patents for respondents' inventions in Germany should be taken into consideration. Petitioners have to compete with a cheap class of dyes, and a larger royalty would prevent them from being able to put their inventions on the market at all.

Requirements of the public.

Comparative merits.

Royalty rate.

Offer to supply.

*Terrell*, in reply to the fresh arguments raised in reply.— Respondents were always ready to sell at a reasonable price. The price is reasonable, because it is the price which respondents obtain in countries where there are no patents. Respondents offer to manufacture in England if petitioners will guarantee a market of 10 tons per annum. Respondents have no object in blocking the English manufacturers, and there is no evidence that they have ever done so. Compulsory licences ought not to be granted where respondents are ready to sell at a reasonable figure. Petitioners can start a factory in Germany to make the material free if they wish.

Order.

Upon consideration of the referee's report the Board of Trade made an order, which will be found fully set out below at p. 361 (Appendix IV.), and which contained recitals of—

Recitals.

1. Sect. 22 of the Patents, &c. Act, 1883;
2. The grant of patent No. 9642 of 1889 to Oliver Imray;
3. The assignment of the same patent to the respondents;
4. The grant of patent No. 15,176 of 1889 to Oliver Imray;
5. The assignment of the same patent to the respondents;

6. The presentation of the petition ;

7. The proof of 'he petitioners' interest and the patentees' default ;

and proceeded as follows :—

“ Now, therefore, the Board of Trade, in exercise of the power  
 “ conferred upon them by sect. 22 of the Patents, Designs, and  
 “ Trade Marks Act, 1883, and of all other powers enabling them in  
 “ this behalf, do hereby order as follows :—(1) That a licence, to  
 “ take effect from the date of this Order and in the form set forth  
 “ in the Schedule hereto, be forthwith granted by the patentees to  
 “ the petitioners to make, use, exercise, and vend within the  
 “ United Kingdom the inventions described and claimed in and by  
 “ the specifications of the said letters patent Nos. 9642 and 15,176  
 “ of 1889 for the unexpired residues of the respective terms of the  
 “ said letters patent at a royalty of one halfpenny for each pound  
 “ weight avoirdupois of products made by the licensees under the  
 “ said letters patent or either of them, but so that in each year a  
 “ minimum royalty of 250/. per annum shall be paid by the  
 “ licensees, and the patentees shall forthwith deposit such licence  
 “ duly executed by them with the Board of Trade. (2) The said  
 “ petitioners, before the 6th day August 1898, shall execute and  
 “ deposit with the Board of Trade a counterpart licence in the form  
 “ aforesaid, and in default of their doing so this Order shall be of  
 “ no effect.

Provisions of  
licence.

Execution of  
licence.

“ Dated this 6th day of July 1898.

“ (Signed) COURTENAY BOYLE,  
 “ Secretary, Board of Trade.”

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[THE SCHEDULE will be found fully set out below at p. 363  
 (App. IV.).]

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Before ROGER W. WALLACE, Esq., Q.C. (Referee).

28th March 1898.

(Compiled from the official shorthand note.)

CASSELLA'S (PITT'S) PATENTS—LEVINSTEIN'S PETITION.

*Patentee's default—Jurisdiction—Terms put forward by the petitioners are in the nature of a proposal and to be discussed as such, or met by counter-proposal by the patentee—Default reported—Adjournment sine die to facilitate negotiations between the parties.*

The petitioners in this case were Levinstein & Co. Ltd. manufacturing chemists carrying on business at Manchester and Ivan Levinstein the managing director of the company and grantee of certain patents under which the company proposed to set up manufactures. The respondents were Leopold Cassella & Co. also manufacturing chemists carrying on their business at Mainkur near Frankfort-on-Main.

Grant of patents.

On the 27th September 1890 letters patent (No. 15,346 of 1890) were granted to Sidney Pitt for an invention relating to the manufacture of azo dye-stuffs and of materials for their production and on the 30th January 1891 further letters patent (No. 1,742 of 1891) were granted to the same Sidney Pitt for improvements in the manufacture of a new amido-naphthol-sulphonic acid and colouring matters therefrom.

Assignment to patentees.

By deed dated the 5th February 1892 both the above-mentioned patents were assigned to the respondents—hereinafter called the patentees.

The following correspondence passed between the parties prior to the presentation of the petition :—

“ Manchester, 17th Feb. 1897.

“ Messrs. Leopold Cassella & Co.

Application for licence.

“ Gentlemen,—We desire to have licences of your English patents Nos. 1,742 A.D. 1891 and 15,346 A.D. 1890 and take the liberty of inquiring on what terms you will grant to us these said licences.

“ Yours etc.

“ LEVINSTEIN LIMITED.”

“ Manchester, 25th Feb. 1897.

“ Messrs. Leopold Cassella & Co.

“ Gentlemen,—We wrote to you on Feb. 17th by registered  
“ post and enclose you herewith copy of this letter. We are  
“ yet without a reply and trust that you will give us your  
“ answer by return of post otherwise we shall apply to the  
“ Board of Trade under section 22 for the grant of your patents  
“ as specified in our previous letter.

“ Yours etc.

“ LEVINSTEIN LIMITED.”

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“ Frankfort-on-Main, March 3, 1897.

“ Messrs. Lovinsein Limited.

“ Gentlemen,—Your letters of the 17th and 25th ulto. came  
“ duly to hand. Section No. 22 to which you refer contains  
“ three causes for compulsory licences of which only the one  
“ named under (c) may possibly have caused your applying to  
“ us for such a licence.

“ In this case please inform us of the nature of the inven- Enquiry for  
“ tion of which you are possessed and which part of our patents particulars.  
“ named by you prevents you from working or using the said  
“ invention to the best advantage. Without this information  
“ we cannot make you an offer. The more so as you certainly  
“ do not want a licence for all the reactions covered by these  
“ patents.

“ Yours etc.

“ LEOPOLD CASSELLA & Co.”

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“ Manchester, 5th March 1897.

“ Messrs. Leopold Cassella & Co.

“ Gentlemen,—In answer to your letter dated March 3rd we  
“ beg to state that not having received any reply from you to  
“ our first letter dated Feb. 17th or to our second letter dated  
“ Feb. 25th until to-day we sent yesterday copies of our letters  
“ to the Board of Trade.

“ When referring to section 22 we had not only in view  
“ clause (c) but also clause (A).

“ We desire to have a licence of patents specified in our Particulars of  
“ previous letters for the reasons that your patents are not licence  
“ required.

“ being worked in this country and also for the reason that we  
 “ are prevented from working or using to the best advantage  
 “ our inventions specified in the following applications, viz. :

“ No. 23,523 Dec. 9th 1895

“ No. 2,956 Feb. 10th 1896

“ No. 14,144 June 26th 1896

“ and also for two more applications which have not yet been  
 “ published.

“ We wish to have a licence not for a part of your two  
 “ patents but a licence on the entire patents as specified by  
 “ you.

“ Yours etc.

“ LEVINSTEIN LIMITED.”

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“ Frankfort-on-Main, 15th March 1897.

“ Messrs. Levinstein Limited.

Further  
enquiry for  
particulars.

“ Gentlemen,—We duly received your letter of the 5th inst.  
 “ As the specification of patent No. 14,144/96 has not yet been  
 “ published by the Patent Office we request you to send us a  
 “ copy of same. We would also like to know the tenor of the  
 “ two applications referred to in your above-named letter so  
 “ that we may be able to consider the matter as a whole.

“ Yours etc.

“ LEOPOLD CASSELLA & Co.”

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“ Manchester, 17th March 1897.

“ Messrs. Leopold Cassella & Co.

Remons-  
trance.

“ Gentlemen,—In reply to your letter of the 15th we have  
 “ already given you all the information that is needed and we  
 “ can only arrive at the conclusion from the contents of this  
 “ and of your previous letter that you are simply trifling with  
 “ our application to you for the grant of licences of your  
 “ patents Nos. 1,742 A.D. 1891, 15,346 A.D. 1890 under sec-  
 “ tion 22.

“ Yours etc.

“ LEVINSTEIN LIMITED.”

Petition.

The correspondence having terminated, the petitioners presented their petition, alleging the facts above stated and setting out particularly certain privileges granted to the patentees by the said

patents, being the exclusive right to use within this realm certain processes of manufacture therein mentioned. The petition continued as follows:—

“ 3. The patentees are manufacturing chemists who carry  
 “ on their manufacture at Mainkur near Frankfort-on-Main  
 “ aforesaid and they there manufacture dye stuffs by the pro-  
 “ cesses above mentioned; but the patentees and the said  
 “ Sidney Pitt have wholly failed to introduce the use of the  
 “ said processes or of any of them within the realm and have  
 “ not at any time attempted so to do. It is on the contrary  
 “ the settled commercial policy of the patentees to prevent the  
 “ introduction and use of their patented processes within the  
 “ realm. They import and sell the products of these manu-  
 “ factures at prices greatly in excess of the prices at which  
 “ they sell the same products to their customers in other  
 “ countries and they make use of their privileges under the  
 “ said patent grants for no other purpose than to exclude other  
 “ manufacturers and to raise the prices of the said commodities  
 “ in the British market. Dye stuffs manufactured in accord-  
 “ ance with the said processes are in large demand within this  
 “ realm for the treatment of Manchester and other goods some  
 “ of which are intended for export to markets in which foreign  
 “ manufacturers compete with British manufacturers and the  
 “ preference granted by the patentees to their foreign customers  
 “ is a great hindrance to British trade in such foreign markets.  
 “ Thus by reason of the default of the patentees the grants of  
 “ privilege so as aforesaid made to them are mischievous and  
 “ cause hurt of trade and are prejudicial and inconvenient to  
 “ Her Majesty's subjects in general. Patentees'  
default.

“ 4. Your petitioners are manufacturing chemists carrying  
 “ on their manufacture upon a large scale at Crumpsall Vale  
 “ Works Blackley Manchester in the County of Lancaster and  
 “ they have great facilities for the carrying on the said  
 “ patented processes and for the production of dye stuffs  
 “ thereby. They have by themselves and by the predecessors  
 “ of the petitioning company in business been for a long time  
 “ engaged in the production of colouring matters and have  
 “ conducted numerous and costly experiments as the result of  
 “ which they have introduced from time to time many im-  
 “ provements in the manufacture of such dye stuffs in connec-  
 “ tion with which they carry on an extensive manufacture and  
 “ trade. They have recently discovered processes by which  
 “ valuable new dye stuffs can be manufactured which dye Petitioners'  
invention.

“ stuffs are improvements upon the dye stuffs so as aforesaid  
 “ manufactured by the patentees in Germany and by them  
 “ imported and sold within this realm. Other similar im-  
 “ proved dye stuffs have similarly been discovered by your  
 “ petitioners and they are still conducting experiments from  
 “ which they hope that further discoveries of the same kind  
 “ will result. But the valuable new dye stuffs referred to  
 “ can only be manufactured by employing the patented pro-  
 “ cesses above mentioned and your petitioners Lovin-  
 “ stein Limited did therefore apply to the patentees for a licence to  
 “ manufacture under their said patents. The patentees have  
 “ refused to entertain the said application for a licence and  
 “ still refuse to grant such a licence as is necessary to enable  
 “ your petitioners to introduce the patented manufactures into  
 “ use within this realm and to work and use to the best ad-  
 “ vantage the said inventions of which your petitioners are  
 “ possessed.

Petitioners’  
ability.

“ 5. Your petitioners are well able to introduce and carry on  
 “ the said manufacture if duly licensed so to do and they will  
 “ undertake to introduce and carry on the same according to  
 “ their ability provided that a proper licence is accorded to  
 “ them. The terms upon which it is submitted that the  
 “ patentees may justly be ordered to grant such a licence as  
 “ is desired to your petitioners Levinstein Limited and their  
 “ successors and assigns are set out in the schedule appended  
 “ hereto.

Prayer.

“ Your petitioners therefore pray that an order may be  
 “ made by the Board of Trade under section 22 of the  
 “ Patents, Designs and Trade Marks Act of 1883 that  
 “ the patentees shall grant to your petitioners Levin-  
 “ stein Limited a licence under the two patents  
 “ hereinbefore mentioned upon the terms set out in  
 “ the schedule or upon such other terms as may be  
 “ just and that the petitioners may have such other  
 “ relief in the premises as the Board of Trade may  
 “ deem just.”

The petition was sealed with the common seal of Levinstein Ltd. and signed by Ivan Levinstein. It was also identified as the petition marked A referred to in the affidavit of Ivan Levinstein by the signature of the commissioner before whom the affidavit was sworn. To it was appended a schedule of proposed heads of agreement for the suggested licence. This schedule was identical

Scheduled  
heads of  
agreement.



with the schedule appended to the *Levinstein Petition* in the *Meister Lucius Case* and set out below at p. 355 (App. IV.).

The petition was verified by an affidavit by Ivan Levinstein the managing director of the petitioning company to which the correspondence above cited was exhibited. The third paragraph of the affidavit was in the same terms as the third paragraph—cited above at p. 223—of the same deponent's affidavit in the *Meister Lucius Case*. Petitioners' affidavit.

The Board of Trade considered that a *prima facie* case had been made out and ordered that the matter should proceed and copies of the petition and affidavit in support were then served upon the respondents. The respondents filed affidavits in answer in which it was said to be untrue that the patentees had wholly failed to introduce the patented process into the United Kingdom or that it was their settled commercial policy to prevent the introduction and use of their patented processes or that they sold their products in the United Kingdom at prices in excess of the prices at which they sold the same products to their customers in other countries; and that on the contrary goods made by the patented processes had been largely sold in the United Kingdom and the patentees had always been willing to grant licences under the patents. The applicants filed affidavits in reply. Service of petition.  
Respondents' affidavits in answer.  
Reply.

