The
Revocation of Patents
Worked Abroad

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PREFACE

THE provision as to the revocation of British patents which are worked mainly abroad introduced by the Patent and Trade Marks Act of 1907 is a new departure which had been strongly advocated and almost equally strongly opposed, and its result in practice is necessarily of great interest to all concerned with patents and the Patent Law.

Section 27 of the Act is drafted in terms which leave a wide margin within which the Courts must ascertain its effect, and this has been done by the Comptroller and the Judge of the Chancery Division appointed to hear patent cases, in the cases cited in the text.

It must be borne in mind that the meaning of the words "the patented article" and "mainly outside the United Kingdom", has not yet been considered in the Court of Appeal and the House of Lords, and that these important questions

will no doubt come before them in due course. Subject however to this, the general interpretation of and practice under the section and many points arising on special circumstances have been dealt with, and a summary of the decisions may be useful.

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RECENT LEGISLATION AND CASES

An important innovation was introduced by the Patents & Trade Marks Act, 1907, which provided that a patent worked wholly or mainly abroad should be revoked on an application or petition for revocation presented four years after the date of the patent, unless the patentee proved that the patented article or process was manufactured or carried on to an adequate extent in the United Kingdom, or gave satisfactory reasons why the article or process was not so manufactured or carried on.

This provision, which is contained in section 27 of the Act, was introduced with the support and approval of most of the Chambers of Commerce of Great Britain, and is in substitution of the provision for revocation of patents worked wholly or mainly abroad contained in the Patents & Trade Marks Act, 1902. By section 3 of that Act where a patent was so worked, any persons interested in any manufacture affected by it could present a petition alleging that the reasonable requirements of the public with reference to the patent invention had not been satisfied and praying for a compulsory license, or revocation of the patent to the Board of Trade, and if an arrangement was not come to between

the parties, and the Board of Trade was satisfied that a prima facie case had been made out, the matter was referred by the Board to the Judicial Committee of the Privy Council, who might order the patentee to grant licenses on the terms they thought just, or if not satisfied that the requirements of the public would be satisfied by the grant of licenses, might order instead that the patent should be revoked, but no order of revocation could be made before the expiration of three years from the date of the patent or if the patentee gave satisfactory reasons for his default in manufacturing. This provision as to revocation was considered costly and inconvenient by the commercial community and was almost unused.

By section 27 of the Patents Act 1907, any person, whether interested in the manufacture or not, can apply to the comptroller, or, subject to conditions set out in section 25 of that Act (see Appendix A), petition the Court for the revocation of a patent where the manufacture or process under the patent is carried on wholly or mainly abroad. This provision is of great advantage to manufacturers, enabling them to revoke patents worked abroad, and to manufacture here articles which under the earlier Patent Acts would have been manufactured abroad and imported to this country by the holders of the patent. This was an abuse of the monopoly granted by British patents which had been held in *Badische Anilin & Soda Fabrik* v. *Johnson & Co.*, reported in 14 *R. P. C.*, to be without a remedy. In this connection it is

interesting to observe that the Statute of Monopolies, section 6, provides:

> That the prohibition of a grant of a monopoly shall not extend to any letters patent and grants of privilege for the term of fourteen years or under hereafter to be made for the sole working or making of any manner of manufactures *within this realm*.

Section 27 has been of advantage to workmen and others as it has caused works to be erected and carried on here to comply with the terms of the section, and also to the public generally in many cases by causing competition in price between articles manufactured here and those imported.

The application for revocation can, under the Act of 1907, be made by any person whether interested in the manufacture of the patented article or not, and the word "person" in the Act is defined as including a corporation.

No machinery is, however, provided by the Act for action by the Attorney-General or by the Board of Trade, on having the facts brought before them or on their ascertaining facts showing the circumstances are such that the patent ought to be revoked, where no individual is willing to make an application for that purpose.

The Attorney-General no doubt has power to apply under the section, but the Law Officers have already quite as much work as they can attend to, including a large amount of patent work, and there is no direction in the Act that they should act in such cases. In the circum-

stances there seems much to be said in favour of the Board of Trade having power to instruct counsel approved by the Attorney-General, and to apply or petition for revocation of any patent which appears to be operated to the detriment of the inhabitants of this country, otherwise there may be no application to revoke a patent worked abroad where there is an agreement between the importers and possible manufacturers here. The fact that the country is now benefiting by several million pounds expended on works and machinery, and by the employment of some 10,000 persons by owners of patents, which would otherwise be worked mainly abroad, should encourage such action. It is already provided by sub-section 4 of section 27 that the law officer or other counsel he may appoint can appear and be heard on appeal from the comptroller to the Judge as to the revocation of the patent, but there is no direction given as to any Government official or department bringing an original application or petition under section 27. The question of revocation affects trade generally, and seems properly within the province of the Board of Trade.

As an informer can make an application for the revocation of the patent under section 27, any body of manufacturers or Chamber of Commerce can, if they choose, nominate a person to make an application for revocation.

Having regard to the novelty of this section and the wide scope it leaves for judicial interpretation, the decisions as to the meaning of the terms used in it, and as to the practice on applica-

tions and petitions for revocation, the grounds given for such decisions may be of some interest.

In considering the course to be taken to obtain revocation of a patent, section 25 is also important, as it gives an alternative procedure by petition for revocation with an appeal to the Court of Appeal and the House of Lords.

Section 27 of the Act provides:

(1) At any time not less than four years after the date of a patent, and not less than one year after the passing of this Act, any person may apply to the comptroller for the revocation of the patent on the ground that the patented article or process is manufactured or carried on exclusively or mainly outside the United Kingdom.

(2) The comptroller shall consider the application, and, if after enquiry he is satisfied that the allegations contained therein are correct, then, subject to the provisions of this section, and unless the patentee proves that the patented article or process is manufactured or carried on to an adequate extent in the United Kingdom, or gives satisfactory reasons why the article or process is not so manufactured or carried on, the comptroller may make an order revoking the patent either—

(*a*) forthwith; or

(*b*) after such reasonable interval as may be specified in the order, unless in the meantime it is shown to his satisfaction that the patented article or process is manufactured or carried on within the United Kingdom to an adequate extent:

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

(3) If within the time limited in the order the patented article or process is not manufactured or carried on within the United Kingdom to an adequate extent, but the patentee gives satisfactory reasons why it is not so manufactured or carried on, the comptroller may extend the period mentioned in the previous order for such period not exceeding twelve months as may be specified in the subsequent order.

(4) Any decision of the comptroller under this section shall be subject to appeal to the Court, and on any such appeal the law officer or such other counsel as he may appoint shall be entitled to appear and be heard.

The time for making the application has been fixed as four years after the date of the sealing pursuant to the provisions of the International Convention of 1902, which provides that the patent shall not be liable to forfeiture on account of failure to utilise it until after the expiration of at least three years from the date of the deposit of the application in the country concerned, and only provided the patentee cannot show reasonable cause for his inaction. "Any person" includes a body corporate, and it is not necessary for a person to have any interest in the manufacture under the patent except as a member of the public.

"Mainly outside the United Kingdom."

