THE

SOLICITORS' PATENT PRACTICE

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PREFACE.

THE Patents and Designs Act, 1907, introduced several modifications into the laws relating to Letters Patent for inventions, which ought to be of considerable benefit both to *bonâ fide* patentees and to the public.

The procedure for amendment of a specification by the Court during the progress of an action for infringement or a petition for revocation is a distinct improvement upon the old roundabout process of obtaining a stay of the proceedings while an application was made at the Patent Office for leave to amend. The restoration of a patent that has lapsed by non-payment of a renewal fee may be a valuable feature for many a worthy but poor inventor, and may save him from losing his invention through his poverty. The submission to the Court of applications for compulsory licences and for extension of the term of a patent which

has not brought wealth to the patentee are also important improvements in procedure. The power over costs given in the former should make licences more easy to obtain, while the substitution in the latter of a judge of the High Court for the Judicial Committee of the Privy Council affords a useful saving of judicial time, as well as a lessening of expense to applicants, who from the very nature of their case are not likely to be particularly wealthy.

The hardship upon innocent infringers of being held liable for damages for breach of a patent of which they have never heard has been removed, and it has been made incumbent upon patentees who desire to reap the benefits of their patents to acquaint the public with the fact of their existence.

The great feature, however, of the Act, and that which has produced the greatest popular effect, is the provision for enforcing the working of Patents for the United Kingdom within the United Kingdom under the penalty of forfeiture. This provision makes statutory what the author has always maintained was a requirement of the common law, and thus marks a return to the principles of that law of common

sense which, as the sole exception to its prohibition of monopolies in commercial matters, permitted the introducer of a new industry to obtain protection from competition for a limited number of years as a reward for his services to the public in providing a new industry for the King's subjects. The Statute of Monopolies does not hint at legality for a monopoly of importation of any commodity; such a monopoly could, indeed, only be invalid as being necessarily detrimental to the public by preventing competition between importers, and consequently increasing prices. The Statute of Monopolies was never intended to protect foreign manufacturers against the competition of British subjects, and a grant of monopoly for such an object must be wholly beyond the limits of the Royal Prerogative, under which every patent is granted, and which can only be exercised for the benefit of the subjects of the Crown.

In one or two particulars the Act might be improved. For instance, there does not appear to be any reason why the right of counter-claiming for revocation should not be extended to every defendant in an action for infringement who is entitled to challenge the validity

of the patent, nor does there seem to be any reason why the plaintiff in a threats action should not also be entitled to ask for revocation in the action.

The limitation on the use of the descriptive word "patent" might also have been made more explicit; the Act does not make it quite clear whether a patentee is entitled to go on describing his invention as "patent" without any limitation of time, or whether the description "patent" is to be confined to things which are actually subject to patent rights at the time. The alteration in the phraseology from the older Act suggests that the latter was intended, but the fact that the express limitation placed on the use of the word "registered" was not extended to "patent" favours the former reading.

It is not the object of this volume to teach an inventor how to take out a patent without professional assistance. The admirable book of instruction given away by the Patent Office tells everything about the routine work, while it is impossible in a book to teach the art of drafting specifications, which can only be acquired by practice. The inventor who is

wise enough to distrust his own unaided genius in finally settling his specification and claims will find a few guineas spent on expert assistance a sound investment.

The author's object has been to present the legal aspect of patents in a handy form which will show the patentee and the public what are their rights and liabilities, and which will give to the solicitor all the information he requires about litigation of any kind relating to patents of which he may have the supervision.

A few conveyancing forms have been added in the Appendix which will be found useful in cases of frequent occurrence in practice.

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INTRODUCTION.

The regular text-books on Patent Law, like most other legal text-books, have a tendency to grow more and more bulky as successive editions make their appearance. Admirable as these mighty volumes may be for giving with the utmost minuteness information upon every detail connected with patent law and practice, there does seem to be need for a small volume that will enable the ordinary solicitor and his client the patentee or the infringer to survey their position and to do their work without spending unlimited hours in the study of ponderous books.