On completion of the documentary evidence the Board of Trade appointed Mr. R. W. WALLACE Q.C. referee to hear the petition. The petition now came on for hearing.

*Moulton* Q.C. and *J. W. Gordon* (instructed by Heys & Sons) appeared for the petitioners; *H. A. Colefax* (instructed by Carpmael & Co.) appeared for the respondents; *A. S. Bucknill* held a watching brief for *Meister Lucius & Brüning*.

*Moulton* for the applicants explained the nature and extent of the licence asked for by reference to the claims made under the two patents in question and then proceeded to discuss the position of the owners of the patents. Cassellas have a large number of patents for dye stuffs. They have given no licences to any person who is working in England, and that is a very serious matter because the object of the reward given to a patentee was to bring a new trade into England. But the effect of the whole of Cassella's patents has been to keep trade out of England. Where that is the case you come under clause (a) of section 22 and if, as a matter of fact, a person has a patent not worked in England because he has granted no licences that is a case where the Board of Trade will on proper terms grant licences under section 22. There is a broad distinction between sub-section (a) and sub-section (c) of section 22. Patentees' default.

If I have a private reason for wanting a licence in the sense of having an invention of my own, it is quite clear that the patentee is not in default until I have applied and been refused but when a patentee has had a patent and years have passed during which it has been simply unlawful in England to exercise the patented invention then the question on whom the issue of default lies is changed very much. If he was not prepared to work it himself he ought either to have got it worked or to be in possession of evidence which shows that he was ready to grant licences. When there is a long course of years in which the invention has not been worked you may conclude from that he was not ready to grant licences and it would have been useless to ask him.

The REFEREE.—It would be rebutted by anybody coming from the other side who should say “ We were willing to grant licences “ but we were not asked.”

*Moulton*.—I do not give up the point that non-user may be evidence of default but I do not want to argue it now because there is an actual application and refusal.

Jurisdiction  
of the Board  
of Trade.

*Colefax*, for the respondents.—There is no jurisdiction to entertain this application. The jurisdiction only arises if the events particularised in sub-sections (a), (b) and (c) or some of them have occurred “ by reason of the default of a patentee to grant licences “ on reasonable terms.” In what passed before the presentation of the petition, to which alone you have the right to look there was no default on the part of the patentees. “ Default ” is substantially equivalent to “ refusal.” There must be an application preceding refusal; the application must be an application for a licence upon reasonable terms and there must be a refusal of such an application.

Patentees’  
default.

The REFEREE.—At present I do not take that view. I agree with you that it means a refusal or what amounts to a refusal to grant a licence. Then the onus is put upon you of offering to do it upon reasonable terms. If you had made an offer to do it on reasonable terms and the other side do not accept those reasonable terms then your case would be that you would be in a position to submit a non-suit.

*Colefax*.—Upon the correspondence there has been no refusal at all. The patentees only ask for such information as will enable them to make an offer. That information is withheld and therefore there is no refusal.

The REFEREE.—But you have not worked your patent in this country. Then the onus is on you, as you have not worked, of

saying upon what terms you will enable them to do so or of saying that you are going to manufacture yourself.

*Colefax.*—There is nothing in the Act which puts upon the patentee the onus of working.

The REFEREE.—I assume that the object of this section is to ensure that if anybody will work it when the patentee will not the person who makes up his mind to work the patent shall get a licence. I look upon it as being the intention of this section to see that the object with which patents are granted is carried out. The section does not put upon the patentee the onus of working his patent in this country but it places him if he does not work it in the awkward position that somebody else may say "I will do it upon terms."

*Colefax.*—Taking it that that is what has happened in this case there has been no refusal therefore no default. The jurisdiction does not arise if there has been no default.

The REFEREE.—What do you say now, do you refuse?

*Colefax.*—That is a question you cannot put to me. The default must be before presentation of the petition. The possibility of our making an offer for a licence on reasonable terms was put an end to by the extraordinary and unreasonable application made by the applicants in the schedule.

The REFEREE.—That is matter for discussion: that is only a proposal you made no counter-proposal. You were asked to grant a licence before the presentation of the petition and you did not grant it. If you think you would have granted a licence if you had had time you can say so now. I have all the affidavits before me and unless you can alter my opinion from the correspondence or the affidavits there was default at the date of the presentation of the petition.

The schedule is only a proposal and matter for discussion.

*Colefax* drew attention to Dr. Weimberg's affidavit and read a passage therefrom in which deponent stated that the patentees had always been willing to grant licences under their patents.

The REFEREE.—To test the *bona fides* of that statement I ask you to say on what terms you will grant the licence.

*Colefax.*—There has been no default therefore the jurisdiction has not arisen and consequently you cannot put that question to me. If you will say whether there has been a default upon which your jurisdiction arises I am prepared to go further.

The REFEREE.—Yes, I have decided, and I shall report to the Board of Trade that, upon the evidence before me there has been default.

Referee's report.

Adjournment  
*sine die*.

The parties then conferred and eventually it was arranged to adjourn *sine die* it being understood that an appointment for further hearing would be made later on unless the parties should come to a voluntary settlement. No such appointment for further hearing has yet been made—after an interval of more than twelve months.

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Before W. R. BOUSFIELD, Esq., Q.C. (Referee).

April 4th and 5th, 1898.

S. C., 15 R.  
P. C. 749.

TAYLOR, GARNETT & Co.'s (BUXTON'S) PATENT—HULTON AND BLEAKLEY'S PETITION.

*Amendment of petition—Co-patentee not appearing—Procedure and right to begin—Public interest—Exclusive licence—Order for grant of licence—Amount of royalty.*

Parties.

The petitioners in this case were Edward Hulton and Edward Overall Bleakley, trading as E. Hulton & Co. The respondents were John Henry Buxton, Davies Braithwaite, and Mark Smith, to whom were added by amendment John Edward Taylor and Charles Prestwick Scott, trading as Taylor, Garnett & Co.

On the 20th of April 1886, letters patent (No. 5470 of 1886) were granted to John Henry Buxton, Davies Braithwaite, and Mark Smith, for "Improvements in arrangements and mechanism " to facilitate the rapid application of type representing late news " or matter to and the printing of the same by newspaper printing " machines." On the 23rd of April 1888, letters patent (No. 5989 of 1888) were granted to the same persons for "Improvements in " and relating to newspaper printing machinery."

Amendment  
of petition.

On the 13th of November 1897, the petition was presented against the first three respondents. The petition was subsequently amended, and, as amended, asked for an order against the patentees and/or John Edward Taylor and Charles Prestwick Scott (trading as Taylor, Garnett & Co.), who, at the date of the amendment, were registered owners of the first-mentioned patent, and were alleged by the amended petition to be equitably interested in the other patent. The petition, after stating the above-mentioned facts as to the patents, alleged—“(3) The petitioners are the publishers and proprietors of the following newspapers, ‘The Athletic News,’ ‘The

Petitioners’  
interest.

“ ‘Sporting Chronicle,’ ‘The Sunday Chronicle,’ and ‘The Man-  
 “ ‘chester Evening Chronicle.’ • (4) In the publication of daily  
 “ newspapers it is necessary and is the common practice to insert  
 “ for the benefit of the public news which arrives after the type is  
 “ set and the printing in progress. This is particularly necessary  
 “ in the evening newspapers when a considerable quantity of late  
 “ afternoon and evening news has to be inserted in the paper in  
 “ order to give the public the latest information on the various  
 “ topics of the day, such as cricket, football, athletic, and sporting  
 “ results, besides late news of a general character. (5) Until the  
 “ invention of the said John Henry Buxton, Davies Braithwaite,  
 “ and Mark Smith, it was the usual custom to insert this late news  
 “ by cutting out a portion of the already set type and inserting a  
 “ new section of mould type with the late news to be printed.  
 “ This was an extremely slow process and caused much delay to  
 “ the public in obtaining these late items of interesting information.  
 “ (6) By the said two patents referred to in paragraph 1 of this  
 “ petition an entirely new and extremely rapid method of printing  
 “ late news has been disclosed by the inventors, consisting mainly  
 “ of an auxiliary cylinder attached to a newspaper printing  
 “ machine, the said auxiliary cylinder containing one or more type  
 “ boxes in or upon it, the said type boxes being capable of being  
 “ applied to the printing of the late news independently of the  
 “ impression of the main printing machine. This does away with  
 “ the necessity of lengthy stoppage of the press as the auxiliary  
 “ cylinder on being inserted, containing in its type boxes the items  
 “ of late news, immediately begins printing the late news, and no  
 “ cutting of the already set type is required. (7) The said Patentees’  
 “ patentees are to the best of your petitioners’ belief either in default.  
 “ the employ of or partners in the firm of Messrs. Taylor, Garnett  
 “ & Co., the said firm being the proprietors of a paper known as  
 “ the ‘Manchester Guardian,’ and such last firm, as appears from  
 “ the letters hereinafter referred to, are purporting to act in the  
 “ matter of granting licences under the said patents. (8) The  
 “ petitioners, on the 17th day of August 1897, wrote to the said  
 “ Messrs. Taylor, Garnett & Co. the following letter:—

“ ‘The Evening Chronicle,’  
 “ Withy Grove, Manchester,  
 “ 17th August, 1897.

“ Gentlemen,—We are anxious to have fitted to our machines Application  
 “ five of your fast result boxes, which, I believe, are manu- for licence.  
 “ factured on your behalf by Messrs. Hoe & Co. We are

“ willing to pay you whatever royalty you charge in addition  
 “ to the cost of the boxes. An early reply will oblige.

“ Yours truly,

“ The Proprietors “ (Signed) E. HULTON & Co.  
 “ ‘Manchester Guardian.’

“ And on the 18th day of August 1897 the said Messrs. Taylor,  
 “ Garnett & Co. replied as follows :—

“ ‘The Manchester Guardian,’  
 “ 3, Cross Street, Manchester,  
 “ 18th August 1897.

“ To Messrs. Edward Hulton & Co.,  
 “ ‘The Evening Chronicle.’

Refusal of  
 licence.

“ Dear Sirs,—In reply to your enquiry dated 17th August,  
 “ I regret to say that, owing to the contract with the ‘Man-  
 “ chester Evening News,’ we are unable to grant you a licence  
 “ to use our patent type device with the fast result boxes for  
 “ which you ask.

“ Believe me,

“ Yours faithfully,

“ (Signed) C. BINNEY DIBBLEE.

Interest of  
 the public.

“ Your petitioners on the 7th January 1898, after ascertaining  
 “ that the legal estate in the said letters patent No. 5989 of 1888  
 “ was still vested in the said Buxton, Braithwaite, and Smith  
 “ applied to them for a licence under the said letters patent, but in  
 “ answer to such application your petitioners have been informed  
 “ that the said letters patent are the property of Messrs. Taylor,  
 “ Garnett & Co. (9) Your petitioners believe that a licence to  
 “ use the said invention has been granted to the proprietors of the  
 “ ‘Manchester Evening News’ but your petitioners are unable to  
 “ ascertain the terms of the licence, or the amount of royalty paid  
 “ by the said licensees. (10) The petitioners require, for the  
 “ reasonable requirements of the public, a licence from the owners  
 “ of the said letters patent to use the said late news fast printing  
 “ device in connection with their newspapers; particularly in con-  
 “ nection with the ‘Manchester Evening Chronicle,’ a daily evening  
 “ paper, having a daily circulation of 100,000 copies and containing,  
 “ besides general news, sporting and other results which can only  
 “ be inserted in the paper at a late hour. This paper has a large  
 “ reading public and is sold not only in Manchester and all its  
 “ suburbs, but in considerable numbers in all the neighbouring  
 “ towns within fifty miles. (11) Under the present circumstances

“ it is impossible for the latest news of the day to be inserted at all  
 “ in the paper owing to the petitioners' being unable to use the  
 “ invention in the said two patents, and earlier news can only  
 “ be inserted with considerable loss of time. That section of the  
 “ public who read and purchase your petitioners' newspaper are  
 “ thereby prevented from being supplied with their reasonable  
 “ requirements with respect to the invention as the purveyance to  
 “ them of late news through the medium of the paper they are  
 “ accustomed to peruse is attended in all cases with great loss of  
 “ time and in some cases completely prevented. (12) Your peti- Royalty rate.  
 “ tioners are willing to pay the same royalty as any other licensees  
 “ are paying for the use of the said patented inventions or such  
 “ other sum as to the Board of Trade may appear reasonable.”

The petition ended with a prayer that an order might be made Prayer.  
 by the Board of Trade that the patentees should grant to the  
 petitioners a licence to use in connection with the newspapers of  
 which they were the proprietors the inventions described and  
 claimed in the complete specifications of the said letters patent at  
 the same royalty for every printing machine used by the petitioners  
 in connection with the said invention as paid by other licensees or  
 such royalty as to the Board of Trade might seem meet or that the  
 petitioners might have such other relief in the premisses as the  
 Board of Trade might deem just.

Affidavits were filed in support of and in opposition to the  
 petition.

The petition came on for hearing on the 4th April 1898, before  
 Mr. W. R. BOUSFIELD, Q.C., the referee appointed by the Board  
 of Trade.