"Mainly outside" has been held to mean that there is not in this country such manufacture under the patent as would be reasonably expected considering what is done abroad. Whether there is a patent abroad or not is immaterial. (*Re Hatschek's Patents*, 26 *R. P. C., App.**)

In considering whether the manufacture is less than can be reasonably expected, manufacture in infringement of the patent can be taken into consideration. (*Re Bremer's Patent*, 26 *R. P. C., App.*, and see *Re Seven Mercedes Patents*, 27 *R. P. C., App.*) This decision has not yet been before the Court of Appeal. It has been strenuously argued that the "patented article" in the section refers only to articles imported into or manufactured in this country without reference to the total manufacture abroad, and a final decision on this point is of great importance to manufacturers.

It is necessary to consider whether the protection of the patent is for the manufacture of an article or the carrying out of the process, as amendment on such a point may be refused at the hearing. (*Re Boult's Patent* 14, 146 *of* 1901, 26 *R. P. C., App.*) In dealing with the application the comptroller will consider the declarations filed by the applicant, including the application for revocation and any declarations filed in reply by the patentee or the owner of the patent, and if he is not then satisfied that the manufacture of the process is carried on mainly outside the United Kingdom will make an appointment and hear evidence to enable him

* Cases marked "App." are summarised in Appendix B.

to decide this point. (See Rules 78 to 81, and the comptroller's Memorandum in Appendix A.)

The question of what is "an adequate extent" has been much discussed, and the decision of Mr. Justice Parker *In re Hatschek's Patents*, 26 *R. P. C.*, states in substance that to avoid revocation, the owner of the patent must show (1) that the manufacture in the United Kingdom is not less than it would have been but for some exercise of his monopoly by the patentee, for instance, by giving some preference to foreign traders, or by the imposition of an unreasonable price or of unreasonable terms in granting licenses. The demand in this country is only one factor for consideration with others of a like nature. (2) That he has not hampered trade in the United Kingdom by his manner of exercising his rights, and for this purpose he should show how he has exercised his rights. (3) That he has not used the four years given him by subsection (1) to give other countries four years start, and only then offered licenses here on the same terms. He must show he has made at least the same endeavours to develop the industry here that he has made abroad, although he need not have prevented any importation of the patented article. If he has neglected for some time to start manufacturing here, the fact that he cannot now do so with any hope of profit is no excuse. Further, that the patentee is in no better position as to revocation if there are no foreign patents, and licenses or contracts preventing or prejudicing manufacture here made before 1907 cannot form satisfactory reasons for

inadequate manufacture here. In considering what is adequate manufacture, any manufacture by infringers must, as before stated, be taken into consideration (*re Bremer's Patent*, 26 *R. P. C., App.*). Very small demand is a factor to be considered in deciding what is adequate working here (*re Weber's Patent*, 27 *R. P. C., App.*). Where the manufacture is mainly abroad for export to some third country the Court will consider whether the manufacture here is adequate in accordance with the principles cited, and if not, the patentee must give satisfactory reasons for the inadequate manufacture.

As to what are sufficient reasons, proof that labour is cheaper abroad will not be accepted as a satisfactory reason for inadequate manufacture here. (*Re Bremer's Patent*, 26 *R. P. C.*; *Re Hatschek's Patents*, 26 *R. P. C., App.*) Nor, generally, will want of skill here. (*Re Johnson's Patent*, 26 *R. P. C., App.*) On the other hand, if the validity of the patent worked mainly abroad is being litigated here, this may form a satisfactory reason for importing to discourage competition or avoid the expense of commencing manufacture here pending a decision. (*Re Bremer's Patent*, 26 *R. P. C., App.*) Or, if a master patent is held here which prevents the patent being worked, this may be a satisfactory reason for not working. (*Re Taylor's Patent*, 29 *R. P. C., App.*).

In considering what are satisfactory reasons for inadequate manufacture here, the patentee must show his endeavours to secure a demand

here, and not having established a factory may show insufficient endeavour. (*Re Boult's Patent*, 26 *R. P. C., App.*, and see *re Weber's Patent* (No. 5368 of 1903), 27 *R. P. C., App.*) The extended time provided for in sub-section (2) (*b*) can be allowed if the comptroller or the Court consider there are circumstances justifying this. Each case will, of course, be judged entirely on its special circumstances, and the cases reported show what has been done on the facts proved in them. Except in very exceptional circumstances, further time will not be allowed where no attempt has been made to comply with the requirements of section 27 at the date of the application for revocation, and immediate revocation will be ordered. (*Re Johnson's Patent* 26 *R. P. C., App. Re Jonkergouw & Destrez's P nt*, 27 *R. P. C., App.*) The latter case was r rsed on appeal on the ground that there was no manufacture abroad at the date of the application (28 *R. P. C.*).

Where no manufacture has been carried on in this country, but the patentee has made bona fide and repeated efforts to sell his patent or get licenses for it taken up here, and has not given preference to foreign countries, revocation will be granted if the manufacture or process is not carried on to an adequate extent in the further time granted. (*Re Weber's Patent*, 26 *R. P. C., App.*) In this case, on proof by the patentee that a license had been granted to manufacturers of glass articles for which the process was useful, during the period of extension allowed by the Court, the application for

revocation was dismissed. (*Re Weber's Patent*, 27 *R. P. C., App.*)

The price to which manufacturers here are bound will be considered on question of demand being created, and if importers are favoured, a case of suspicion arises. (*Re Kent's Patent*, 27 *R. P. C., App.*) Where there has been no adequate manufacture at the date of application, and no sufficient reason is given, and the amount of the manufacture here has been small compared with importations, revocation will be granted without any extension of time. (*Re Fell's Patent*, 27 *R. P. C., App.*) Where only parts of a machine are patented, only the patented parts need be manufactured here. (*Re Lake's Patent* 8401 *of* 1903, 26 *R. P. C., App.*) There must be manufacture abroad at the date of the application, or the patent cannot be revoked under section 27. (*Re Jonkergouw & Destrez's Patent*, 28 *R. P. C., App.*)

The provision at the end of section 27, sub-section (2), is to provide for any alteration of the International Convention of 1902, or of any existing arrangement with foreign countries or British possessions.

There does not seem to be any reported case in which application has been made for the further extension mentioned in sub-section (3).

The practice under section 27 is set out in Rules 78 to 81 of the Patent Office Rules, 1908, and the comptroller's Note of May 12th, 1909. These Rules and the Note will be found in Appendix A. The procedure is comparatively inexpensive. The applicant lodges at the Patent Office an

application stating that he applies for revocation of a patent as the manufacture or process is carried on wholly or mainly abroad, the form being Form No. 24 of Patent Rules, 1908; and under Rules 78 to 81 of the same Rules and the Official Memorandum of the comptroller of May 12th, 1909, the applicant at the same time lodges at the office evidence by way of statutory declaration stating the particulars on which he relies in support of the allegations in the application, and delivers copies to the patentee or his agent and furnishes the comptroller with evidence of their delivery. The patentee within fourteen days from such delivery, or within any further time allowed by the comptroller, leaves at the Patent Office evidence stating whether the applicant's allegations are correct, and if they are incorrect delivers particulars on which he intends to rely in answer to the applicant's allegations. Copies of such evidence should be delivered to the applicant, and the applicant may file further evidence if he decides to proceed. The comptroller will intimate to the parties whether he intends holding a preliminary hearing to decide whether the applicant has made out a prima facie case, or whether he intends to deal with the case on the hearing. When the comptroller decides to proceed at one hearing, or decides after a hearing that there is a prima facie case against the patentee, further evidence by way of statutory declaration can be filed by the applicant and the patentee, and if the comptroller thinks it desirable viva voce evidence can be

given at the hearing. Proceedings under the section should not in an ordinary case be taken without notice, or no costs will be allowed to the applicant (*Re Taylor's Patent*, 26 *R. P. C.*), but if threats are being used to persons dealing with the applicant, by the patentee, then, notwithstanding that no notice has been given, and that the applicant consequently has not had an opportunity of consenting to or himself applying for the removal of his patent under section 26, sub-section (3), of the 1907 Act, the applicant will be given his costs. (*Re Aylott's Patent*, 28 *R. P. C., App.*) In the case of a petition, the Judge will allow costs though no notice has been given (*In re Merryweather's Patent*, 29 *R.P.C., App.*), and possibly *Re Taylor's Patent* can be considered as overruled.