Patent Office procedure is one branch of patent practice, and, though of great interest to patent agents, it is of very little interest to solicitors. Patent litigation is another branch of patent practice which is interesting to solicitors, and comparatively uninteresting to patent agents. It seems a pity to combine these two subjects in one volume, of which half must of necessity be more or less useless to the one profession or the other. The present volume

does not attempt to deal with the ordinary business of the patent agent, but confines itself almost entirely to that part of patent practice which concerns solicitors and the Courts of Justice. There is not any attempt to deal minutely with the question of subject matter or to discuss at any length the effect, if any, of recorded cases in which something was held to be or not to be subject matter for the grant of a patent. This, like most other matters in connection with the probable result of litigation, must be a matter for expert consideration in each case, and it is not the object of this book to provide an inefficient substitute for such expert advice. Its object is rather to show the solicitor what he ought to bear in mind when charged with the conduct of patent litigation. The main difficulty in patent practice is not to learn the law, which is exceedingly simple, but to apply that law to the facts, which is often exceedingly difficult.

The solicitor need not, as a rule, trouble himself about the application of the law to the facts, but it is very important that he should know enough of the law to enable him to so marshal the facts as to enable others to deal with them in a satisfactory manner.

CHAPTER I.

NATURE OF A PATENT AND ITS SUBJECT MATTER.

LETTERS Patent for an invention are a monopoly which, by the common law and by section 6 of the Statute of Monopolies, the Crown is permitted to grant for a term of fourteen years to the true and first inventor or inventors of any manner of new manufactures within this realm, which others at the time of granting such monopoly shall not use, so as they shall not be contrary to law nor mischievous to the State by raising prices of commodities at home or hurt of trade or generally inconvenient.

The Patents and Designs Acts, 1907 and 1908, and the rules made by the Board of Trade thereunder, regulate the procedure for granting such Letters Patent for monopolies and for their revocation. The rules of the Supreme Court, especially Order LIIIA, made under the Act of 1907, regulate the methods of enforcing rights under such Letters Patent, and the methods by which members of the public can obtain redress from the Court in case such Letters Patent have been improperly granted, or are being im-

properly used by the monopolists—the patentees. The right of the Crown to grant Letters Patent for a monopoly to a true and first inventor has been extended to include the personal representatives of the true and first inventor, and to a joint grant to him or them with other persons (see sections 1 and 43). Where a grant is made to two or more persons jointly, unless the patent otherwise specifies, they will be joint tenants for the purpose of the devolution of the legal interest—*i.e.* the legal interest will pass to the survivor—and, subject to any contract to the contrary, each such person will be entitled to use the invention for his own profit without accounting to the others, but will not be entitled to grant a licence without their consent, and if any such person dies, his beneficial interest in the patent will devolve on his personal representatives as part of his personal estate (section 37), the survivor thus becoming a trustee of his share for them.

The Statute of Monopolies mentions only the true and first inventor, but the Courts soon decided that the true and first importer of an invention was for the purposes of the Statute an inventor. As was declared in the case of *Edgeberry* v. *Stephens*, 2 Salk. 447, in 1691, "A grant of a monopoly may be to the true and first inventor by 21 Jac. 1., and if the invention be new in England, a patent may be granted, though the thing was practised beyond the seas before, for the statute speaks of new manufactures within this realm,

so that if they be new here it is within the statute, for the Act was intended to encourage new devices useful to the Kingdom, and whether learned by travel or by study it is the same thing."

The personal representatives of an importer are of course in exactly the same position as those of an actual inventor in the ordinary sense.