*T. Terrell*, Q.C., and *A. J. Walter* (instructed by *Pritchard*,  
*Englefield & Co.*) appeared for the petitioners; *Asquith*, Q.C., and  
*J. C. Graham* (instructed by *W. J. & E. H. Tremellen*, agents for  
*Blair & Seddon*, Manchester) appeared for the respondents other  
 than *D. Braithwaite*, who had been served but who did not appear.  
*J. H. Buxton* and *M. Smith* in their affidavits disclaimed any  
 interest in the patents. *Terrell* raised the question whether Procedure.  
 the petitioners' counsel, or respondents' counsel should begin. Right to  
 [The REFEREE.—The petitioners must begin.] *Terrell* then opened begin.  
 the petitioners' case and explained the nature of the two inven-  
 tions, (which for the purpose of this report is sufficiently stated in  
 paragraphs 5 and 6 of the petition) and continued:—A new ques- Interest of  
 tion arises here upon section 22, sub-section (7) of the Patents, &c. the public.  
 Act, 1883, namely as to what is the meaning of the word “public.”  
 [The REFEREE.—*Primâ facie*, the “public” is the public who

Exclusive  
licence.

desire to be supplied with the invention.] We wish to put a broader view of the word. The facts here are that there are three evening papers in Manchester, one—the “Chronicle”—is ours, and there are the “Evening News” and the “Mail.” Taylor, Garnett & Co., are the proprietors of the “Manchester Guardian,” and the “Evening News,” one of whose proprietors is J. E. Taylor, is printed at the same office and has got an exclusive licence under the patents for Manchester and district from Taylor, Garnett & Co., the inventions being only of value to evening papers. The “Evening News” is the evening liberal paper of Manchester, the “Mail” is conservative, whilst the “Chronicle” is independent; it was started in 1897, but is hindered by not having the use of these inventions. Each paper has its own public whose requirements ought to be satisfied, and it is no answer to say that the public can buy the “Evening News.” Our portion of the public wants our paper, but with the latest news. [The REFEREE intimated that he thought that here the “public” within the meaning of the Act consisted of the newspaper printers who desired to use the invention.] Then the respondents say that they cannot grant the petitioners a licence because they have granted an exclusive licence to the “Evening News.” [The REFEREE.—That does not matter to the Board of Trade; otherwise it would be in the power of proprietors of patents to set the Board of Trade at nought.]

Interest of  
the public.

*Asquith* being asked by the REFEREE to state shortly the grounds of opposition, stated that the respondents had granted licences in Yorkshire and other parts of England, and were free, at all events in some instances, to grant licences to rival papers in the same town. The patentees, therefore, had not been confining the use of the invention to their own paper, or unduly monopolising it. The question is, whether it was intended under the words in the Act that a patentee should be compelled to grant a licence to a rival trader in the same town for the purpose of facilitating the competition of that rival. [The REFEREE.—I should separate you in your character of printers and your character of owners of these patents.] Nobody but newspaper printers would care to use this invention. Taylor, Garnett & Co. are interested in the “Evening News,” both as proprietors and because it is one of their customers. The want of the use of these inventions is not, in fact, the cause of the difficulties which the petitioners complain of. There is a possible substitute. [The REFEREE.—For this purpose, I must look on you as the makers and vendors of an apparatus, and you are not supplying the public in the particular district with it.] It is



sufficient if the invention is being utilised in the district for the public benefit. The reasonable requirements of the public are satisfied. The public collectively does not require the invention to use it, and they have the benefit of the invention, namely, the rapid diffusion of news.

The affidavits were read and some of the deponents were cross-examined.

The REFEREE intimated that he wished to hear the respondents' counsel on the point whether the reasonable requirements of the public, using that term in either sense, were satisfied.

*Asquith*, and *Graham*, for the respondents.—It must be shown that by reason of the default on the part of the patentees to grant a licence on reasonable terms, the reasonable requirements of the public cannot be satisfied. No reader of the "Chronicle" has come to give evidence of actual inconvenience, there is only the hearsay evidence of newsagents. Also, an exclusive licence has been granted to the "Evening News," and it is not a case where the licensee is not using the invention. [The REFEREE.—It comes back to the question whether the reasonable requirements of the public are satisfied. As to the meaning of the "public" it seems desirable to consider the section in such a way as to leave the powers of the Board of Trade as wide as possible, because they have always a discretion. In some cases the public to be regarded might be the users of the invention, and in other cases the public might be the consumers.] Both the producing and the consuming public may be regarded, but here, as regards production, the complaint is an individual one, and as regards the consuming public, the reasonable requirements of that part of it consisting of the readers of the "Chronicle" are satisfied, although the "Chronicle" itself might be in a better position if it had this apparatus. Furthermore, no royalty will really compensate us. The highest royalty has hitherto been 15*l.* per machine per annum.

Exclusive  
licence.

Interest of  
the public.

*Terrell* in reply.—[The REFEREE stated that he thought that the argument that, looking at the petitioners as members of the producing public, their grievance was an individual grievance, was a strong one, but that as regards the section of the public who exclusively read the petitioners' paper, he was inclined to think that their reasonable requirements were not satisfied.] There is evidence that there is a producing public in Manchester whose reasonable requirements are not satisfied, and we are persons interested within the meaning of the Act. Then as regards the amount of the royalty, if a licence be granted, in fixing such royalty

Royalty rate.

the profits which the respondents get by restricting the use of the invention should not be taken into account.

The REFEREE having reported to the Board of Trade, an order was made by the Board, dated the 27th of July, 1898, which contained recitals similar *mutatis mutandis* to those contained in the Levinstein Order (below, p. 361) except that the sixth recital referring to the prayer of the petition appeared in the following corrected form :—

“ And whereas on the 13th day of November, 1897, the petitioners  
 “ presented a petition to the Board of Trade under the said section  
 “ for an order that the patentees under the said letters patent  
 “ No. 5470 of April 20th, 1886, and No. 5989 of 23rd April, 1888,  
 “ should grant to the petitioners a licence to use the inventions  
 “ described and claimed in and by the specifications of the said  
 “ respective letters patent.” The order then proceeds as follows :—

Order for  
 licence.

“ 1. That a licence to take effect from the date of this order and  
 “ in the form set forth in the schedule hereto be forthwith granted  
 “ by the patentees to the said petitioners to use the inventions  
 “ described and claimed in and by the specifications of the said  
 “ letters patent No. 5470 of 1886 and No. 5989 of 1888 respectively  
 “ for the unexpired residues of the respective terms of the said  
 “ letters patent, at a royalty of twenty pounds (20*l.*) per annum in  
 “ respect of each machine in connection with which the invention  
 “ contained in the respective letters patent above referred to or  
 “ either of them shall be used and the patentees shall forthwith  
 “ deposit such licence duly executed by them with the Board of  
 “ Trade :

Execution of  
 licence.

“ 2. The said petitioners, before the 27th day of August 1898,  
 “ shall execute and deposit with the Board of Trade a counterpart  
 “ licence in the form aforesaid, and in default of their doing so  
 “ this order shall be of no effect.”

The form of licence in the schedule is set out below at p. 364  
 (App. IV., Form 9A).

*Before W. R. BOUSFIELD, Esq., Q.C. (Referee).*

*13th, 14th, 17th, 23rd and 27th March 1899.*

**DUNLOP Co.'s (BARTLETT'S) PATENT—GORMULLY & JEFFERY'S  
PETITION (NORTH BRITISH RUBBER COMPANY LD. AND  
THE CLIPPER TYRE COMPANY LD. INTERVENING).**

*Injunction against petitioners—Interveners—Unconditional leave to  
intervene—Offer to manufacture tyres for the petitioners—  
Petition amended at the hearing—Jurisdiction over exclusive  
licensee—Adding parties by amendment—Licensed manufac-  
ture to be carried on within the realm—The position of the  
referee—Who is entitled to manufacture, patentee or petitioner?  
—Meaning of "default" of patentee—Costs—Effect of the  
offer to manufacture—Profits, how divisible—Offer of an  
interim report—Refusal of the offer.*

The petitioners were the Gormully and Jeffery Manufacturing **Parties.**  
Company, an American firm carrying on the business of cycle  
manufacturers in Chicago. The respondents were the Dunlop  
Pneumatic Tyre Company Ltd. of London the registered owners  
of Bartlett's patent under which the licence was sought. Besides  
the respondents two other companies appeared at the hearing to  
oppose the making of the order being the North British Rubber  
Company Ltd. of Edinburgh and the Clipper Tyre Company Ltd.  
of Birmingham, licensees under an arrangement which limited  
the number of licences to be granted under the patent to the  
number now in existence.

In the year 1890 a patent numbered 16783 was granted to **The patent.**  
William Erskine Bartlett for certain improvements in tyres or rims  
for cycle and other vehicles. The patent was assigned to the  
respondent company which company was at the date of the  
petition the registered patentee under the said patent.

The petitioners were the proprietors of a certain patent No. 25370 **The peti-  
tioners' invention.**  
of 1894 granted to James Grieve Lorrain for improvements in  
wheels having for their object the production of means for  
strengthening the rims and felloes of wheels of that class where a  
wood or similar felloe is provided with a pneumatic or flexible tyre.

The petition set out the facts above stated and contained allega- **The petition.**  
tions that for some years past the public had recognised that it was  
desirable to use wooden rims in cycle and other wheels when  
pneumatic tyres are used, wood being much more resilient than  
metal rims and lighter but that these properties of wooden rims

Injunction  
against the  
petitioners.

The refusal of  
a licence.

had been to a great extent discounted by the fact that such rims are very liable to split under the various strains to which they are subjected: that in the petitioners' invention a wooden rim provided with a pneumatic tyre held on by air pressure capable of being practically used had for the first time been brought before the public: that the petitioners had sold in England certain tyres and rims which had been held by the Courts of this country, including the House of Lords, to be infringements of the said Bartlett patent and that the petitioners had been restrained from manufacturing, selling, supplying, letting on hire or using any tyres for cycles &c. manufactured according to the said Bartlett patent and that, consequently, rims made in accordance with the petitioners' said invention could not, when fitted with the pneumatic tyres for which they are intended, be used without the licence of the Dunlop Company: that on the 24th November 1897 an interview took place between solicitors representing the petitioners and the respondents respectively when the solicitor for the respondents declined in behalf of his clients to grant a licence to the petitioners on any terms and stated that the purchase by his clients of the said letters patent No. 16783 of 1890 was upon condition that they granted a licence under those letters patent to the patentee William Erskine Bartlett and that they should have liberty to grant one other such licence and no more and accordingly that licences had in fact been granted to the said Bartlett and to the Clipper Company and that his clients had no power to grant any other licence under the said patent: that in accordance with an arrangement made at the said interview between the solicitors the request of the petitioners was reduced to writing and the following correspondence passed between the parties (formal parts being omitted).

Letter of 24th November 1897 petitioners' solicitors to solicitors for respondents.

“ Referring to our interview this morning we would again  
 “ ask you to be good enough to consider whether your clients,  
 “ the Pneumatic Company being the owners of Bartlett's patent  
 “ No. 16783 of 1890 would grant our clients the Gormully  
 “ and Jeffery Manufacturing Company a licence under that  
 “ patent. We should be prepared to pay the highest royalty  
 “ you receive from anyone. You seemed to think at our  
 “ interview that the terms upon which the Pneumatic Com-  
 “ pany purchased the patent in question precluded them from  
 “ granting a licence but this can hardly be so as there is no

“doubt that the patentee, Bartlett, and the Clipper Company  
“could join in granting a licence.

“You will recollect that the ground of our request is that  
“our clients are without the licence now applied for unable to  
“make use of their patent No. 25370 of 1894.

“You seemed also to think that even if your clients were  
“free to do as they pleased they would decline to grant us the  
“licence we desire. We hope that on consideration they will  
“not confirm that statement but as to this as well as generally  
“upon our application we would be glad to hear from you as  
“early as possible. Please let us hear at the latest by  
“Saturday next the 27th inst.”

Letter dated 30th November 1897 respondents' solicitors to the  
solicitors for the petitioners.

“In reply to your letter of the 24th inst. in the first place **Refusal**  
“we have not the power to grant your clients a licence and **confirmed.**  
“even if we were (*sic*) we should in view of the existing  
“licences under the patent have to very seriously consider our  
“position.”

It was further alleged in the petition that by reason of the de-  
fault of the patentee or his assigns to grant a licence on reasonable  
terms the reasonable requirements of the public with respect to the  
Lorrain invention could not be supplied and that the petitioners  
were prevented from working or using to the best advantage the  
said invention of which they were possessed. The petition con- **Prayer.**  
cluded with a prayer that an order might be made by the Board  
of Trade that in consideration of a royalty to be paid by the  
petitioners equal to the largest royalty received by the Dunlop  
Pneumatic Tyre Company Ltd. for a similar licence the Dunlop  
Pneumatic Tyre Company Ltd. (*a*) might be ordered to grant to the  
petitioners a licence to manufacture, sell, supply, let on hire and  
use tyres for cycles or other vehicles manufactured according to or  
in the manner specified or claimed in the complete specification of  
the letters patent No. 16783 of 1890 or that the petitioners might  
have such other relief in the premisses as the Board of Trade might  
deem just.

The petition was verified by the affidavit of W. H. Kitto. the **Petitioners'**  
**evidence.**

(*a*) By amendment the words “and the North British Company and  
“any other person interested in the patent” were subsequently added in  
this place. See below, p. 256.

manager in England for the petitioners who deposed in corroboration of the statements contained in the petition concerning the utility of the invention to its very widely extended use in the United States of America, and by a member of the firm of solicitors for the petitioners in whose affidavit copies of the letters above extracted were set out. Other affidavits—to the number of eight—were made by persons acquainted with the petitioners' invention in further corroboration of the statements in the petition concerning its utility and importance to the cycling public.

Service of the  
petition, &c.