An appeal lies from the comptroller to the Court. The appeal is by way of petition regulated by Order 53a, Rules 4, 5 and 6, and by section 92, sub-section (2), of the Act of 1907. The decision of the Court—*i.e.* of the Judge selected by the Lord Chancellor to hear Patent cases—on such appeal is absolutely final. Further evidence than that adduced before the comptroller either by statutory declaration or oral evidence will only be admitted by the Court in special cases. (*Re Weber's Patent*, 26 *R. P. C., In re the matter of Green's Application for Revocation of Jonkergouw & Destrez's Patent*, 28 *R. P. C.*, pp. 28 and 423, *App.*)

If the case is one in which it is desirable to have a right of appeal to the Court of Appeal and the House of Lords, the proceedings should be

by way of petition under section 25 of the Act of 1907, in which case the full right of appeal exists. Section 92 of the Act of 1907 gave rise to some doubt as to whether there was a right of appeal in the case of such a petition. This doubt, however, was settled by the passing of the Patent Act, 1908, which states that on a petition for revocation the right of appeal remains unaffected by section 92.

Section 25 enacts as follows:

(1) Revocation of a patent may be obtained on petition to the court.

(2) Every ground on which—

(*a*) a patent might, immediately before the first day of January, one thousand eight hundred and eighty-four, have been repealed by *scire facias*; or

(*b*) a patent may be revoked under this Act either by the comptroller or as an alternative to the grant of a compulsory licence;

shall be available by way of defence to an action of infringement and shall also be a ground of revocation under this section.

(3) A petition for revocation of a patent may be presented—

(*a*) by the Attorney-General or any person authorised by him; or

(*b*) by any person alleging—

(i) that the patent was obtained in fraud of his rights, or of the rights of any person under or through whom he claims; or

(ii) that he, or any person under or through whom he claims, was the true inventor of

any invention included in the claim of the patentee ; or

(iii) that he, or any person under or through whom he claims an interest in any trade, business, or manufacture, had publicly manufactured, used, or sold, within this realm, before the date of the patent, anything claimed by the patentee as his invention.

Except in the instances set out in the section, a petition can only be presented after the Attorney-General's fiat has been obtained. In case there is any doubt as to the petitioner being entitled to proceed without the fiat under the provisions of the section, the fiat should be obtained, as otherwise the petition cannot succeed if the facts giving such right are not proved, and the question of amendment to enable the fiat to be applied for is one in the discretion of the Court. (*See Max Müller's Patent*, 24 *R. P. C.*)

The Attorney-General's fiat is applied for by memorial with two copies of the proposed petition and other documents, including declarations by a barrister and a solicitor, which have to be lodged with the Attorney-General's clerk.

Section 32 provides that :—

"A defendant in an action for infringement of a patent, if entitled to present a petition to the Court for the revocation of the patent, may, without presenting such a petition, apply in accordance with the rules of the Supreme Court by way of counterclaim in the action for the revocation of the patent."

It will be observed that a defendant wishing to petition by way of counterclaim for revocation of the plaintiff's patent has to obtain the Attorney-General's fiat before he can do so, unless he is qualified to petition without the fiat under section 25. The grounds for revocation under section 27, as well as any other grounds of revocation given by section 25, can be pleaded in answer to an action for infringement, and if they are proved will be a successful answer to such action although revocation of the patent is not asked for. The defendant can cross-examine the plaintiff's witnesses to show the manufacture or process under the patent is wholly or mainly outside the United Kingdom. (*Saccharin Corporation* v. *National Saccharin etc. Corporation*, 28 *R. P. C.*)

Sec. **24** of the Act of 1907 replaces the provisions of the Act of 1902 in reference to compulsory licenses, etc., and substitutes the Court, *i.e.* the judge appointed to hear Patent Cases for the Privy Council.

APPENDIX A

PATENTS AND DESIGNS ACT, 1907

Compulsory licenses and revocation.

Sec. **24.**—(1) Any person interested may present a petition to the Board of Trade alleging that the reasonable requirements of the public with respect to a patented invention have not been satisfied, and praying for the grant of a compulsory license, or, in the alternative, for the revocation of the patent.

(2) The Board of Trade shall consider the petition, and if the parties do not come to an arrangement between themselves, the Board of Trade, if satisfied that a prima facie case has been made out, shall refer the petition to the Court, and, if the Board are not so satisfied, they may dismiss the petition.

(3) Where any such petition is referred by the Board of Trade to the Court, and it is proved to the satisfaction of the Court that the reasonable requirements of the public with reference to the patented invention have not been satisfied, the patentee may be ordered by the Court to grant licenses on such terms as the Court may think just, or, if the Court is of opinion that the reasonable requirements of the public will not be satisfied by the grant of licenses, the patent may be revoked by order of the Court.

Provided that an order of revocation shall not be made before the expiration of three years from the date of the patent, or if the patentee gives satisfactory reasons for his default.

(4) On the hearing of any petition under this section the patentee and any person claiming an interest in the patent as exclusive licensee or otherwise shall be made parties to the proceeding, and the law officer or such other counsel as he may appoint shall be entitled to appear and be heard.

(5) For the purposes of this section the reasonable requirements of the public shall not be deemed to have been satisfied—

(*a*) if by reason of the default of the patentee to manufacture to an adequate extent and supply on reasonable terms the patented article, or any parts thereof which are necessary for its efficient working, or to carry on the patented process to an adequate extent, or to grant licenses on reasonable terms, any existing trade or industry or the establishment of any new trade or industry in the United Kingdom is unfairly prejudiced, or the demand for the patented article or the article produced by the patented process is not reasonably met; or

(*b*) if any trade or industry in the United Kingdom is unfairly prejudiced by the conditions attached by the patentee before or after the passing of this Act to the purchase, hire, or use of the patented article or to the use or working of the patented process.

(6) An order of the Court directing the grant of

any license under this section shall, without prejudice to any other method of enforcement, operate as if it were embodied in a deed granting a license and made between the parties to the proceeding.

Revocation of patent.

Sec. 25.—(1) Revocation of a patent may be obtained on petition to the Court.

(2) Every ground on which—

(*a*) a patent might, immediately before the first day of January, one thousand eight hundred and eighty-four, have been repealed by *scire facias*; or

(*b*) a patent may be revoked under this Act either by the comptroller or as an alternative to the grant of a compulsory licence;

shall be available by way of defence to an action of infringement and shall also be a ground of revocation under this section.