In order to protect foreign inventors from having their inventions stolen and made the subject of patent grants to those persons who have stolen them, a foreign patentee is permitted, subject to the provisions of section 91, to have his patent in this country antedated to the date of his first foreign patent. A foreign inventor must, however, take advantage of this provision when he applies for his patent; he cannot apply in the ordinary way and then afterwards ask to have the patent antedated so as to affect a prior importer (*Acetylene Illuminating Co.* v. *United Alkali Co.*, 1902, 19 R.P.C. 213, C.A. 20 R.P.C. 161; *The British Tanning Co.* v. *Groth*, 1891, 8 R.P.C. 121; see also *Shallenberger's Application*, 1889, 6 R.P.C. 550).

The mere fact that an importer has stolen the invention abroad does not affect his right to a patent, but if there be any confidence between the importer and the inventor which would make it fraudulent on the part of the importer to apply for a patent in this country, it is possible that the inventor could apply to have a patent which had been granted to the

importer revoked on the ground that it was obtained in fraud of his rights, and in such case the patent could be re-granted to the inventor (see sections 15 and 25). The point has been raised but has not been determined (see re *Avery's Patent*, 1887, 36 C.D. 307, re *Marks' Patent*, 1908, 25 R.P.C. 553).

The most ordinary case of a patent being granted to an importer is that in which a patent is granted to a patent agent in this country on an application expressed to be made upon a communication from abroad from a named party. In such cases the patent agent who makes the application becomes the actual legal patentee, but he is merely a trustee of the patent for his foreign principal. The position of such a patentee as trustee is not affected by reason of his having made some improvement upon the invention as originally communicated to him (*Moser* v. *Marsden*, 1893, C.A. 10 R.P.C. 350).

This trust exists only when the invention has been communicated with the object of enabling the communicatee to obtain a patent. If a person in this country without being under any obligation to his correspondent has obtained from some person abroad the details of an invention, he is entitled to apply for a patent for it and to describe himself as the true and first inventor (*Steedman* v. *Marsh*, 1856, 2 Jur. N.S. 301). Similarly a person abroad obtaining the details of an invention abroad is entitled to apply by letter for a patent and to describe himself as the true

and first inventor (re *Wirth's Patent*, 1879, 12 C.D. 303; see also section 1).

Where there are rival inventors the first who applies for a patent is the true and first inventor (*Cornish* v. *Keene*, 1835, 1 W.P.C. 508).

Except in the case of an importer the true and first inventor must himself have taken some part in the process of invention, but he may have had considerable assistance from servants and others without being thereby disentitled to call himself the inventor. Thus a master who has given his servants directions upon which to work is entitled to the result of such work, but if a servant by his own ingenuity and without any assistance or directions from his master has made an invention, even in his master's time, he alone is the true and first inventor (see *Von Heyden* v. *Neustadt*, 1880, 50 L.J.Ch. 128, *Allen* v. *Rawson*, 1845, 1 C.B. 566, *Heald's Application*, 1891, 8 R.P.C. 429, *Marshall and Naylor's Patent* in re 1900, 17 R.P.C. 553) Although the master cannot as the true and first inventor apply for a patent for an invention made by his servant, there may of course be an arrangement between them that if the servant should make an invention and take out a patent, he should become a trustee thereof for his master, and the master will then be entitled to a declaration to that effect (*Worthington Pump* v. *Moors*, 1903, 20 R.P.C. 41). The question who is the true and first inventor in any case is one purely of fact, which must be

determined upon the evidence. It is therefore important, whenever there is any doubt as to whether a patentee was the true and first inventor or not, to obtain the clearest possible information of the facts upon which his claim is founded or disputed.

It need hardly be said that where the person described in a patent as the true and first inventor is not such in fact, the patent is wholly bad, and it can by the appropriate proceedings be revoked at the instance of any member of the public.

Subject Matter of a Patent.