The Board of Trade being of opinion that a *prima facie* case for relief had been made out required the petitioners to deliver copies of the petition and of the documentary evidence in support thereof to the Dunlop Company. This having been done, the respondents filed various affidavits in answer made by Harvey du Cros, chairman of the respondent company, and others—twelve in all. The case against the petition disclosed by these affidavits was that the petitioners were manufacturers carrying on their manufacture entirely in America and having only agents for sale in this country: that the respondent company and its licensees were and had at all times been willing and able to supply tyres suitable for use with the petitioners' wooden rims in the ordinary course of business and at reasonable prices.

Answer.

Reply.

The petitioners put in one affidavit in reply showing that of the three licensees from whom it was suggested that the petitioners might, as well as from the respondent company, obtain a supply of tyres one,—the North Rubber Company—was at arm's length with the respondents having brought an action for infringement of the Bartlett patent against them, a second—the Palmer Company—had been applied to to supply the tyres but had declined to enter into negotiations and the third—the Clipper Company—had accepted a contract to supply tyres but had failed to carry out the contract and had been adjudged to pay damages for its breach. Much conflicting evidence was given by the deponents in behalf of the petitioners and of the respondents respectively concerning the utility of the petitioners' invention but in the end nothing turned upon the particular points raised in furtherance of this objection to the grant of the licence.

North British  
Rubber Co.  
intervenes.

On the 30th December 1898 the North British Rubber Company Ltd. having given notice of opposition to the compulsory granting of the licence put in an affidavit by the assistant manager of the company supported by a similar affidavit by the secretary of the company showing that the company had always been able to supply the public demand for Clincher tyres made under the said Bartlett

patent; that the company had expended large sums upon works, plant and machinery for the purpose which plant and machinery had never been employed to the full extent of its productive power: that it—the intervening company—had a contract with the respondent company by which the said respondent company was bound not to grant more than one other licence beyond the licence to the intervening company and the licence previously granted by the intervening company to the Palmer Company: that the intervening company had never been applied to by the petitioners to supply tyres of the desired section but would be prepared to supply any such tyres in any required quantities at the same rate as that charged by them to their other customers and that the intervening company stood in a totally different position from that of the respondent company and had interests quite distinct to protect in opposing the grant of the licence asked for inasmuch as the proposed licence would be an express violation of the above mentioned contract of the intervening with the respondent company; would create another competitor for business to the great injury of the intervening company and ought only to be granted, if at all, upon terms which would secure to the intervening company a reasonable compensation out of the royalty payable by the proposed licensees for the prejudice caused by the licence to its (the intervening company's) interests. The company obtained unconditional leave to appear and take part in the proceedings.

Offer to  
supply tyres.

On the 11th February 1899 the Clipper Pneumatic Tyre Company Ld. of Birmingham, having in like manner given notice of opposition, put in an affidavit by J. D. Siddeley the managing director of the company in which it was stated, *inter alia*, that the company had paid a premium of 70,000*l.* for a licence under the Bartlett patent on the understanding that no other licence would be granted under the said patent beyond the two licences above mentioned and on the faith of that understanding had spent large sums of money in building up a business in Clipper tyres: that the company was fully able and willing to supply tyres to the petitioners of the required pattern and quality and in any required quantities at reasonable prices and on reasonable terms: that it was the intention of the petitioners to transfer their entire manufacturing trade to America and to import their tyres ready made into this country so that British manufacturers and the industrial classes of the United Kingdom would in that case obtain no share in the manufacturing profits of the new industry, and that the defence of the interests of the deponent's company could not properly be entrusted to the respondent company because the said interests

Clipper Co.  
intervenes.

Offer to  
supply tyres.

were adverse to the interests of the respondent company. The deponent therefore submitted that the Board of Trade could not properly determine upon what terms it would in the circumstances of the case be just to order the grant of a licence by the holders of the patent to the petitioners without considering to what extent and in what manner the proposed licence would tend to the prejudice of the deponent's company and what compensation should be given to the said company and what conditions imposed for its benefit upon the granting and enjoyment of any such licence and craved leave for his said company to appear and take part in the proceedings and to attend the hearing and adduce evidence for the information of the Board of Trade in case it should appear to the Board of Trade that it would be right in the circumstances of the case that an order for the granting of a licence should be made.

This company also obtained unconditional leave to appear and take part in the proceedings.

Hearing of  
the petition.

The petition now came on for hearing.

*Carson, Q.C., T. Terrell, Q.C., Neill and Mears* instructed by *Bompas Bischoff Dodgson Coxe & Bompas* appeared for the petitioners.

*Moulton, Q.C., Roger Wallace, Q.C., Walter and Bucknill* instructed by *J. B. & F. Purchase* appeared for the respondents.

*Edmunds, Q.C. and Gregson Ellis* instructed by *Nicholls & Son* appeared for the *N. B. Rubber Company*.

*C. A. Cripps, Q.C. and J. W. Gordon* instructed by *J. B. & F. Purchase* appeared for the *Clipper Company*.

*Carson* in the course of opening the petitioners' case read the correspondence above quoted between the parties whereupon

Amendment  
of the peti-  
tion.

The REFEREE observed: You are asking for an order here which would affect not merely the Dunlop Company but the North British Company, having regard to their agreement that only one licence should be granted. I think therefore it may be necessary; it is a purely formal matter because the North British have been served and are here; that you should amend, if necessary, the prayer of your petition by asking for an order not only against the Dunlop Company but against the North British Company.

The question was left over at that time but came up again on the following day when

*Terrell* said that he was quite prepared to join the North British Company with the Dunlop Company as parties against whom he would ask for relief.

*Edmunds.*—There is no jurisdiction to amend the petition. It is presented under the rules as to the procedure to be adopted in



these proceedings and there is nothing about any power to amend or to alter the form of the petition.

*Moulton.*—If parties are to be added I have a right to insist that this petition should be dismissed. It is no longer the same petition. If new parties are made respondents all sorts of questions may arise as to whether you have the power to direct royalties to be paid to them. You have no power under the present petition, which is a petition against one alone to take away royalties and give them to anybody else. If this procedure be founded upon a correct interpretation of the statute the Board of Trade ought when the petition was lodged to have directed an enquiry as to who are interested in the patent and they ought to have directed the petition to be served on all those.

The REFEREE.—Since these proceedings were initiated an agreement has been disclosed under which it appears that the North British Rubber Company have a contract with the respondents that they shall only grant a limited number of licences. Sect. 87 of the Act says: “The person for the time being entered in the “register of patents, designs or trade marks as proprietor of a “patent, copyright in a design or trade mark as the case may be, “shall, subject to the provisions of this Act and to any rights “appearing from such register to be vested in any person, have “power absolutely to assign and grant licences as to or otherwise “deal with the same and to give effectual receipts.” At the time when this application was presented it did not appear from the register that there were any rights of the nature which are put forward vested in the North British Company. It appears to me therefore that even under the section we would have to regard the Dunlop Company as persons entitled absolutely to assign, grant licences and so on. The section also provides that any equities in respect of such patents may be enforced in like manner as in respect of other personal property. It must often be the case in applications of this sort that after a petition is lodged some interest of some other person should be disclosed which the Board of Trade will have to have regard to. When such interest is disclosed Mr. Moulton suggests that the whole proceedings ought to be put an end to and that a fresh petition ought to be presented. I shall advise the Board of Trade that under such circumstances an amendment ought to be allowed and if Mr. Terrell will send in his application to amend it will be dealt with by the Board of Trade. It should be sent in in the form of a letter requesting to amend the petition. At the same time of course if any adjournment is necessary or if any further evidence is necessary to protect the

Adding  
parties by  
amendment.

Procedure.

rights of the parties that, of course, will be a matter of application and one will have to see that nobody is prejudiced by any such amendment. Any application which you make will be considered by the Board of Trade. Mr. Terrell, I do not know that it is necessary to your rights at all that an amendment should be made.

*Terrell.*—We shall, as a matter of precaution, take that step. I do not think it is necessary but it may be necessary and one can never tell what may happen.

The petition was eventually amended by adding after the name of the Dunlop Pneumatic Tyre Company Limited, in the second place in which that name occurs, the words “and the North British Rubber Company Limited and any other person interested in the patent.”

Jurisdiction.

Upon the point of jurisdiction

Exclusive  
licence.

*Moulton* argued that the section did not apply to the case of a patentee who had granted an exclusive licence because there was nothing in the section which involves interfering with contractual rights at all. The section deals and is intended to deal with the possible case of persons who neither work their patents themselves nor give leave to other people to work them. The section cannot mean that you are to order the patentee to do that which will interfere with the property of another the right to interfere with which he has parted with. Moreover the contract would be an answer to the application for a mandamus to enforce the order. The answer would be “I am ordered to do something which I cannot do.”

*Edmunds.*—There is nothing in the section which gives to the Board of Trade the right to interfere with interests such as mine in this patent and the discretion of the Board of Trade could not properly be exercised unless provision were made for the apportionment of any premiums or royalties arising under the licence.

*Gordon.*—Your jurisdiction is limited by the definition of a patentee in clause 46 of the Act which provides that “patentee” means “the person for the time being entitled to the benefit of the patent” therefore your jurisdiction is limited to what you can do to affect the rights of a patentee without affecting my rights.

*Moulton.*—A licensee is not a patentee *Heap v. Hartley (a)*.

The REFEREE.—I shall report this point to the Board of Trade. It will remain open for the purpose of affecting their discretion. It appears to me that however complicated the interests in a patent

(a) 42 Ch. D. 468.

may be there is ample power in the Board of Trade to deal with a matter of this sort having regard to the fact that the patentee means, as defined in sect. 46, a person for the time being entitled to the benefit of a patent. It does not matter how complicated that person is or what the interests may be. They can all be brought before the Board of Trade and the matter can be dealt with comprehensively. It appears to me that for the purposes of a compulsory licence one simply has to get all the persons interested in the patent before the Board of Trade and the Board of Trade then has power to deal with the matter having regard of course in making the order to what their contractual relations as amongst themselves may be and that is a matter which will be left absolutely open. As I said, I shall report this to the Board of Trade and it may have some influence upon their discretion but I do not think that it affects the question of jurisdiction.

In the course of the hearing a question was raised as to whether the licence was asked for in order to enable the petitioners to set up their manufacture in this country or only to import from America tyres manufactured there. Upon this point the Referee remarked I shall possibly want an undertaking as a condition.

Licensed  
manufacture  
carried on  
within the  
realm.

*Carson.*—Of course the Board of Trade have complete control. They can put it in as a condition.

The REFEREE.—Yes that is what I was indicating. It is there in the petition but still the Board of Trade might want a little further assurance with regard to a matter of that sort.

In response to this suggestion the applicants in the course of their case tendered evidence to the effect that the applicants would be prepared if they obtained their licence, to comply with "any reasonable requirements that the Board of Trade might put upon them" and that there would be no difficulty in the way of their putting up plant if necessary to manufacture these tyres in this country. This evidence drew the following observations from

The REFEREE.—You are not asking for a licence to import. You are asking for a licence to manufacture. Before the close of the case you will have to say something a good deal more definite than that. If you get a licence I should like to understand definitely that you are prepared to work under it.

Evidence was given on both sides as to the utility of the invention and the cost of manufacture but in the end the only point which remained for decision was the question whether a certain offer to manufacture tyres for the petitioners made by the North British Rubber Company was or was not a reasonable offer. It had been stated, as appears above, in the affidavit upon which that

The offer to  
manufacture  
tyres for the  
petitioners.

company obtained leave to intervene that the company would be prepared to undertake the manufacture and supply of tyres in any required quantities upon the same terms upon which they were supplied to other customers. At the suggestion of the Referee this offer was put into a specific form and submitted to the petitioners. It was found that the letter containing the offer was marked "without prejudice" as to which counsel for the Rubber Company explained that they meant that the offer was made without prejudice to the company's rights in case an order were made against them. The Referee however declined to look at the offer or to take any notice whatever of it in the proceedings unless it were tendered without reserve and eventually the words "without prejudice" were struck out by the representative of the company and the offer was submitted in that form. It was rejected and evidence was tendered to show that it was a reasonable offer. The Referee eventually took that view and invited the petitioners' counsel to submit reasons for the conclusion that it was not a reasonable offer.

*Terrell.*—In this case you have taken the view that if a reasonable offer is made that will be a bar to the granting of a licence.

The REFEREE.—I think so in a case where you have only an improvement in detail on a broader patent.

*Terrell.*—In dealing with that it is important for me to know whether that is merely what you are going to report or whether that is a resolution of the Board of Trade.

Sub-sect. (c).

The REFEREE.—There has been a decision already upon it in this way. This matter happened to come before me some time ago in the case of a tyre and I reported in that case that I did not think there was a *prima facie* case made out and that in a case where the applicant desired to make only a mere variety of the original tyre I did not think the section was meant to open out a case of that kind. Here you have got beyond a mere variety. You have a variety which seems to be of such importance that my personal view at the moment is that it ought to be made but still it seems to me that the same principle holds that where a licence is applied for simply to make an improved form of an existing patented article I think that the patentees of the original article ought to have for the full term of the patent the right to manufacture that themselves if they are supplying the market and if they are willing to supply on reasonable terms the improved variety which it is sought to put on the market. If you do not accept that principle of course I shall be glad to hear what you have to say about it generally.

*Terrell.*—I do not accept that principle but, reverting for a moment to the question that I put to you just now, the reason why I asked the question was not in the slightest degree out of any want of respect for your judgment or to your decision but for this reason that it has been said that in one case at least the Board of Trade did not adopt the report of the referee to whom they had referred the case. In addressing you am I to consider that I am addressing you with a view to convincing you only or am I to consider that I have behind you the Board of Trade to whom some of my arguments ought to be applied supposing they should not agree with your view. Are you a final tribunal?

The position  
of the Referee.