(3) A petition for revocation of a patent may be presented—

(*a*) by the Attorney-General or any person authorised by him; or

(*b*) by any person alleging—

(i) that the patent was obtained in fraud of his rights, or of the rights of any person under or through whom he claims; or

(ii) that he, or any person under or through whom he claims, was the true inventor of any invention included in the claim of the patentee; or

(iii) that he, or any person under or through whom he claims an interest in any trade, business, or manufacture, had publicly manufactured, used, or sold, within this

realm, before the date of the patent, anything claimed by the patentee as his invention.

Power of comptroller to revoke patents on certain grounds.

Sec. 26.—(1) Any person who would have been entitled to oppose the grant of a patent, or is the successor in interest of a person who was so entitled, may, within two years from the date of the patent, in the prescribed manner apply to the comptroller for an order revoking the patent on any one or more of the grounds on which the grant of the patent might have been opposed.

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

(2) The comptroller shall give notice of the application to the patentee, and after hearing the parties, if desirous of being heard, may make an order revoking the patent or requiring the specification relating thereto to be amended by disclaimer, correction, or explanation, or dismissing the application ; but the comptroller shall not make an order revoking the patent unless the circumstances are such as would have justified him in refusing to grant the patent, had the proceedings been proceedings in an opposition to the grant of a patent.

(3) A patentee may at any time by giving notice in the prescribed manner to the comptroller offer to surrender his patent, and the comptroller may, if after giving notice of the offer and hearing all parties who desire to be heard he thinks fit, accept the offer, and thereupon make an order for the revocation of the patent.

(4) Any decision of the comptroller under this section shall be subject to appeal to the Court.

Revocation of patents worked outside the United Kingdom.

Sec. 27.—(1) At any time not less than four years after the date of a patent, and not less than one year after the passing of this Act, any person may apply to the comptroller for the revocation of the patent on the ground that the patented article or process is manufactured or carried on exclusively or mainly outside the United Kingdom.

(2) The comptroller shall consider the application, and, if after enquiry he is satisfied that the allegations contained therein are correct, then, subject to the provisions of this section, and unless the patentee proves that the patented article or process is manufactured or carried on to an adequate extent in the United Kingdom, or gives satisfactory reasons why the article or process is not so manufactured or carried on, the comptroller may make an order revoking the patent either—

(*a*) forthwith ; or

(*b*) after such reasonable interval as may be specified in the order, unless in the meantime it is shown to his satisfaction that the patented article or process is manufactured or carried on within the United Kingdom to an adequate extent :

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

(3) If within the time limited in the order the patented article or process is not manufactured or carried on within the United Kingdom to an ade-

quate extent, but the patentee gives satisfactory reasons why it is not so manufactured or carried on, the comptroller may extend the period mentioned in the previous order for such period not exceeding twelve months as may be specified in the subsequent order.

(4) Any decision of the comptroller under this section shall be subject to appeal to the Court, and on any such appeal the law officer or such other counsel as he may appoint shall be entitled to appear and be heard.

THE PATENTS RULES, 1908

Revocation of Patents worked Outside the United Kingdom

Revocation of patents worked outside the United Kingdom.

78. An application for the revocation of a patent under section 27 of the Act shall be made on Patents Form No. 24. The applicant shall simultaneously with, or as soon as may be after, the leaving of such application at the office deliver, or cause to be delivered, to the patentee or his agent a copy of such application, and furnish the comptroller with evidence of such delivery.

Procedure.

79. The patentee shall within fourteen days from the delivery of such copy, or within such further time as the comptroller may allow, leave at the office evidence, by way of statutory declaration, stating whether or not the allegations contained in the application are correct; and, if they are in-

correct, to what extent, and in what place the patented article or process is manufactured or carried on in the United Kingdom; and setting out, in the event of the article or process not being manufactured or carried on in the United Kingdom to an adequate extent, the reasons why it is not so manufactured or carried on. The patentee shall deliver, or cause to be delivered, copies of such evidence to the applicant, and furnish the comptroller with evidence of such delivery.

Within fourteen days from the delivery of such copies, or within such further time as the comptroller may allow, the applicant shall, if he decides to proceed with his application, leave at the office statutory declarations in answer, and on so leaving shall deliver to the patentee or his agent copies thereof, and furnish the comptroller with evidence of such delivery.

Closing of evidence.

80. No further evidence shall be left at the office on either side except by leave, or on the requisition of the comptroller, and upon such terms, if any, as the comptroller may think fit.

Hearing.

81. On completion of the evidence or at such other time as he may see fit, the comptroller shall appoint a time for the hearing of the case, and give the parties ten days' notice at least of such appointment, and in the event of his deciding to take evidence viva voce in lieu of or in addition to the evidence by declaration, or to allow any declarant to be cross-examined on his declaration, he may require the attendance of any declarant or other person, whose evidence he may consider desirable.

COMPTROLLER'S NOTE OF 12TH MAY, 1909

PATENTS AND DESIGNS ACT, 1907

Procedure under Section 27 and Patent Rules 78 to 81

In all cases of applications for revocation under section 27, the following procedure will in future be adopted :—

(1) The applicant should simultaneously with his application on Patents Form 24 leave at the office evidence by way of statutory declaration, stating the particulars upon which he relies in support of the allegations contained in the application ; the copy of the application delivered to the patentee or his agent, in accordance with the Patents Rule 78, should be accompanied with copies of such evidence.

(2) The patentee should, within fourteen days from the delivery of such copy or within such further time as the comptroller may allow, leave at the office evidence by way of statutory declaration stating whether or not the allegations contained in the application are correct ; and if they are incorrect giving the particulars upon which he intends to rely in answer to the allegations made by the applicant. Copies of such evidence should at the same time be delivered to the applicant.

(3) Should the applicant then decide to proceed with his application, he may then deliver further

statutory declarations in answer, in accordance with the provisions of the latter part of Rule 79.

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

(5) Should the comptroller think fit to hold a preliminary hearing as aforesaid, and as a result of such hearing decide that a prima facie case has been made in support of the allegations in the application, or should he determine to proceed in ordinary course to deal at one hearing with the whole case, including the further questions mentioned in Head (4), then, and in either of the said cases, he will give to the patentee further time for leaving at the office and delivering to the applicant pursuant to Rule 79 evidence by way of statutory declaration with regard to such further questions or either of them, and will subsequently give to the applicant under Rule 79, and thereafter if necessary to the patentee under Rule 80, further time for leaving further evidence by way of statutory declaration with regard to such questions or either of them in answer or reply as the case may be.

(6) In the event of an application under section 27 being uncontested by the patentee, the comptroller in deciding whether costs should be awarded to the applicant will consider whether proceedings under the section might have been avoided, if reasonable notice had been given by the applicant to the patentee before the application was filed.

W. TEMPLE FRANKS,
Comptroller-General.

PATENTS FORM No. 24.

PATENTS AND DESIGNS ACT, 1907

FORM OF APPLICATION FOR REVOCATION OF A PATENT UNDER SECTION 27 OF THE ACT

I (or We) *.....
.....
.....
.....
.....

*Here state (in full) name and address of applicant, or applicants, for revocation.

hereby apply for the revocation of Letters Patent No. .... of 19 , on the ground that the patented article (or process) is manufactured (or carried on) exclusively or mainly outside the United Kingdom.