The next point for consideration is the subject-matter of a grant of Letters Patent for a monopoly. This in law may be dismissed in a very few words. In the language of the statute of monopolies a patent must be for the working or making of some manner of new manufacture within this realm, which others than the inventor at the time of making such Letters Patent shall not use, and which is not contrary to law. Leaving out of consideration the case of a thing, the use of which is contrary to law, such as a burglar's tool or a machine for picking pockets, there are only two requisites for subject-matter. There must be some manner of manufacture, and it must be new within this realm.

What is a New Manufacture?

Manufacture not only comprehends productions, but it also comprehends the means of producing them.

Therefore, in addition to the thing produced it will comprehend a new machine or a new combination of machinery, a new process or an improvement of an old process (*Ralston* v. *Smith*, 1865, 11 H.L.C. 223).

Manufacture involves the production of something, and unless the production of something be an object, there cannot be subject-matter for a patent. Thus invention, in the language of patent practice, must be discriminated from discovery which need not involve the production of anything. The discovery of the fact that a magnetic needle will point to the north would not be a manufacture, but a novel application of that fact to the manufacture of a compass would be good subject-matter for a patent. So the discovery that one of two known methods produced a better result than the other is not invention. The discovery of a new element would not, but a new method of extracting an element, new or old, from its ore would be a new manufacture.

When the manufacture is the thing produced, it must differ from other things of the like nature by more than mere form. Some new art must have been involved in its production, there must have been something that can be regarded as inventive skill, as distinguished from mere adaptive skill and sound judgment in the exercise of known arts (*Beavis* v. *Rylands Glass & Engineering Co.*, 1899, 17 R.P.C. 93).

The question whether a novel production is the result of invention or of adaptive skill is often one of

considerable difficulty, and its determination requires a careful consideration of all the circumstances surrounding the production of the new article.

Closely connected with the question whether what is claimed as the subject-matter of a patent is a manufacture is the question whether it is new within this realm.

Anticipation.

Subject to the exceptions hereafter noticed, a thing claimed as the subject of a patent will not be new within this realm, if it can be proved that any person within the realm, other than the alleged inventor, had before the date of the application made or used within the realm the thing claimed, or if anyone had published or acquired within the realm a full description of how to make or use it without being under any obligation to the alleged inventor not to make use of the knowledge so attained.

In order to enable an opinion to be given as to whether there is or is not good subject-matter in a patent, it is necessary to have full information of everything that has been done on similar lines prior to the date of the patent, and also to examine carefully all prior publications dealing with similar matters. Proof of a single user of the thing claimed, other than such user as is involved in experimental work, or of a single publication, that is publication to a single individual not under pledge of secrecy, or by

depositing a single copy of a descriptive publication in a place where the public would have access to it, is sufficient to invalidate a patent. The Crown has not any right by the grant of a monopoly to deprive any subject of the right to continue to do that which he had previously done, or which he previously knew how to do, or had the means of knowing how to do.

Exceptions to Anticipation.

Exceptions to the rule as to prior publication defeating a patent have been mentioned; they are the following:

By section 15:

A patent granted to the true and first inventor shall not be invalidated by an application in fraud of him, or by provisional protection obtained thereon, or by any use or publication of the invention subsequent to that fraudulent application during the period of provisional protection, *i. e.* between the acceptance of the application and the sealing of the patent (section 4).

By section 41:

(1) An invention covered by any patent applied for on or after the first day of January, 1905, shall not be deemed to have been anticipated by reason only of its publication in a

specification left pursuant to an application made in the United Kingdom not less than fifty years before the date of the application for the patent, or of its publication in a provisional specification of any date not followed by a complete specification.

(Provisional specifications have not been published since 1885 unless followed by a complete specification).

(2) A patent shall not be held to be invalid by reason only of the invention in respect of which the patent was granted, or any part thereof having been published prior to the date of the patent, if the patentee proves to the satisfaction of the Court that the publication was made without his knowledge and consent, and that the matter published was derived or obtained from him; and, if he learnt of the publication before the date of his application for the patent, that he applied for and obtained protection for his invention with all reasonable diligence after learning of the publication.