The REFEREE.—I am not. I am advising the Board of Trade but I think you must assume when I have to report to the Board of Trade that you have to convince me. I have to report to the Board of Trade and in the ordinary course the Board of Trade would, most probably, adopt the report.

*Terrell.*—The point of principle is an exceedingly serious one. If that view is adopted there is an end of the section for every patentee will refuse to do anything until he has put everybody to as much expense as possible. The policy here has been, first of all, to make an impossible offer then to grasp your views about it. Then when your views are gathered, not by your expressing them but by that intuition that one gets of the views of a Court “the arbitrator thinks this is unfair amend that a little “bit” then the next day amend it a little bit more until at last you get an offer which is the very lowest that can possibly satisfy the arbitrator then say, “Go home and pay your own costs, that is “the best offer you are going to have,” this section comes to an end. On principle I submit that the question whether or not a person is entitled to a compulsory licence depends on whether or not the conduct of the people at the time when we had to apply for the compulsory licence was such as to justify our having it. The Act of Parliament contemplates that the person with the second invention should put his own invention on the market. That is to say if he satisfies the Board of Trade that he has a substantial invention which the public ought to have the benefit of then it is in the contemplation of the statute that he should put it upon the market and not the original inventor. The words of the section should be considered “If on the petition of any person “interested it is proved to the Board of Trade that by reason of “the default of the patentee”—not to manufacture but—“to “grant licences.” [The REFEREE.—I think the meaning of this word “default” is that there can only be a default in a case in

Who is  
entitled to  
manufacture,  
patentee or  
petitioner?

Meaning of  
“default”  
of patentee.

Who is  
entitled to  
manufacture?

which it is shown that within one of these clauses a case has arisen in which a licence ought to be granted. That is how it strikes me that if it is not a case in which a licence ought to be granted there would not be a default.] *Terrell* continuing.—If there is a substantial invention of which the public ought to have the benefit it does not satisfy the statute for the patentee to come and say “I will manufacture your invention to the satisfaction of the public” but he is bound to say “I will allow you to “manufacture your invention.” I submit that is the meaning of those words. This is a section which is intended to compel the owners of master patents which govern trades and industries to grant licences and not to try to monopolise the whole trade but to grant licences; if they do not supply the requirements of the public; under sub-section (b) and to grant licences; if an invention cannot be put before the public; under sub-section (c).

Costs.

Effect of the  
offer to  
manufacture.

The REFEREE.—I do not attach much importance in this case to this question of conduct. I think that you were right in going to the Dunlop Company and asking for a licence. Then the North British Company come and put in their declaration. They say they are quite willing to make these tyres for you. I do not think this is a case in which one side or another ought to be prejudiced by the exact form or shape that the matter has taken beforehand. There is no power as to costs in the matter. It might be material as to costs but I cannot see that it would have any relevance as to anything but costs. This is a case in which the invention which the petitioners desire to manufacture is an improved variety of a species covered by the respondents' patent and my personal view is that in a case of this kind the Board of Trade in the exercise of its discretion ought not to put the section in operation at all if there is a *bonâ fide* offer to manufacture on reasonable terms the improved variety which the petitioners desire to manufacture. I shall advise the Board of Trade accordingly. It is a matter of discretion and I do not think the Board of Trade in the exercise of its discretion ought to put the section into operation at all in a case of this sort if a reasonable offer is made to manufacture the improved variety.

Profits, how  
divisible  
between the  
parties.

Some discussion thereupon ensued as to the reasonableness of the offer made in the course of which the Referee intimated that in his opinion the parties appearing in opposition to the grant were entitled in making their offer to reserve to themselves the full manufacturers' profit upon the rubber tyre which they were proposing to manufacture and supply and that the petitioners ought to be content with the manufacturing profit on the wooden rim

which they would themselves manufacture and such additional profit as the superior merit of their wheel—tyre and rim combined—would enable them to add on to the price charged to the public. Upon this view and after hearing the criticism of the offer by the petitioners' counsel he expressed himself as follows:—

The REFEREE.—Then the conclusion to which I have come is that the offer is a reasonable one and one that ought to be accepted. I assume that it is made *bonâ fide* and that the details will be worked out by the North British Company in a reasonable spirit and on a commercial basis and I propose to send an interim report to the Board of Trade to that effect and to adjourn the petition *sine die*. That will leave you free to make your terms on the basis of that offer. If at any future time it appears from anything that the offer was not a *bonâ fide* one you will have this security that you will be able to ask for a day to have the petition restored.

Offer to the petitioners of interim report.

*Terrell*.—We will accept the dismissal of the petition rather than the offer. The Board of Trade must make up its mind whether it will grant the petition or not. We appreciate that your view is that no order should be made. We feel that the Board of Trade might take a different view.

The offer rejected.

The REFEREE.—May I take it, for the purpose of my report which then would not be an interim but a final report, that you refuse this offer?

*Terrell*.—Yes.

The REFEREE.—Then that will enable me to report finally.

The decision of the Board of Trade had not at the date of going to press (17th May 1899) been communicated to the parties.

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Before W. R. BOUSFIELD, Esq., Q.C. (Referee).

13th, 14th, 15th, 16th, 17th, 22nd, 23rd February, 10th, 11th, and  
23rd March, 1899.

DUNLOP COMPANY'S (WELCH'S AND BARTLETT'S) PATENTS—  
WOLVERHAMPTON TYRE SYNDICATE'S PETITION (NORTH  
BRITISH RUBBER COMPANY, LD. INTERVENING) (a).

*Parties—Intervener—Patentees' default—Evidence given by statutory  
declaration—Requirements of the public—Unreasonable price—  
Limitation of choice—Petition; prayer defective—Jurisdiction  
—Patentees' default; trade preference—Exclusive licence—Dis-  
cretion of the Board of Trade—Circumstances of the case; sub-  
ordinate nature of petitioners' invention; offer to make and  
supply—Project to float a company—Facta probanda—Respon-  
dent must prove a reasonable offer if he relies upon it as an  
answer to the petition—Terms of licence a separate branch of  
the enquiry—Oral evidence; practice as to examination in chief  
—Private communication tendered to referee—Private document  
kept off shorthand note—Attendance of witnesses for cross-  
examination—"In possession of an invention"—Nonsuit—  
Position of referee—Unreasonable price; trading competition  
—Terms of compulsory licence; terms of voluntary licences  
may be considered; patentee to be fully protected—Sitting in  
camerâ—Adjournment sine die.*

Parties.  
Petitioners.

(Petitioners'  
invention.)

The petitioners in this case were the Wolverhampton Pneumatic Tyre Syndicate Limited who were assignees of a patent granted to A. A. Crozier No. 23118 of 1895 for improvements in pneumatic tyres for the wheels of cycles and other vehicles. The said improvements consisted substantially in substituting an endless chain for the endless wire of a Welch tyre cover. It was found expedient to fit covers so constructed to rims having inturned edges and by reason of this circumstance it was thought necessary to obtain a

(a) The hearing of this case has not yet concluded at the date (24th May, 1899) of going to press. But the proceedings stand adjourned *sine die* to enable the parties to come to terms if possible and as this may perhaps be regarded as being quite as normal a conclusion of such proceedings as an order by

the Board there seems no reason for suppressing the report of so much as has actually passed already. The report is good as far as it goes and probably comprises nearly all that the Board of Trade will in any case permit to be published since the referee's reports to the Board are treated as private documents.



licence under the Bartlett patent above mentioned as well as under the Welch patent.

The respondents were the Dunlop Pneumatic Tyre Company Limited who were the patentees by assignment of the patents granted to Charles Kingston Welch No. 14563 of 1890 and to William Erskine Bartlett No. 16783 of 1890. Respondents.

The interveners were the North British Rubber Company Limited a company which had at one time owned the above mentioned Bartlett patent but had sold the same to the respondent company upon certain terms which included a licence to the intervening company to manufacture under the said patent and a covenant by the respondent company not to grant more than one other licence to manufacture under the said patent. The said North British Rubber Company Limited gave notice of opposition to the grant of the proposed licence and lodged affidavits setting out *inter alia* the above stated facts and that its interests in opposing the licence were entirely diverse from those of the respondent company. The North British Company thereupon obtained unconditional leave to attend and take part in the proceedings. Interveners. Leave to intervene.

On the 16th May 1898 the petitioners addressed to the respondents a letter of which, omitting formal parts, the following is a copy:—

“ We are in possession of a patent which we desire to work, but which may be considered an infringement of the Welch and Clincher patents. Please say on what terms you will licence us.” Request for licence.

In answer to this letter the respondents asked for a specimen tyre which was supplied to them on the 12th July 1898 and on the 19th July ensuing the petitioners wrote to the respondents a further letter of which; again omitting formal parts; the following is a copy:—

“ Referring to my letter of July 12th 1898 unless I have a definite reply by return of post this syndicate must conclude that you decline to grant a licence. I am instructed to inform you that a compulsory licence will be applied for.” Refusal of licence. See below, p. 264.

In pursuance of the intention expressed in this last quoted letter a petition was a few days thereafter lodged at the Board of Trade.

The petition contained allegations showing that the petitioners were in possession of Crozier's invention above mentioned and believed the same to be of great practical utility; that the patents granted as above mentioned to Welch and Bartlett were vested by assignment in the respondent company and that actions had been Petition. Respondents' title.

Patentees' default.

brought upon both the said patents in which their validity had been established; that the petitioners were advised that in view of the construction put upon the said patents tyres manufactured in accordance with the petitioners' (Crozier's) invention are infringements of both the said patents; that the petitioners had applied to the respondent company for a grant of a licence upon reasonable terms under the said patents to manufacture tyres in accordance with the petitioners' (Crozier's) invention but that the respondents had refused to grant any such licence; that the respondents or their predecessors in title had granted licences to other manufacturers of tyres under the said patents which licences were then valid and subsisting; that the petitioners (par. 10) were informed and believed that the respondents were largely interested in a certain company formed to acquire and which had acquired several of the more important of the said licences and had entered into agreements with the said company to raise the price of tyres to the public and had from time to time (par. 11) entered into certain monopoly agreements with many cycle manufacturers and agents whereby it was rendered difficult for the public to obtain any tyres other than those manufactured by the respondents and that by reason of the premisses the petitioners were absolutely precluded from working the invention of which they were possessed and the reasonable requirements of the public were not complied with. The petition concluded with the following prayer:—

Prayer.

“ Your petitioners, therefore, by virtue of section 22 of  
 “ the said Act pray for an order upon the Dunlop  
 “ Pneumatic Tyre Company Limited directing them  
 “ to grant to them an irrevocable licence to manufac-  
 “ ture and sell in the United Kingdom tyres in  
 “ accordance with their said invention at such royalty  
 “ as to Her Majesty's Board of Trade shall seem  
 “ meet.”

Petitioners' evidence by statutory declaration.

The petition was verified by certain statutory declarations (eight in all) made by Charles Marston, one of the directors of the petitioning syndicate and certain other persons who spoke to the various statements in the petition contained.

Subsequently to the lodging of the petition at the Board of Trade but before service thereof upon the respondents the said respondents replied to the last above recited letter in the following terms on the 22nd September 1898:—

Refusal of licence.

“ Your application for a licence has now been considered  
 “ and in view of the fact that a very large number of licences  
 “ have been already granted by this company and having

“ regard to the enormous facilities which the company and its  
 “ licensees have for meeting every demand for tyres it is  
 “ decided not to increase the number of licences.”

The Board of Trade considered that a *prima facie* case had been made out and ordered that the matter should proceed and copies of the petition and statutory declarations in support were then served upon the respondents. The respondents filed several affidavits (twenty-five in all) in answer to the application and the petitioners filed statutory declarations in reply.

Service of  
petition, &c.

Respondents'  
affidavits in  
answer.

On completion of the documentary evidence the matter now came on for hearing. *T. Terrell*, Q.C., and *C. E. Odgers* instructed by *E. Fitzgerald* appeared for the petitioners; *Moulton*, Q.C., *Roger Wallace*, Q.C., and *A. J. Walter* instructed by *J. B. & F. Purchase* appeared for the respondents and *Edmunds*, Q.C., and *Gregson Ellis* instructed by *Nichols & Son* appeared for the North British Rubber Company Limited.

Hearing.

*Terrell*.—The petition proceeds upon two grounds, ground (b) and ground (c). Ground (b) is that the reasonable requirements of the public with respect to the invention cannot be supplied. You cannot say that the requirements of the public are satisfied by merely saying that you are prepared to manufacture and sell any quantity of these tyres for it must be at a reasonable price.

Opening of  
petitioners'  
case.

Requirements  
of the public  
not satisfied.

The REFEREE.—You would not contest that I suppose, Mr. Moulton?

*Moulton*.—I should not object to that. An offer to sell may be an illusory one because of the price.

*Terrell*.—I propose to show that the tyres are made at a certain prime cost and that by their agreements with the cycle manufacturers they secure a price which having regard to the nature of the articles and to the manufacture, is an unreasonable price. Another effect of their agreements is that the makers of certain machines can obtain Welch tyres cheaper than can the makers of certain other machines. The requirements of the public and the rights of the public are to have any machines with any tyres they please. If Welch puts his invention on the market in such a way that when the public want to buy a bicycle the public are put under a penalty in buying a “Sunbeam” over a “Humber” the requirements of the public are not supplied. One of the privileges of the public is the right of choice and if you put a manufacturer in the position that he is obliged to sign away his right of choice then you deprive the public of the right of choice and you do not supply the requirements of the public with reference to the invention.

Unreasonable  
price.

Limitation of  
choice of  
bicycles.

The REFEREE.—Is this an application to make tyres according to the Welch specification?

*Terrell.*—Yes, that is what it amounts to. It is an application for a general licence as well as for a licence to manufacture the Crozier tyre.