My (or Our) address for service in the United Kingdom is : .....
.....
†.....

† To be signed by applicant, or applicants, for revocation.

To the Comptroller,
Patent Office,
25, Southampton Buildings
Chancery Lane, London, W.C.

APPENDIX B

DIGEST OF CASES

Aylott's Patent (28 *R. P. C.*). *As to costs where no notice of application is given.*

Patent related to "improvements in connection with hats." It was important as to the question of costs. No notice of intention to petition for revocation of patent was given to owner of patent. Patentee expressed his willingness that patent should be revoked, but contended that having regard to section 26, sub-section (3), of the Act of 1907, by which he might, if he had had notice of the petitioner's intention, have applied to the comptroller and offered to surrender his patent, he should not in the absence of such notice be liable for costs. The statement was not denied that some of the petitioner's customers had been threatened with proceedings by the patentee.

Parker J. expressed the opinion that in the absence of threats he was inclined to think that notice should have been given, but that under the circumstances he ought not to interfere as to costs.

Boult's Patent (5368 of 1903) (26 *R. P. C.*).

The patent was for "improvements in type-setting, distributing, and printing machines." At the date of the application there was manufacture abroad but none in this country, but a contract had been entered into with an English Company for fifty machines. At the date of the hearing there

was sufficient manufacture here to meet a large portion of the demand in this country. Held there were special circumstances in connection with the business, namely the small demand for a machine at so high a price, and the imperfections of the working of the machines that were first manufactured, which the comptroller considered satisfactory reasons for the inadequacy of the working here at the time of the application. The case is noteworthy for the observations of the comptroller of the obligations of the patentee under section 27, and with regard to the efforts which should be made by patentees to carry out their obligations under the section. The standard to be applied is what a reasonable business man would do in the circumstances. It is not enough for the efforts to be sufficient in the patentee's own estimation; they must conform to the standard which an intelligent business man in this country would place before himself or adopt. As to absence of demand, he said, in considering the adequacy of the manufacture in this country, it does no doubt depend to some extent upon the demand existing for the article here or in neutral markets, but it does not follow that if there is no demand existing, there is no obligation on the patentee to start an industry here. If he does manufacture in foreign countries, and if there is in fact a demand for the article or process abroad, the absence of any demand here does not seem a valid excuse. The patentee must in such cases make an effort to create a demand here, and the establishment of an industry may help to create a demand for the article or process in question.

Boult's Patent (14,146 of 1901) (26 *R. P. C.*).

The patent was for "improvements in or relating to the fusion of hardened or metallic masses in a flamed jet, applicable to blast furnaces." It consisted of a process for the removal of slag or refuse from furnaces or the fusion of hardened or metallic masses generally by oxyhydrogen flame. Oxygen alone or excess of oxygen was used after the mass had been brought to a glowing heat to complete fusion and to eject the molten material, and there was a claim for a burner of particular construction for carrying out the process. Application was made in February 1909 for revocation of the patent on the ground that the patented article, namely the burner jet, was manufactured chiefly or mainly outside the United Kingdom. From the declarations in the case it appeared that the burner jet claimed under the patent was not made or used in this country or abroad, the process which was worked in this country by nineteen firms being carried out by means of an apparatus not the subject of the patent. It was admitted by the applicant that the burner jet was not manufactured anywhere. He claimed that the patented process, although used here for removing slag from furnaces, was not used here as it was used abroad for cutting and drilling of metal and metal plates, and he asked for leave to amend his application if necessary. The patentee stated that he was willing to grant licenses to use the process for all purposes, and had already granted one such license. Held, that leave to amend should not be given, as in the circumstances

the applicant seemed unlikely to be able to make out his case, and that the application must be dismissed, as there was no manufacture of the patented article abroad. (See also *Re Jonkergouw & Destrez's Patent.*)

Re Bremer's Patent (No. 18,786 of 1902) (26 *R. P. C.*), heard with **In re Hogner's Patent.**

The material facts were as follows. The patent was for improvements in electric arc lamps. It was assigned by the patentee to the British Westinghouse Electric Company, Limited, who manufactured some lamps under it, and imported some similar lamps made by Bremer abroad. A license under the patent terminable by notice after five years was in 1906 granted to a German firm. It was held together with a patent known as Hogner's Patent of later date for a similar invention, and in order to avoid litigation the British Westinghouse Company took a similar license under Hogner's patent from the German firm. The German firm imported lamps made under Bremer's patent to the extent of 3,000 a year, but did not manufacture here; while the British Westinghouse Company manufactured and sold about 550 a year. There was some evidence that lamps infringing Bremer's were both imported into this country and manufactured here, and that proceedings were pending against infringers. The comptroller, on application under section 27, revoked Bremer's patent on the ground that it was worked mainly abroad. On appeal Mr. Justice Parker allowed further evidence as to offers to grant licenses on behalf of the applicants to be given in

the special circumstances, as he considered their position under section 27 and the evidence which should have been produced to the Court had not been fully understood. After hearing further evidence he decided that although a minimum royalty for other licenses was named in the German Company's license, a compulsory license could be applied for by any manufacturer here, and as there was a bona fide attempt to establish an industry here by the Westinghouse Company, and the arrangement with the German Company tended to assist that purpose and was terminable after five years, there were satisfactory reasons for the present inadequate manufacture under the patent in this country, and the appeal against the comptroller's decision revoking the patent was allowed. The Judge further decided that manufacture in this country by infringers must be considered in deciding whether there was adequate manufacture here.

Re Fell's Patent (27 *R. P. C.*).

The patent was for improvements in typewriting machines. Application was made to revoke the patent on the ground that the patented article was exclusively or mainly manufactured out of the United Kingdom. From the evidence it appeared that the machine had never been manufactured out of the United States, and that the annual sale in London was 1,000 to 1,500 machines. On August 12th, 1908, a few days before the expiration of the year of grace, advertisements were inserted in several newspapers stating that the patentees would like to make arrangements for the manufacture and sale

of their machines here under license. An offer to manufacture the machines and a subsequent offer to manufacture certain parts of the machine here was received by the patentees, and refused as being too high, about February 1909, and in June 1909 an agreement was entered into for the supply of 500 sets of parts. It was proved that at the date of the hearing 100 sets of parts would be ready in two or three weeks. The comptroller stated that although a substantial manufacture had been taken into consideration in refusing to revoke patents under this section in previous cases, such manufacture had been the result of bona fide efforts previous to the application of revocation, and there were also considerations as to the special character of the invention; but in this case he considered the present manufacture was not only inadequate, but that it offered no security for being continuous: the patent was therefore revoked.

In re Green's Application for Revocation of Jonkergouw and Destrez's Patent (28 *R. P. C.*).

The patent in this case was for improvements in the manufacture of glass articles.

An application was made before the registrar in which manufacture abroad was alleged, and it was proved that there was no manufacture here under the patent.

No one appeared for the owner of the patent before the Comptroller, who made an order revoking the patent.

An application was subsequently made to the Court, counsel stating that the company owning the

patent was in liquidation when the application for revocation was made, that on the day before the revocation was granted the patent had been sold by the liquidator to Monsieur Demongeot, who applied on a petition of appeal for leave to adduce further evidence to show that, owing to the floods of the Seine, the works had been closed for some months previously to the application, and that no work had since been done abroad under the patent.