It will be noticed that under section 15 if the true and first inventor lodges an application for a patent before the patent has been actually sealed on the fraudulent application, a patent granted on his

application will not be affected (*a*) by any publication or user consequent on the fraudulent application; nor (*b*) by any publication or user, independently of that application, if it have not commenced before the acceptance of the fraudulent application. There does not appear to be any obligation upon the true and first inventor to take any steps for the revocation of the patent obtained in fraud of his rights; he can simply disregard it, unless it be set up by way of defence to an action for infringement brought by him.

Section 41 (1) covers only the mere paper anticipation by the specification; it does not cover any concurrent publication taken from or having reference to such specification or its subject matter, or to any prior user in which the directions of such specification have been carried into practice. For example, a foreign specification deposited in the Patent Office more than fifty years ago would be an anticipation, though a British specification of the same date would be excluded.

Section 41 (2) is of far wider application, and is intended to provide for the case in which persons to whom the inventor has communicated his invention have published it before the date of his application. The inventor who communicates his invention to anyone before applying for a patent may now in theory secure himself by telling those to whom he is about to communicate it that the communication is made in

confidence. Such a communication never was of itself a publication that would invalidate a subsequent patent, but if the person to whom it was made broke faith and published it to a third person without making such subsequent publication confidential the inventor might have lost his rights. It will be sufficient now to apply for a patent with reasonable expedition after hearing of unauthorised publication, even though the publication may have been of a general character. These two sections ought to safeguard an inventor from having his invention stolen or given away to the public.

There is one other case in which prior publication does not anticipate a patent. By section 45—

The exhibition of an invention at an industrial or international exhibition certified as such by the Board of Trade, or the publication of any description of the invention during the period of the holding of the exhibition, or the use of the invention for the purpose of the exhibition in the place where the exhibition is held, or the use of the invention during the period of the exhibition by any person elsewhere without the privity or consent of the inventor shall not prejudice the right of the inventor to apply for and obtain a patent in respect of the invention or the validity of any

patent granted on the application; provided that—

(*a*) The exhibitor before exhibiting the invention gives the Comptroller the prescribed notice of his intention to do so; and

(*b*) The application for a patent is made before or within six months from the date of the opening of the exhibition.

2. His Majesty may by Order in Council apply this section to any exhibition mentioned in the Order in like manner as if it were an industrial or international exhibition certified as such by the Board of Trade, and any such order may provide that the exhibitor shall be relieved from the condition of giving notice to the Comptroller of his intention to exhibit, and shall be so relieved either absolutely or upon such terms and conditions as may be stated in the Order.

Nature of Anticipation Requisite to Defeat a Patent.

For either a prior user or a prior publication the exact thing claimed must have been used or published, and a paper anticipation must be as full in its description as a complete specification is required to be—that

is, it must particularly describe and ascertain the nature of the invention and the manner in which the same is to be performed. The information in the prior publication must be equal to that given by the subsequent specification (*Moseley* v. *Victoria Rubber Co.* 1887, 4 R.P.C. 252; *Hills* v. *Evans*, 1861, 31 L.J. Ch. 463)—that is, it must be sufficient to enable any competent person to carry out the invention—(*Ehrlich* v. *Ihlee*, C.A., 1887, 5 R.P.C. 457; *Otto* v. *Linford*, C.A., 1881, 46 L.T. 35; *Betts* v. *Menzies*, 1865, 10 H.L.C. 117; *Gadd* v. *Manchester, Mayor of*, 1892, C.A. 9 R.P.C. 532; *Pneumatic Tyre* v. *Leicester Pneumatic Tyre*, 1899, C.A. 16 R.P.C. 50; *Shrewsbury* v. *Sterck*, 1896, C.A. 13 R.P.C. 53).