The REFEREE.—You do not want to go into that do you?

*Terrell.*—On ground (b) I do.

The REFEREE.—Let me see where that is in the petition.

Defective  
prayer.

*Terrell.*—It is stated in the petition but not in the prayer. I have to admit that the prayer in that respect is defective.

The REFEREE.—That is a very different case. Where do you find anything about it in the petition?

*Terrell.*—Paragraphs 10 and 11 of the petition.

The REFEREE.—All these are only reasons for granting the prayer of the petition. The enquiry must be limited to what we have understood is the basis—an application to make tyres substantially according to the Crozier specification. We are not going to have in the case a deposited pattern or anything of that kind but substantially to make a thing according to that. That is what the petition is for.

*Terrell.*—I do not want there to be any misunderstanding about this. The ground upon which the main body of this application is made is that the requirements of the public are not supplied.

The REFEREE.—All that you can pray in aid.

*Terrell.*—And, of course, the prayer is only to manufacture that, but if I establish that the requirements of the public are not supplied and thus make out my case under sub-sect. (b), under that sub-section the section contemplates a general licence.

The REFEREE.—Yes, but that is not what you are asking for.

*Terrell.*—I know. Supposing I established that the result would only be a second petition on the same grounds.

The REFEREE.—We should have to deal with that when it comes.

*Terrell.*—To which there would be no answer because the same ground that I have established on this one would entitle me to the larger remedy. That is what I indicate. If you say that you are bound strictly by this prayer then I must proceed upon that footing.

Jurisdiction.

The REFEREE.—I take it this certainly is the first notice I have had and I do not suppose you have given the Dunlop Company notice.

*Moulton.*—This is the first notice we have had.

*Terrell.*—Very well. You will observe that if I had put in a claim for such further or other relief as to the Court should seem

just that would have been sufficient. Now I will come to the agreements which I say clearly establish that the requirements of the public are not supplied. If I show that by reason of an artificial process of trading they use these patents not for the purpose of obtaining legitimate profit but for the purpose of obtaining a monopoly of that to which they are not entitled at all I shall have established that the reasonable requirements of the public are not satisfied. [The learned Counsel having explained certain measures said to have been taken by the respondents for the purpose of getting rid of the competition in price of their own licensees, continued]:—Now, having in this way cleared themselves from the difficulty of these licensed tyres, I draw attention to the way in which they have manipulated the trade. There is a demand in the trade for tyres at low prices for the purpose of what are known as second grade machines and of these tyres there would be a large sale to a section of the public to which the higher priced machines are not available. Patentees' default.

The REFEREE.—You may take it there is no controversy first that there is a demand for a second grade of tyre and secondly that the Dunlop Company do not attempt to supply that demand.

*Moulton.*—I make no admission as to whether there is a demand for a second grade of tyre or not. We certainly make nothing but the first quality. There are other persons who make tyres, if there is any demand for them, under the Welch patent of a lower grade but we do not meddle with that.

The REFEREE.—Your point is that unless you who are supplying the “Sunbeam” machine enter into a special agreement you have to pay such a price beyond that which other people pay as to make it impossible for you to do any trade in “Sunbeam” machines supplied with Welch tyres.

*Terrell.*—That is putting it at the highest. I do not like the words “impossible to do any trade” but seriously to impede the public in their right to have my “Sunbeam” machines with Welch tyres.

The learned Counsel then drew attention to certain trading agreements entered into by the respondents with various cycle manufacturers and agents to show that tyres were supplied upon advantageous terms to such dealers as would undertake to recommend Dunlop tyres in preference to all others and to push the sale of Dunlops before all others. Trade preference.

The REFEREE.—Taken apart from the question of price the natural effect of agreements of that kind is to bring into use a larger proportion of Welch tyres as compared with other competing tyres than would otherwise be the case. The reasonableness of the Reasonable-ness of price

is to be considered.

Public right of choice not within the section.

Exclusive licence.

price is (admittedly I think) a matter to be enquired into. It is an essential element in considering whether the reasonable requirements of the public are satisfied especially when one remembers the Statute of Monopolies which, in the clause which makes the exception about letters patent for the sole working of any manner of new manufactures goes on to state "so that they be not contrary to law nor mischievous to the State by raising prices of commodities or hurt of trade." It is quite true that one has never heard of a patent's being held invalid on that ground but that reacts on the meaning of this section, as a matter to be regarded with reference to patentees whether they do unreasonably raise the price of a commodity. The other question whether the patent is used for the purpose of depriving the public of a right of choice does not come within the section. All I have to see is that the reasonable requirements of the public with reference to the patentee's invention are satisfied. It does not matter a straw to me that they are oversatisfied and that to such an extent that the reasonable requirements of the public with reference to other inventions are not met.

*Terrell.*—Now the Dunlop Company bought the Clincher Patent, as you are aware, but they granted a licence to the North British Rubber Company to manufacture Clincher tyres and one of their grounds of defence against a compulsory licence is this—We have agreed with the North British Company to grant no other licences except this one to them and therefore to grant a compulsory licence in this case would be to compel us to commit a breach of our agreement.

The REFEREE.—You may take it that that will never be a defence to a petition of this kind with the Board of Trade. It will always be a question of terms.

*Moulton.*—We are bound to raise it. It would be an answer to a mandamus because unquestionably exclusive licences are legal and it would be a conclusive answer to a mandamus to say "you are asking us to do something that we have no power to do."

The REFEREE.—But the Board of Trade can do it for you. If a patentee could agree to grant an exclusive licence to somebody and that were to be an answer here there could never be a compulsory licence granted.

*Moulton.*—An illusory one would be no answer but a *bonâ fide* one would. The Board has no power to grant the licence. The order can only be enforced by mandamus and if by a legal contract the power of doing the thing has passed out of the patentee's hands there can be no reply to that answer to the mandamus.

The REFEREE.—I will hear anything you have to say. It will want a very strong argument to convince me.

*Terrell.*—Now we come to the point of the invention which we wish to use. I have an invention for the use of a chain instead of a wire. It offers considerable advantages and I want to put that chain on the market. I am in possession of an alleged invention which entitles me to a licence to use the Welch patent. [*Moulton.*—Crozier's invention is identical with Kitchen's earlier invention.] I have not to embark on that enquiry. "Invention" in the Act includes an alleged invention (sect. 46). That carries me home.

Petitioners' invention.

The REFEREE.—Do not use the word "entitles." These are matters of discretion. I have to advise the Board of Trade as to whether there is jurisdiction in the case but after that it is always a matter of discretion whether the Board of Trade shall grant a licence.

Discretion of the Board of Trade.

*Terrell.*—I submit that by producing my alleged invention and saying that I wish to work it and showing you that there is a market for my invention if I do work it, I bring myself within the jurisdiction of the Board of Trade. Now comes a curious question. We are applying for a licence to use this invention under both Welch and Dunlop. My friend's declarations say that it is not an infringement of Bartlett. I do not know what he says about it.

Patentee's rights in respect of petitioners' invention.

*Moulton.*—As far as that specification goes, you cannot say that it is an infringement of Bartlett at all. It might be used to infringe Bartlett by being put in a Bartlett rim.

*Terrell.*—I apply for licences under both.

The REFEREE.—Of course there is the ordinary request here to the Dunlop Company. What form did you put that request in Mr. Terrell, I should like to look at it. I suppose you did not apply to the North British Rubber Company. I do not suggest that that is material in any way.

*Terrell.*—I do not think we did.

The REFEREE.—It would be a serious thing to consider in some cases where a man has an invention which you may call a small invention or an improvement, as to what is the proper course to take with a case of that kind.

Circumstances of the case.

*Moulton.*—My argument would be if a person has a patent which is a subordinate thing that that is one of the things which the original patentee has a right over and the first thing is to find out whether he can get it on reasonable terms and whether there has been any application.

The REFEREE.—Of course it might be important to the public that they should have the benefit of the subordinate improvements and yet, of course, it would in many cases be quite unjust to the patentee that he should have a rival set up in trade on the strength

Subordinate nature of the improvement is a circumstance of the case.

of a merely subordinate improvement. I think it was on that ground that I held there was no *primâ facie* case made out in a former case that I advised the Board of Trade about; because I did not think it was intended when there was merely a subordinate invention to give a man a right under a licence from the patentee which would enable him to set up a rival enterprise (a). Have you considered that intermediate method of dealing with it? Would it be possible.

Offer to make  
and supply.  
See below,  
p. 278.

*Moulton*.—It is quite possible to get these made.

The REFEREE.—Of course either by the North British Company or by the Dunlop Company.

*Moulton*.—Certainly.

*Edmunds*.—We are quite willing to supply them at a proper charge, at the same profit as we now make.

*Terrell*.—That is contrary to the statute. The statute says if by reason of their refusing to grant licences I am not in a position to *work* an invention to the best advantage. In the case of Meister Lucius Patent, Levinstein's Petition (b) the same question arose.

Discretion of  
the Board of  
Trade.

The REFEREE.—I want you now to consider this. Supposing your ground (b) should break down, supposing that I thought under ground (c) the Board had jurisdiction that is to say that you had an invention I should not hold that the Board had no jurisdiction because it is a subordinate improvement; but then supposing the Board had jurisdiction it would become a question of discretion whether, having regard to its being such a subordinate invention it was a proper course to give you a right to set up a rival enterprise and although there is no jurisdiction to make an intermediary order still it might be an important element in guiding the exercise of the discretion of the Board of Trade as to whether it was a case in which a reasonable arrangement could be made for supplying this thing. If one were satisfied on ground (b) then quite independently of the subordinateness of the thing one would probably give a licence. Is there any evidence in the affidavits of the patentees' being prepared to make this invention at a reasonable price? It would come to be a question of price. I do not want to decide the point now. I shall have to hear a serious argument about it. Could you formulate a more definite offer Mr. Moulton?

Offer to make  
and supply  
criticised.

*Moulton*.—It can be supplied to these people at a reasonable price but it is a little inconvenient to consider it here because there may be rights of other persons to be taken into consideration. The

(a) See *Dunlop Patents—Chisholm's Petition*, below, p. 280.

(b) Above, pp. 225, 226.



petitioners have never contemplated that: they have never asked for it. They are only a syndicate with no capital they exist for the purpose of getting a licence and then floating a company and although it would be just as good for trade purposes to get the thing made for them it would not do what they want.

The REFEREE.—It does not prejudice me that they are going to float a company. That is a natural way of working an invention if an invention is worth anything. Would you be prepared, Mr. Terrell, to examine into an offer by the Dunlop Company to manufacture this?

A project of floating a company does not prejudice petitioners' case.

*Terrell.*—Yes, we want the tyres and should be prepared to buy at a reasonable price. We do not want to form a company, we are a combination of a few manufacturers who have felt the pinch of these agreements and who are determined to fight against them.

At the conclusion of the learned Counsel's opening the Referee formulated the issues to which the evidence should be directed and expressed an opinion that under sub-section (c) it would not be necessary for the petitioners to give any evidence unless they desired to distinguish their chain from Kitchen's and that it was open to the respondents to show that they were prepared to manufacture the new tyre upon reasonable terms.

*Facta probanda.*

*Moulton.*—I say that he has never asked me.

The REFEREE.—I am not clear that he has to ask you. He has asked you for a licence which you have refused. That is sufficient to bring you here.

*Moulton.*—The onus is entirely on him. He has to show that he has tried to get it and cannot.

The REFEREE.—*Primâ facie* he is prevented because you have a patent and it is admitted that this would be an infringement of your patent.

Respondents must prove a reasonable offer to make and supply if they rely on it as an answer to the petition.

*Moulton.*—Not if I am willing to make it.

The REFEREE.—He cannot show your willingness.

*Moulton.*—Not only must there be default to grant licences but by reason of that default he must be prevented from working. Therefore he has to show that he cannot get the patentee to do it and surely that was the intention, that the patentee should do it himself or let somebody else do it.

The REFEREE.—I do not think so at all. This contemplates that he should work the invention and not merely be the salesman of his invention and you should work it. However, you, in order to show that you are willing to do it on reasonable terms will make some sort of communication to me about reasonable terms.

*Moulton.*—Very well.

The REFEREE.—When that is done there will be no room for evidence as regards (c) I want just to exhaust that.

Evidence as to reasonableness of the offer.

*Terrell.*—I should like to give evidence as regards (c) supposing they give us a figure at which they are willing to sell to us, I should like to accept that figure if my clients thought it reasonable or if they did not think it reasonable to give evidence so that you can form a judgment as to whether it is reasonable or not.

The REFEREE.—Certainly; on that branch there may be room for evidence but outside that have we any need to go into it.

Circumstances of the case.

*Terrell.*—No except that on (c) you would have to consider the circumstances and therefore the evidence of the surrounding circumstances which would go to (b) would also apply to (c).

The REFEREE.—Certainly; I think that under (c) all the circumstances that you give in evidence under (b) will be surrounding circumstances. But I was thinking what was necessary in the first place, the evidence necessary to found the jurisdiction of the Board of Trade to make the order.

Requirements of the public.

*Terrell.*—Now under (b) I propose to submit evidence that the public desire certain makes of cycles fitted with Welch tyres which they are unable to get because the prices which the makers would have to give for the tyres unless they sign special agreements are prohibitive having regard to the conditions of the trade.

The REFEREE.—That is one branch of evidence that we shall have to go into.

*Terrell.*—My next point is this—evidence that the public desire certain makes of cycles fitted with other than Welch or Bartlett tyres and that the agreements prevent makers from supplying this demand.

The REFEREE.—What has that to do with the enquiry?