The Judge held that the circumstances were exceptional, and that the applicant could file further evidence ; and on the petition coming on for hearing, it being proved that no manufacture had taken place abroad from the date of the application up to the time of the comptroller's decision that the patent should be revoked, it was held that the Court had no jurisdiction to revoke the patent, and the comptroller's order for revocation was therefore reversed.

Re Hatschek's Patents (26 *R. P. C.*).

An application was made under section 27 of the Patents and Designs Act, 1907, by Z., a general merchant carrying on business in London, to revoke two patents relating to the manufacture of artificial slates granted in 1900 to H., an Austrian, on the ground of non-working in the United Kingdom. The application was opposed by H. and his exclusive licensees under a license granted in 1906. It was not contested that the patents had not been worked in the United Kingdom, but it was contended that satisfactory reasons had been given for the non-working. It was held by the Comptroller

that the patents should be revoked forthwith, and costs were awarded to the applicant.

The patentee and licensees appealed. The principal reasons alleged by the appellants as "satisfactory" were the existence of the exclusive license granted before the Act, the expenditure before the Act of a large sum on a factory in Belgium, that no one was anxious to manufacture here, and that, apart from the patent, the industry could not be established here.

Held, by Parker J., that sub-section (1) of section 27 does not include every case in which the patented article or process is manufactured or carried on to a greater extent outside than inside the United Kingdom; if the article or process be manufactured or carried on within the United Kingdom, not only to a substantial extent, but to an extent as substantial as may reasonably be expected, having regard to what is done abroad, the state of circumstances contemplated by sub-section (1) does not exist; that the words "patented article" are not confined to articles either made in or imported into this country, nor is the comparison instituted by sub-section (1) between what is done in this country and abroad respectively by the patentee, his licensees and agents, but the comparison is between the extent to which the article or process, the subject of the patent, is manufactured or carried on in this country, and the extent to which it is manufactured or carried on abroad, whether the articles so manufactured or resulting from the process are or are not imported into this country. Held, futher, that if the state of circumstances contemplated by sub-

section (1) has arisen, the patentee is on his defence, and must either prove that the article or process is manufactured or carried on in the United Kingdom to an adequate extent, or give satisfactory reasons why it is not; that it is left to the comptroller, subject to an appeal to the Court, to determine in each case and having regard to all the circumstances whether "adequacy" is established or "satisfactory" reasons are shown. The policy of section 27 is directed to secure fair play between foreign industries and the industries of this country, and not to secure to the latter, during the period of the patent, a protection which they would not enjoy if no patent had been granted. Held, further, that, except for the year of grace given by the section, it puts all patentees in the same position, whether the patent be granted before or after the Act, but that to a limited extent there may be reasons which would be satisfactory in one case and not in the other. Held, also, that under all the circumstances of the case, the revocation of the patent and the refusal to suspend it were justified.

It was proved before the comptroller that the manufacture was not being carried on in the United Kingdom, but evidence was given on behalf of the patentees that they had a factory in Belgium which was in the position to meet all demands in the United Kingdom for articles made according to the patented process, and that to erect factories in England would prevent the article being sold as cheaply as it was when made in Belgium, and that the cost of producing the article in England would be greater than abroad.

The principal arguments of the patentee in the appeal were :—

1. That an exclusive license had been granted before the Act of 1907.

2. The only mode of fostering the industry was to maintain the patent.

3. That the licensees had spent some £36,000 in erecting factories in Belgium to supply the markets, including the British market, and they could not be expected to build another factory at once.

4. That the Belgium factory satisfied section 24, and that it had operated to prevent persons here wishing to manufacture in competition.

5. That the evidence proved that no one was anxious or willing to manufacture here.

6. That the retrospective effect of the Act requires strictness of construction, and they asked that the comptroller's decision should be reversed or considerable time allowed the patentees and licensees in conjunction to take steps to start the industry here.

Mr. Justice Parker in the course of his judgment said : "Whatever difficulty there may be in ascertaining the precise meaning of some of the expressions in section 27, it is at least clear that a patentee, since that section became law, cannot be certain of retaining his patent rights after the period mentioned in the section, unless his patented process is being worked or his patented article is being manufactured within the United Kingdom to an extent which the section describes as adequate, or unless he can give satisfactory reasons why this is not the case. The mischiefs which section 27 and

section 24 of the Act were intended to meet are well known. It was felt to be intolerable that letters patent for inventions which create monopolies, and are therefore in themselves contrary to the spirit of the common law as being restraints on trade, and which were only excepted from the operation of the Statute of Monopolies for the encouragement of trade and inventions useful in trade, and in consideration of the disclosure of such inventions to the public, should be used (as they had in fact been used) to prevent the development of new industries or to fetter existing industries in this country. Sections 24 and 27 of the Act are intended to prevent this being any longer possible. Section 24 deals primarily with cases where the trade of this country has been injured by an abuse of the monopoly conferred by the patent, irrespective of anything which is being done abroad. Section 27 deals primarily with cases where the object or effect of the use of such rights in the way they have been used has been to favour the development of industries abroad at the expense of industries in the United Kingdom. The sections may sometimes overlap, but this is the broad dividing line between them.

"The scheme of section 27, considered as a whole, is quite simple, but for all its simplicity it is exceedingly drastic. . . . The keynote of the section is, in my opinion, forfeiture for abuse of the monopoly at the instance of even a common informer, the abuse being in certain circumstances presumed unless disproved.

"The first question is this, what is the state of

circumstances the existence of which imposes this serious liability on a patentee? In the words of sub-section (1) it is whenever 'the patented article or process is manufactured or carried on exclusively or mainly outside the United Kingdom.' There is no difficulty in the use of the word 'exclusively,' but the use of the word 'mainly' gives rise to the difficulty. . . . The word 'mainly' is used in the sub-section in close connection with, and as an alternative to, the word 'exclusively,' and, having regard to this fact, I do not think that a process or article can be said to be mainly carried on or manufactured abroad, merely because it is carried on or manufactured abroad to a somewhat greater extent than within the United Kingdom. For example, if the total manufacture in the United Kingdom were 1,200 and the total manufacture elsewhere 1,250, giving a total of 2,450 in all, I do not think it could be said that the manufacture was mainly abroad within the meaning of the section; to come within the sub-section the disparity must, in my opinion, be greater than a mere small percentage, and indeed if the article be manufactured or the process be carried on within the United Kingdom, not only to a substantial extent, but to an extent as substantial as may reasonably be expected, having regard to what is done abroad, I do not think the state of circumstances is that contemplated by sub-section (1). . . .

"I will pass now to the other sub-section"—(2)—"assuming that the applicant has satisfied the comptroller that the state of circumstances contemplated by the first sub-section has arisen. The

patentee is then clearly on his defence and must either prove that the article or process is manufactured or carried on in the United Kingdom to an adequate extent, or give satisfactory reasons why it is not so manufactured or carried on. The difficulty in construing these provisions arises from the use of the somewhat elastic expressions 'adequate' and 'satisfactory,' the meaning of which depend largely on the point of view from which the facts which may be proved are considered. In my opinion the Legislature has used these somewhat vague expressions advisedly, it being left to the comptroller, subject to an appeal to the Court, to determine in each case, and having regard to all the circumstances, whether the extent to which the article or process is manufactured or carried on is adequate, and if not, whether the reasons put forward are satisfactory. I shall not, therefore, attempt to define the meaning of these expressions, but in considering any case which may arise, there are, in my opinion, one or two general observations which ought to be borne in mind. First, as I have already said, the patentee is on his defence, and this being so, I do not think the extent to which the article is manufactured, or the process carried on, can be considered adequate if it be less than it would have been but for the fact that the patentee has exercised the rights conferred by his patent to the hurt of British industry—*for* example, the fact that he has given foreign traders a preference over British traders. Similarly, I do not think that any reasons can be satisfactory which do not account for the inadequacy of the extent to which the

patented article is manufactured or the patented process is carried on in this country by causes operating irrespective of any abuse of the monopoly granted by the patent. The first thing, therefore, for the patentee to do is, by full disclosure of the manner in which he has exercised his patent rights, to free himself from all suspicion of having done anything to hamper the industry of the United Kingdom. . . . If he exercises his rights in such a way as to give other countries four years' start of this country in developing a new industry, he is not, in my opinion, exercising his rights fairly as regards the trade of this country. He must at least take the same pains to develop the new industry here as he does abroad. . . ."

On the subject of demand, the learned Judge said that if there is an insufficient manufacture here to meet the demand for the home-made article, it might well be that the manufacture might be held to be inadequate, but even if there were no demand here at all, the manufacture might be inadequate, because the rights of the patentees might have been so exercised as to preclude the growth of the demand by the imposition of unreasonable prices or unreasonable terms for licenses. Every case must be considered on its own merits and with reference to its own attendant circumstances. As to higher cost of labour and materials being a satisfactory reason, the Judge stated the fact that smaller profits might be made here than abroad was in his opinion no satisfactory reason for inadequate manufacture, and added: "I can conceive cases in which a patentee having obtained a patent may find it impossible to

work it in the United Kingdom because of the nature of the invention, or because of local conditions which prevail here, but not in other countries, although these cases must, I think, be rare, and may be exceedingly difficult to prove. . . . But it can never, in my opinion, be sufficient for a patentee, defending himself under the section, to prove that he cannot now start an industry with any chance of profit. The question really is: could he have done so if he had used his monopoly fairly as between home and foreign trade, or if he had devoted the time and money which he has expended in developing a foreign industry to developing a home industry? It may well be that having developed the industry abroad and given foreigners several years' start, he may find it difficult, if not impossible, to develop an industry on the same lines here, and yet such an industry might well have arisen but for the preference he has given to foreign countries."

With reference to the contention which had been raised that patentees who had granted licenses before the Act of 1907 were in a better position than other patentees who had not granted such licenses, if the licensees did not work the patent within the United Kingdom, the learned Judge held that except as to the year of grace, patentees before and after the Act were subject to the same liabilities, although possibly reasons might be satisfactory as to patents obtained before the Act which would not be satisfactory as to patents obtained after it, but that circumstances arising from the patentee having precluded himself by contract from working the patent could not be a satisfactory reason for not

working the patent in this country. He also held that it was not a patentee's duty to prevent importation, and that the patentee should not be called on to answer the applicant's declarations until the applicant had made out a prima facie case of manufacture exclusively or mainly abroad. (This last point is met to some extent by the comptroller's Note of 12th May, 1909. See Appendix A.)

The appeal was dismissed with costs.

In re Johnson's Patent (26 *R. P. C.*).

The patent was for a sewing machine designed for operating at high speed. There were a large number of patented parts, and the machines, as imported, were manufactured wholly in the United States, but some few parts manufactured here of a stronger make were substituted before the machines were sold in this country.

It was contended that there were great difficulties in manufacturing here; that special machines were required to make the parts of the sewing machines, and that it would take some years before the necessary machines, tools, and specially skilled labour could be available. The company owning the patent made no effort to have machines for manufacturing the sewing machines made or obtained for manufacturing in this country, and contended that it was impossible to make any parts here except those they manufactured here at present. It was proved that similar sewing machines have been produced in Germany within six months from the preparation of the machines for making them being put in hand.

The comptroller referred to the German patent law of the 7th April, 1891, Art. 1, para. 11, as to manufacture to an adequate extent, and held that there was neither adequate manufacture of the patented article here, nor satisfactory reasons for such inadequate manufacture.

Considering whether further time should be granted to comply with the section, the comptroller held that where no steps had been taken before the application for revocation to comply with the terms of the Act, an order for revocation should be made at once unless the circumstances were very exceptional.

The patent was accordingly ordered to be revoked forthwith.

In re Kent's Patent (36 *R. P. C.*).

The patent was for mills for pulverising or granulating rock or ores.

On application for revocation, the patentee did not dispute that the machines were manufactured mainly abroad, but submitted that there were satisfactory reasons for the deficiency of manufacture. It was proved that works were taken for the manufacture of machines here in May 1908, and that a machine was put in hand in June 1908, and finished, though partly by the use of parts imported from the United States, in July 1909, and that two other machines almost entirely made here were in course of manufacture, and further, that there was very little demand for the machines outside the United States, and that the patentees intended to manufacture in this country to meet the whole of

the demand here. It was contended that the demand was kept down by a high price being asked for the machines, but it was proved that the machines were sold here at the same price as in America.

Held by the comptroller that the reasons for inadequate manufacture here were satisfactory, and that although a higher price being charged for imported machines than for machines manufactured here would raise a suspicion of unfairness which the patentee must remove to prevent revocation, such were facts not proved in this case, and the application was dismissed. (See Weber's Patent, 27 *R. P. C. App.*)

In re Lake's Patent (26 *R. P. C.*). Application for revocation under section 27.

Held patented article only, not other parts of machine, must be manufactured here. Applicant is not allowed to cross-examine patentee's witnesses until a prima facie case of inadequate manufacture had been made out by him.

The patent was for improvements in sound magnifying horns for phonographs and the like. The applicant filed evidence directed to show that "sound boxes" which were alleged to be part of the patented article were in all cases manufactured in the United States. There were three claims in the patent, all for tapering magnifying horns pivoted or jointed to allow of the movement of the sound box of a talking-machine.

The patentees filed evidence that 11,000 of the sound boxes made in accordance with the patent had been made here.

The applicant's counsel stated they could carry their case no further unless they could obtain admissions from the patentee's witnesses, or were allowed to raise the whole question of adequate manufacture here under sub-section (2) of section 27, and asked leave to cross-examine patentee's witnesses, but declined to call the patentee's witnesses in support of the applicant's case.

Held that the invention claimed by the patentee and which he was bound to manufacture here was the sound magnifying horn, but not the sound box as well, and that there was no prima facie case established by the applicant of manufacture wholly or mainly abroad, and that consequently, following Hatschek's case, the applicant could not cross-examine the patentee's witnesses, nor could the comptroller do so, and that as no further evidence was tendered by the applicant the application must be dismissed.

Melville v. Cummings (29 *R. P. C.*).

Held by Court of Sessions, Scotland, that a partner in a firm has not the necessary interest to petition under section 25 for the revocation of a patent, and that any proceedings founded on a firm's interest in a trade business or manufacture should be taken by the firm.

In re Mercedes Patents (27 *R. P. C.*). Cited as Seven Mercedes Patents.

This was an application for revocation of seven patents relating to motor cars held by the Mercedes Company.

It was proved on behalf of the owners of the patents that besides some manufacture by themselves in this country, there was considerable manufacture of the patented article by infringers.