*Terrell.*—It comes to this that they are using their patent so as to limit the right of the public to use the Bartlett and the Welch patents in various forms. There is a form of Bartlett known as the "Path" which the public demand. The public are prevented from using it because they say "It is more profitable to us that you should use our tyre—we do not care whether you want the other form or not—you shall not have it."

The REFEREE.—I think that has relation to the first clause. I will add that. What other classes of evidence have you? Have you any evidence of people who have wanted to buy machines and have not been able to get the machines at a reasonable price?

*Terrell.*—Mr. Shipton will give you the evidence of the public upon that.

The REFEREE.—Does that practically cover the ground as to evidence under this head?

*Terrell.*—No; there will be evidence as to what, supposing a licence to be granted, will be reasonable terms.

The REFEREE.—I should keep that part of the enquiry separate. Terms of licence a separate branch of enquiry.

*Terrell.*—Then there will be another thing; namely, that by reason of the excessive prices at which they sell the public have not the benefit of the invention.

The REFEREE.—That is on the head of reasonable requirements (a).

Evidence was then given for the petitioners by *Charles Marston*: *Ernest Richard Shipton*: *Charles Lincoln Freeston*: *Robert Finlayson Chisholm*: *Henry Herman Chilton*: and *Frank Heynes Parkyn*. Petitioners' oral evidence.

These witnesses had all made declarations in support of the petition and the declarations so made were read as each witness was called and taken as the examination in chief. The witness was then Practice as to examination in chief.

sworn for the purpose of cross-examination but was not required to swear to his evidence given by way of statutory declaration. Mr. Chisholm in his declaration having stated a certain price as the cost price of materials for a Dunlop tyre the Referee asked the respondents how far these figures were in dispute to which *Wallace* for the respondents replied that it was inquisitorial to ask for that and offered to give the Referee privately the exact cost which differed substantially from the cost given by Mr. Chisholm. Private communication tendered to the Referee.

*Terrell* objected to the communicating of any evidence to the Referee that he was not allowed to see and the Referee suggested that the most satisfactory evidence to him would be if a rubber manufacturer had said "If an order were placed with me for these " tyres I could supply them at such and such a price" that would have been important evidence. *Terrell* explained that he relied on getting the actual facts from the respondents' witnesses on cross-examination. In the course of Mr. Chilton's evidence a question arose as to the price at which Dunlop tyres were sold in Holland and *Wallace* for the respondents put in a document to clear up the point with the stipulation that it should not go upon the shorthand note. The document was shown to the petitioners' counsel.

Private document kept off the shorthand note.

In the course of the fourth day's proceedings when the petitioners'

(a) It is obvious to remark that this note of *facta probanda* was intended to be a note only of such points as were still outstanding for proof. Many disputable points had been shelved by admissions or proved by admitted documents in

the course of the opening. Thus, the petitioner's interest and the patentee's default are points passed over *sub silentio* in the note, but by no means overlooked in the discussion.

case was drawing towards a close a complaint was made of the conduct of the petitioners in notifying the respondents' witnesses to attend for cross-examination: thus

Attendance of witnesses for cross-examination.

*Moulton.*—I must draw your attention to what has been done by the petitioners in this case. They have served on a large number of our witnesses and on the North British witnesses notice to attend before you on the 13th day of February, 1899, mentioning also papers that they are to produce and have brought all these witnesses up without giving them conduct money or anything of the kind. Here is Mr. McDougall from Scotland who is brought here on their notice without any payment by them. What is to be done? There was not the faintest need to bring him up. They had a right to serve upon us notice that they would require cross-examination.

The REFEREE.—At present it does not seem to me to be the right practice at all. The right practice is to give notice of those they want to cross-examine. It is a matter of procedure that the Board of Trade ought to settle. I should have thought the course was as you suggest that notice should be given to you and that you should be responsible for bringing them up here.

*Walter.*—They have given that notice.

*Moulton.*—We have undertaken to produce those they want (a).

Petitioners' "possession" of their invention.

At the close of the petitioners' evidence the Referee called upon counsel for the petitioner to deal with the objection raised to Crozier's invention that it was indistinguishable from Kitchen's patented invention and that Kitchen's patent having lapsed the invention had become matter of public right and could not now be in the possession of any person.

*Terrell.*—There are differences between the two inventions (the learned Counsel pointed out in detail the features on which he relied to establish this position). Moreover the validity of Crozier's patent is not important for present purposes because the word invention as used in the statute includes an alleged invention (sect. 46).

*Moulton.*—May I point out that it is a complete misunderstanding of that phrase in the interpretation clause to apply it in that

(a) One of the respondents' witnesses who came in answer to the petitioners' notice, as above mentioned, subsequently brought an action in the Westminster County Court for his expenses against the petitioners. The action was tried by Judge Lumley Smith, Q.C. and the cases of *Collins v. Godefroy*, 1

B. & Ad. 950, and *Chamberlain v. Stoneham*, 24 Q. B. D. 113, were cited in argument. The action was dismissed with costs. A full note was taken by the learned judge with a view to a possible appeal. I am able to give this information on the authority of my learned friend Mr. R. J. Drake.

way. When you say that a word means so and so and includes something else you do not mean to say that wherever it is used it includes that something else: it must depend on the context whether it includes it or not. What it means is that in all cases where the word "invention" is used you have not to prove that it is a valid invention before the Act takes effect. For everything to do with procedure as opposed to rights alleged invention is as good as invention. Now this is a case in which a man is going to acquire rights by reason of his being possessed of an invention. You cannot be possessed of that which belongs to the public. Supposing that I were to repatent Welch's invention pure and simple and then apply under my new patent for a licence under the original patent could it be said that I had acquired any right to a licence by the allegation that what I had patented was an invention?

The REFEREE.—Of course you cannot be possessed of an alleged invention very well. Do you want to say anything in reply to that Mr. Terrell?

*Terrell.*—I have put my argument before you and I cannot add anything.

Mr. Terrell then proceeded at the invitation of the Referee to sum up for the petitioners under the Bartlett patent and closed the petitioners' case. Thereupon Mr. Lewis Edmunds on the part of the interveners submitted that no case had been shown for a licence under the Bartlett patent. Nonsuit submitted.

The REFEREE.—I am not going to relieve you for the present. I have already intimated that the case is a weak one. I am in this position that I have to advise the Board of Trade simply. It is not as if I were here to decide the matter, my position is that of advising the Board of Trade. If I see any part of the enquiry get obviously off the track I should not go into it, but otherwise it is a matter of discretion and I think a very difficult matter that ought to be kept well in the hands of the administration. That is my view of it and I should submit to the Board of Trade anything that has a bearing on it. Position of Referee.

At the close of the petitioners' case the respondents' case was opened by—

*Moulton.*—The trading agreements are quite fair. The Dunlop Company has quite rightly always gone on this principle that they will not sell large quantities on favourable terms without providing that the people who get that advantage shall not undersell the people who are unable to buy in large quantities. The Dunlop Company has a perfect right to protect its own trade. It offers an inducement to people to buy large quantities from them by a rebato Opening of respondents' case.

that is fair but it says "you shall not cut us off from our small customers by underselling them."

Trading  
competition.

The REFEREE.—I see no harm in it unless it can be said that you spend in this way a large sum of money which has to come out of the pockets of the public for keeping up the price by arrangements such as exclude competition, unless it can be shown that it amounts to a combination by you with the manufacturers which interferes with the interests of the public. If it still leaves a large body of manufacturers perfectly free that puts a different aspect on the matter. It is perfectly legitimate unless, as is suggested, you have practically collared the whole of the big manufacturers.

*Moulton.*—You must not look to competition entirely outside us and the licensed tyres because the licensed tyres are very good competitors.

The REFEREE.—That is a very important element in the case and I think I have before me the facts as regards most of your licences. What I have not yet got any idea of is of the outside competition. If that turns out to be a considerable element that, of course, will make your position a different one.

Offer to make  
and supply.

*Moulton.*—I want now to deal with that question of the offer. First of all the public have an absolute right to make this invention. There is no distinction between the one covered by the lapsed patent and which is therefore public property and the one now suggested.

The REFEREE.—You may have a right to make it but the public have no right to make it because it is within the Welch patent.

*Moulton.*—A man has no right to take away the profits of a patentee because he wants to have a new variety of the patented article. If that variety is a good one the public will pay more for it and he is entitled to the difference but he is not entitled to have that variety for a lower price than the price he would have to pay for the standard article.

Terms of  
voluntary  
licences may  
be considered.

The REFEREE.—But you must remember that this is not now a question of the same terms as manufacturers of cycles are on. This syndicate wants to do a business not in cycles but in tyres and they have to sell again to the trade. Of course if it came to be a question of a compulsory licence one would consider the terms on which you have licensed other people.

*Moulton.*—Those licences were granted at a time when the thing was nothing like what it is now.

The REFEREE.—I quite understand you say now you put a higher value on it, it turns out to be more important and more valuable than you thought. You now put so high a value on it that in fact

not only will you not grant more licences on those terms but you will not grant licences at all. All I want to say is this, that in considering the price at which you would work for a person who is going into the tyre trade and considering all the circumstances it would be something between the two cases. You would not put him merely on the footing of a cycle maker who is merely buying tyres nor would you put him on the footing of a tyre manufacturer whom you have already licensed. There would be something intermediate.

*Moulton.*—I am prepared to make this tyre at the same price that the others are made at and sell it to the public and I say that nobody has a right to say “I want to take an intermediate profit and you must sell it me for less.” It would be grossly unfair to the rest of the trade. These people are not doing any service to the public. They are only making a variety of the tyre which we are prepared to make just as we make our own.

The REFEREE.—Unless you are going to do so that again is introducing a new element. I think I must take this on the footing that unless these people succeed this particular tyre with a chain in the edge will not be made and sold.

Petitioners' “possession” of their invention.

*Moulton.*—With all due respect you must not take it on that footing at all. Nobody has a right to come to the Board of Trade and say “I should like to start a nice little business; contrive that I shall be put on better trade terms.” You have to consider the public only. The public shall have these at the same price as the other tyres. What can be suggested fairer than that.

The REFEREE.—A large proportion of your costs of manufacture is due to business expenses which have no sort of connection with this tyre because they would be not competing with you but using your tyre to compete in common with you against the rest of the world, and if you make the same profit on the tyres you sell to them as on the tyres that you are now selling to the public I should say that your position was absolutely guarded.

Patentee to be protected in settling terms of compulsory licence.

*Moulton.*—We are prepared to make it or see that it is made in both qualities at the same price as our other tyres. That I say completely disposes of the question as to whether the reasonable wants of the public are supplied. If you come to the conclusion that there is free competition and therefore that our own tyres are supplied to the public at prices fixed by competition, even if that is an element in the question at all then you find that these can be supplied to the public exactly on the same terms and I say you cannot take away any of our rights because of this idle variant

Free competition is proof of reasonable price.

which somebody may like, nobody has shown that he does like it, and which at all events they can get for the same price.

Sitting in  
camera.

Evidence was then given in opposition to the application for a licence by *R. H. Lea: Harry Heaton: Horatio Ballantyne: Frank Cyril Baisley: Edmund J. Byrne: Arthur Ducros and Harvey Ducros*: It was objected on the part of the respondents that some of the matters raised in cross-examination were matters which could not be disclosed to trade rivals without injury to their business and to meet this difficulty certain portions of the evidence were taken in private the reporters and the public being ordered to withdraw and the evidence so taken being omitted from the shorthand note. It was arranged that in order to minimise the inconvenience resulting from this course any questions objected to upon this ground should be made a note of and reserved until a convenient time for the private sitting.

In the course of the ninth day's proceedings—Mr. Arthur Ducros being in the witness box Mr. *Moulton* announced—

Offer to make  
and supply.

I understand that these people wish to make this tyre specially. Under these circumstances, though there may be some slight extra cost in the chain as against the wire, I do not think it is worth while making any trouble about it. The consequence is we are prepared so far as the best tyres are concerned to sell them those at the same rate as we sell our own, treating them as people who are on the best percentage terms; but I must stipulate that there must be some minimum that they take because of course we cannot make a pattern for two or three tyres only. So much for the first class tyre. Of course we do not mean to make a second class tyre. We have always gone on the principle of letting the licensees make the second class tyre. We will allow a licensee to make and we will procure that some licensee shall make the same offer, that is to say, on the most favourable terms to them for the manufacture of this as a second class article. That is, they will then get all the advantage of the preference that the public has for this tyre. I think that that comes to the principle that they are not entitled because they want a particular pattern of our tyre to take away the profits that come from our tyre. They are entitled to the extra profits from the superiority of that tyre to ours. We will let them have it on the most favoured terms because it is clear that this company is going to make this tyre as a speciality. We will take it then that they are people who are going to, as it were, trade with us. Then we will make it on the best terms; but on the other hand we are entitled that they should say they will take a minimum because it is not fair to expect us to do otherwise.



The REFEREE.—Let me just say what strikes me because I do not think that you have sufficiently considered that part of your case with reference to the advertising and depôts and so on. My suggestion is that you should make an allowance which would represent some part of that having regard to the fact that they will be joining with you now in competing with other tyre makers. To a certain extent you are competing with them; that has to be considered, but then this has to be considered that, to a certain extent, they will be joining with you in competing with other tyres. My feeling about it is that in a case of this kind where it is a case of improvement it will be one of the determining factors in deciding what the Board of Trade will do. I am satisfied the Board of Trade will be extremely reluctant to intervene in a case of this sort by granting a compulsory licence where it is for an improvement in this way; but I am satisfied also that the Board of Trade will not scruple to intervene if it is thought that fair terms were not being offered. So that this is a very critical point in the whole thing. What I propose to do is this. If an offer is made which appears to me to meet the justice of the case I shall adjourn this matter for the petitioners to consider it. It will then be for them if they like to pursue that matter and conclude an agreement upon those terms. If they do not conclude an agreement upon those terms then it will be for the petitioners to ask to have a day appointed for continuing the hearing, but then it will be a matter of great gravity in my view that they have declined what I have thought to be fair terms. On the other hand it will be, or it may be, a serious matter for the respondents if they do not make what I think is a fair offer.