The applicant contended that the manufacture by infringers could not be taken into consideration on the question of the amount of manufacture here.

Held by the comptroller, and upheld by Parker J. on appeal, that in view of the decision in Hatschek's Patents (26 *R. P. C.*), that "patented article" in section 27 means an article which is the subject of a British patent, and is manufactured in accordance therewith, or by the process described by whomsoever or wherever manufactured, it followed that manufacture by infringers in this country must be taken into consideration in favour of the patentee under sub-section (1) of section 27, and the application was dismissed.

Re Merryweather's Patent (29 *R. P. C.*).

Where a patentee consents to revocation on a petition, whether he has had notice of any intention to petition before proceedings were commenced or not, the Court will, in the absence of special circumstances, allow petitioner his costs. *Re Aylott's Patent* (28 *R. P. C., App.*) was referred to as a case where this had been considered the proper course in dealing with applications under section 27.

Re Taylor's Patent (29 *R. P. C.*).

Where revocation is applied for and there is a master patent which prevents the patent being

worked in this country, this may be a satisfactory reason for not working the patent.

The patent was for "mechanical underfeed stokers." It was admitted that there had been no manufacture in England except parts of one machine. The patentees argued that they were prevented from manufacturing in the United Kingdom by threats of an infringement action, and that they had advertised and sent circulars to manufacturers without result, and that there was no demand for the patented article in the United Kingdom. The petitioners, who held the master patent, urged that the patentees had not attempted to obtain a license under it.

The comptroller revoked the patent. On appeal Parker J. reversed his decision on the ground that the master patent provided in the circumstances a satisfactory reason for not working the patent.

In re Weber's Patent (27 *R. P. C.*). Application for revocation, extension of time for working.

The facts were as follows: The patent was for improvements in the preparation of clay for casting clay wares (No. 4391 of 1900).

On an application for revocation on the ground that the process was worked wholly or mainly outside the United Kingdom, the comptroller, in April 1909, made an order revoking the patent unless it was shown to his satisfaction that the process was worked in the United Kingdom to an adequate extent by December 31st, 1909.

On the application coming on again after that date, it was proved that the London agents of the patentee had sent letters calling the attention of

135 firms in the trade to the process, and that a small installation for showing the process had been set up and was working in London. Several firms entered into negotiations for a license, and although most of such negotiations had fallen through, one license had been granted to an important firm of glass blowers who were working it in an experimental manner, and intended to put it into full use if they were satisfied with the result of the product when dried.

Held that where there is a limited demand the adequacy of manufacture must be judged by such demand, and that the patentee had satisfied the comptroller that there was at present adequate manufacture. The comptroller, however, pointed out that if at a future date there was not adequate manufacture this decision was not final, and a further application could be made.

INDEX

ABROAD
manufacture mainly, 7–9

ADEQUATE EXTENT
under section 27, 6, 8, 9

APPEAL
further evidence on, 13
in application under section 27, 6, 13
on petition, 14, 16

APPLICATION FOR REVOCATION
how made, 5, 24, 25
who can make, 4, 5

ATTORNEY-GENERAL
fiat of, under section 25, 14–16
right to appear on appeal under section 27, 4, 6

BOARD OF TRADE
petition to, under section 24, 17
reference by, of petition to Privy Council under Act of 1902, section 3, 2
reference by, of petition to the Court under Act of 1907, section 24,17

COMPTROLLER
appeal from order of, 6 ,13, 22
jurisdiction of, under section 27, 5, 6, 22, 23
note as to procedure under rules 78–81 by, 24

COMPULSORY LICENSE. See LICENSE

COST
of manufacture abroad and here considered in relation to "satisfactory reasons," 13

COSTS
where application or petition for revocation not opposed and notice not given before application or petition, 9

DECLARATIONS
by applicant and respondent on application for revocation, 22–24
rules as to time within which they must be lodged, 22, 23

DEMAND
no demand is not in itself a satisfactory reason for inadequate manufacture here, 10
small demand is a factor to be considered, 9, 10

EVIDENCE
by cross-examination of opponents' witnesses to show manufacture mainly abroad, 16
further, when allowed on appeal, 13
on application for revocation 22–25

EXTENDED TIME
for adequate working of patent, 5, 6, 10

FIAT
Attorney-General's, on petition for revocation, 14, 15
where petition by way of counter-claim, 15

FOREIGN COUNTRY (see ABROAD as to manufacture in)
non-existence of patent in, does not excuse inadequate manufacture here, 7

FORM OF APPLICATION
for revocation under section 27, 26

FURTHER
evidence on appeal. See EVIDENCE
time to establish adequate manufacture, 6, 10

IMPORTATION
may be justified instead of manufacture where validity in dispute, 9
patentee is not bound to prevent, 8

JUDGE
appointed to hear petitions from decisions of comptroller under section 27, 13
procedure on appeal to, under section 27, 13

JUDICIAL COMMITTEE OF PRIVY COUNCIL
reference to by Board of Trade under Act of 1902, 2
replaced by Court under section 24 of the Act of 1907, 17

LICENSEES
attempts to obtain licensees to work invention must be bona fide and made in due time, 10

LICENSES
compulsory under section 24, 17
under Patent, etc., Act, 1902, 2

LICENSE
prejudicing manufacture here granted before 1907 Act not satisfactory reason for inadequate manufacture here, 8

MANUFACTURE
mainly outside the United Kingdom, 5, 7, 8, 9
where abroad for export to a third country, adequate manufacture must be shown here, 9

MASTER PATENT
may be a satisfactory reason for not working a patent here, 9

MONOPOLIES, STATUTE OF
section 6, 3

NOTICE
of application for revocation, 22
of intention to apply or petition for revocation of patent, costs where not given, 13

OPPOSITION
procedure in regard to, 22–26
to application for revocation, 22

PARTS
of machine which are patented only need be manufactured here, 11

PATENT, ETC., ACT, 1907
section 24, 17
section 25, 19
section 26, 20
section 27, 21

PATENT, ETC., ACT, 1908, 14

PATENT RULES, 1908, 78 TO 81, 22–24

PETITION
for revocation of patent, when preferable to application, 13
for revocation, procedure on, 13–15
when Attorney-General's fiat necessary or advisable, 15, 16

PREFERENCE
to foreign traders, 8

PRELIMINARY
boaring on question whether manufacture abroad has been prima facie established, 24, 25

PRICE
will be considered in relation to demand, 8, 11

PROCEDURE
on application for revocation, 22–26

PUBLIC
requirements will be considered as to compulsory license or revocation under section 24, 17

REASONABLE
requirements of public not met, petition for compulsory license or revocation of patent, 17, 18

REPLY
by applicant for revocation, 22–24

REVOCATION
on application under section 27, 5–13
on petition to Board of Trade under section 24, 17, 18
on petition to Court under section 25, 13–15

SATISFACTORY
reasons for inadequate manufacture here, 8, 9, 10

TIME
extended for adequate working of patent, 9
for appeal from comptroller's decision on application for revocation, 13
for steps in application for revocation. See PROCEDURE
when application for revocation can be made under section 27, 5

UNITED KINGDOM
adequate manufacture within, 7–11
manufacture exclusively or mainly outside, 5–11

UNREASONABLE
price or unreasonable terms in granting licenses may be ground for revocation, 8

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