Offer criticised.

Discretion of the Board of Trade.

Some considerable discussion followed the making of this offer as to what minimum number of tyres should be taken by the syndicate and other terms to be included in the proposed contract. Eventually an offer having been outlined in the Referee's presence the hearing was adjourned *sine die* to enable the parties to meet for the discussion of details and with a view to arriving if possible at an agreement.

Adjournment *sine die*.

DUNLOP PNEUMATIC TYRE COMPANY'S (WELCH & BARTLETT  
PATENTS—CHISHOLM'S PETITION.

*Petition considered as an ex parte statement—Referee's report—No  
primâ facie case—Petition dismissed.*

Parties.

In this case the petitioner was Robert Finlayson Chisholm who asked for an order for a compulsory licence to be made against the Dunlop Pneumatic Tyre Company Limited under their patents 14563 of 1890 originally granted to Charles Kingston Welch and 16783 of 1890 originally granted to William Erskine Bartlett.

The petition was referred by the Board of Trade to Mr. W. R. Bousfield, Q.C. who reported as follows:—

Referee's  
report.

“ In this matter it appears to me that the petitioner has merely  
“ made an improvement in detail in the inventions of Welch &  
“ Bartlett and the improvement is in the nature of a mere variety  
“ which possibly might be preferred by some people but cannot be  
“ said to be of much importance. There may be cases in which  
“ the petitioner desires a licence to manufacture a mere improve-  
“ ment in which the Board of Trade might properly interfere, but  
“ the exercise of this power is discretionary and in this case I am  
“ of opinion that upon the facts stated by the petitioner a *primâ*  
“ *facie* case for interference by the Board of Trade is not made out.”

No *primâ*  
*facie* case.

Petition  
dismissed.

The Board of Trade thereupon dismissed the petition (a).

(a) It will be seen that this case did not come to a hearing. The above mentioned facts were made public in the course of the hearing

of the Wolverhampton Syndicate's application for a licence against the Dunlop Company.

## APPENDIX II.

## STATUTES.

	PAGE
1. <i>Statute of Monopolies</i> .....	281
2. <i>Selected passages from the Judicature Act, 1873</i> .....	285
3. <i>Selected passages from the Patents, &amp;c. Acts, 1883 to 1888</i> ..	286

## I.—STATUTE OF MONOPOLIES.

(21 Ja. 1, c. 3. A.D. 1623-4.)

*An Act concerning Monopolies and Dispensations with penall Lawes and the Forfeiture thereof.*

Forasmuch as your most excellent Majestie in your royall judgment and of your blessed disposicion to the weale and quiet of your subjects, did, in the yeare of our Lord God one thousand six hundred and ten, publish in print to the whole Realme and to all posteritie, that all graunts of monapolyes (a) and of the benefitt of any penall lawes, or of power to dispence with the lawe, or to compound for the forfeiture, are contrary to your Majesties lawes, which your Majesties declaracion is truly consonant and agreeable to the auncient and fundamentall lawes of this your Realme: And whereas your Majestie was further graciously pleased expressly to commaund that noe suter should presume to move your Majestie for matters of that nature; yet nevertheless uppon misinformacions and untrue pretences of publique good, many such graunts have bene undulie obteyned and unlawfullie putt in execucion, to the greate greevance and inconvenience of your Majesties subjects, contrary to the lawes of this your Realme, and contrary to your Majesties royall and blessed intencion soe published as aforesaid: For avoyding whereof and preventinge of the like in tyme to come, may it please your most excellent Majestie at the humble suite of the lords spirituall and temporall and the commons in this present Parliament assembled, that it may be declared and enacted, and be

The King's declaration against monopolies and grants of penalties and dispensations.

(a) Spelt "Monopolies" in the copy to the statute preserved in the Library of Trinity College, Cambridge.

All mono-  
polies, and  
grants, &c.  
thereof,  
or of dispen-  
sations and  
penalties,  
declared void.

it declared and enacted by the authoritie of this present Parliament, that all monapolies (*b*) and all commissions graunts licences charters and letters patents heretofore made or graunted, or hereafter to be made or graunted to any person or persons bodies politique or corporate whatsoever of or for the sole buyinge sellinge makinge workinge or usinge of any thinge within this Realme or the dominion of Wales, or of any other monopolies, or of power libertie or facultie to dispence with any others, or to give licence or toleracion to doe use or exercise any thinge against the tenor or purport of any lawe or statute, or to give or make any warrant for any such dispensacion licence or toleracion to be had or made, or to agree or compound with any others for any penaltie or forfeitures lymitted by any statute, or of any graunt or promise of the benefitt profitt or commoditie of any forfeiture penaltie or somme of money that is or shalbe due by any statute before judgement thereupon had, and all proclamacions inhibicions restraints warrants of assistance and all other matters and things whatsoever any way tendinge to the institutinge erecting strengtheninge furtheringe or countenancinge of the same or any of them, are altogether contrary to the lawes of this Realme, and so are and shalbe utterlie void and of none effecte, and in noe wise to be putt in ure or execucion.

Validity of  
all monopo-  
lies, and of  
all such  
grants, &c.  
shall be tried  
by the com-  
mon law.

II. And all monopolies and all such commissions graunts licences charters letters patents proclamacions inhibicions restraints warrants of assistance and all other matters and things tendinge as aforesaid, and the force and validitie of them and every of them ought to be and shalbe for ever hereafter examyned heard tryed and determined by and accordinge to the common lawes of this Realme & not otherwise.

All persons  
disabled to  
use such  
grants,  
monopolies,  
&c.

III. And all person and persons bodies politique and corporate whatsoever, which now are or hereafter shalbe, shall stand and be disabled and uncapable to have use exercise or putt in ure any monopolie or any such commission graunt licence charters letters patents proclamacion inhibicion restraint warrant of assistance or other matter or thinge tendinge as aforesaid or any libertie power or facultie grounded or pretended to be grounded upon them or any of them.

Party ag-  
grieved by  
any mono-  
poly or  
grant, &c.  
shall recover

IV. And if any person or persons at any tyme after the end of fortie dayes next after the end of this present session of Parliament shalbe hindred greeved disturbed or disquieted, or his or their goods or chattells any way seised attached distroyed taken carryed away or deteyned by occasion or pretext of any monopolie, or of any such

(*b*) Spelt "Monopolies" in the the Library of Trinity College, copy to the statute preserved in Cambridge.

commission graunt licence power libertie facultie letters patents  
 proclamacion inhibicion restraint warrant of assistance or other  
 matter or thinge tendinge as aforesaid, and will sue to be releevd  
 in or for any of the premisses, that then and in every such case the  
 same person and persons shall and may have his and their remedie  
 for the same at the common lawe, by any accion or accions to be  
 grounded uppon this statute, the same accion and accions to be  
 heard and determyned in the Courts of Kings Bench Common Pleas  
 and Exchequer, or in any of them, against him or them by whome  
 he or they shalbe so hindred greeved disturbed or disquieted, or  
 against him or them by whome his or their goods or chattells shalbe  
 soe seized attached distrayned taken carried away or deteyned,  
 wherein all and every such person and persons which shalbe soe  
 hindred greeved disturbed or disquieted, or whose goods or chattells  
 shalbe soe seised attached distrayned taken or carryed away or  
 detayned, shall recover three tymes soe much as the damages which  
 he or they susteyned by means or occasion of beinge soe hindred  
 greeved disturbed or disquieted, or by meanes of havinge his or  
 their goods or chattells seised attached distrayned taken carryed  
 away or deteyned, and in (c) double costs; and in such suits, or for  
 the staying or delaying thereof, noe essoine proteccion wayer of lawe  
 aydeprayer priviledge injuncion or order of restraint shalbe in  
 any wise prayed graunted admitted or allowed, nor any more than  
 one imperlance; and if any person or persons shall, after notice  
 given that the accion dependinge is grounded uppon this statute,  
 cause or procure any accion at the common lawe grounded uppon  
 this statute to be stayed or delayed before judgement, by coulor or  
 meanes of any order warrant power or authoritie, save onely of the  
 Court wherein such accion as aforesaid shalbe brought and de-  
 pendinge, or after judgement had uppon such accion, shall cause or  
 procure the execution of or uppon any such judgement to be stayed  
 or delayed by coulor or meanes of any order warrant power or  
 authoritie, save onelie by writt of error or attaint, that then the  
 said person or persons soe offendinge shall incurre and sustaine  
 the paines penalties and forfeitures ordeyned and provided by the  
 Statute of provision and premunire made in the sixteenth yeare of  
 the raigne of King Richarde the Second.

treble da-  
 mages by  
 action in the  
 Superior  
 Courts with  
 double costs.

Penalty on  
 unduly de-  
 laying any  
 such action,  
 &c., præ-  
 munire under  
 st. 16, Rich. 2,  
 c. 5.

[V. *Repealed S. L. R. Act, 1863 (26 & 27 Vict. c. 125), s. 1.*]

VI. Provided alsoe that any declaracion before mencioned shall  
 not extend to any letters patents and graunts of privilege for the  
 tearme of fowerteene yeares or under, hereafter to be made of the

Proviso for  
 future patents  
 for fourteen  
 years or less,  
 for new  
 inventions.

(c) The word "in" here is omitted from the copy of the statute preserved in the Library of Trinity College, Cambridge.

sole working or makinge of any manner of new manufactures within this Realme, to the true and first inventor and inventors of such manufactures, which others at the tyme of makinge such letters patents and graunts shall not use, soe as alsoe they be not contrary to the lawe nor mischievous to the State, by raisinge prices of commodities at home, or hurt of trade, or generallie inconvenient; the said fourteene yeares to be (accomplished) (*d*) from the date of the first letters patents 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 byn made, and of none other.

Proviso for existing grants by Act of Parliament.

VII. Provided alsoe, that this Act or anything therein conteyned shall not in anywise extend or be prejudiciall to any graunt or priviledge power or authoritie whatsoever heretofore made graunted allowed or confirmed by any Act of Parliament now in force, so long as the same shall so continue in force.

Proviso for warrants to justices to compound penalties.

VIII. Provided alsoe, that this Act shall not extend to any warraunt or privie seale made or directed, or to be made or directed by his Majestie 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 goale deliverie Justices of the peace, and other justices for the tyme being, having power to hear and determyne offences done against any penall statute, to compound for the forfeitures of any penall statute depending in suit and question before them or any of them respectively, after plea pleaded by the partie defendant.

Proviso for charters of London and other corporations.

IX. Provided alsoe, that this Act or anything therein contayned shall not in any wise extend or be prejudiciall unto the city of London, or to any cittie borough or towne corporate within this Realme, for or concerning any graunts charters or letters patents to them or any of them made or granted, or for or concerning any custome or customes used by or within them or any of them, or unto any corporacions companies or fellowshipps of any art trade occupacion or mistery, or to any companies or societies of merchants within this Realme, erected for the mayntenance enlargement or ordering of any trade of merchandize, but that the same charters customes corporacions companies fellowshipps and societies, and their liberties priviledges power and immunities, shalbe and continue of such force and effect as they were before the making of this Act, and of none other; Any thing before in this Act contayned to the contrary in any wise notwithstanding (*e*).

(*d*) The copy of the statute preserved in the Library of Trinity College, Cambridge, reads "accompted" here.

(*e*) The remaining sections of the Act are private and as such omitted here.

II.—SELECTED PASSAGES FROM THE JUDICATURE  
ACT, 1873.

36 & 37 Vict. c. 66, s. 25, sub-ss. (6) and (8).

(6.) Any absolute assignment, by writing under the hand of the assignor (not purporting to be by way of charge only), of any debt or other legal chose in action, of which express notice in writing shall have been given to the debtor, trustee, or other person from whom the assignor would have been entitled to receive or claim such debt or chose in action, shall be, and be deemed to have been effectual in law (subject to all equities which would have been entitled to priority over the right of the assignee if this Act had not passed), to pass and transfer the legal right to such debt or chose in action from the date of such notice, and all legal and other remedies for the same, and the power to give a good discharge for the same, without the concurrence of the assignor: Provided always, that if the debtor, trustee, or other person liable in respect of such debt or chose in action shall have had notice that such assignment is disputed by the assignor or any one claiming under him, or of any other opposing or conflicting claims to such debt or chose in action, he shall be entitled, if he think fit, to call upon the several persons making claim thereto to interplead concerning the same, or he may, if he think fit, pay the same into the High Court of Justice under and in conformity with the provisions of the Acts for the relief of trustees.

Assignment of debts and choses in action.

See above, p. 125.

(8.) A mandamus or an injunction may be granted or a receiver appointed by an interlocutory order of the Court in all cases in which it shall appear to the Court to be just or convenient that such order should be made; and any such order may be made either unconditionally or upon such terms and conditions as the Court shall think just: and if an injunction is asked, either before, or at, or after the hearing of any cause or matter, to prevent any threatened or apprehended waste or trespass, such injunction may be granted, if the Court shall think fit, whether the person against whom such injunction is sought is or is not in possession under any claim of title or otherwise, or (if out of possession) does or does not claim a right to do the act sought to be restrained under any colour of title; and whether the estates claimed by both or by either of the parties are legal or equitable.

Mandamus. Injunctions and receivers.

See above, pp. 135, 145, 154.