It should be borne in mind that although it may be possible by comparing and studying a number of documents to obtain sufficient information to enable one to carry out the invention claimed in a subsequent patent, it does not follow that any one, or all of those documents is an anticipation, for an anticipation must be complete in itself (*von Heyden* v. *Neustadt*, 1880, 50 L.J. Ch. 128).

Prior Public Knowledge.

Careful inquiry into the previous history of a subject and of analogous subjects may fail to disclose any exact anticipation of the thing claimed by a patent, but it may show that what is claimed is merely the result of adaptive skill or is something in the nature

of an ordinary workshop expedient rather than an invention. Where the subject-matter is of a mechanical nature the investigation must be extended to allied or analogous work. The mere application to metal of a device previously used for wood is not invention (*Harwood* v. *G.N.R.*, 1865, 11 H.L.C. 654 cf. *Rickmann* v. *Thierry*, 1897, H.L. 14 R.P.C. 105). Similarly the use of what is known to be a chemical or mechanical equivalent for something that had been used before is not invention, though the discovery that two things are equivalents and the substitution of one for the other may be made the subject of a valid patent (*Horton* v. *Mabon*, 1862, 16 C.B.N.S. 141). The question of subject matter is often one of great difficulty, and the information as to public knowledge and prior usage cannot be too full.

Such information is not only important from the point of view of validity but also for the purpose of construction. A person who applies for a patent is entitled to assume that the public are acquainted with all that is generally known about the subject. In order to enable the Court to say what the patentee has claimed it is usually necessary to put the Court into the position of those engaged in or acquainted with the industry to which the patent relates at the date of the application. A claim which at first sight might appear to one unacquainted with the subject very general, may, after a careful consideration of the state of public knowledge at the date of the application, be

found to be obviously intended to have a far narrower meaning. The Court will not, if it can avoid it, make a patentee claim as new something so well known that every one to whom the specification would appeal must have known it to be old, so that if it be possible a narrow reading that will make a patent good will be preferred to a wide reading that will make it invalid. This question of wide or narrow construction is often of very great importance, because a person charged with infringement may be able to show that if the narrow reading be adopted he has not infringed, while if a wide construction be adopted the patent is invalid. There may be some third intermediate construction on which the patent may still be good and yet be wide enough to catch the defendant, and to establish or disallow this construction may be the chief aim of the respective parties.

THE SPECIFICATION.

The actual Letters Patent, though valuable as a document of title, are comparatively unimportant in patent practice apart from conveyancing. In every case of patent litigation the most important document is the complete specification. Every applicant for a patent must, before his patent can be sealed, file at the Patent Office a complete specification, in which he must particularly describe and ascertain the nature of the invention and the manner in which the same is to be performed. Where the applicant or

the Comptroller consider it desirable, drawings illustrating the invention must be supplied by the applicant, and these form part of the specification. The specification must commence with the title, which must sufficiently indicate the subject matter, and must end with a distinct statement of the invention claimed (section 2.3).

In the case of a chemical invention the Comptroller may require the applicant to furnish samples of the substances before the specification is accepted (section 2.5).

The specification must be sufficiently clear to enable a person conversant with the subject tc carry out the invention without exercising more than the ordinary skill of a good workman, though not necessarily without any trials or experiments, which may be necessary however clear the description may be (*Edison and Swan Electric Light* v. *Holland*, 1889, C.A. 6 R.P.C. 243). One important object and purpose of a specification is to enable a reasonably well-informed workman at the end of the term of protection to carry out the invention (Lord Halsbury L.C. in *Tubes* v. *Perfecta Seamless Steel Tube Co.*, 1903, H.L. 20 R.P.C. 77). Another and perhaps an even more important object of the specification, and particularly of the claims with which it must conclude, is to warn the public what they must avoid if they wish to escape the penalties of infringement.

The claims are the most vital part of a specifica-

tion; each is independent of the others, and in order to succeed in an action for infringement the patentee must show that there has been an adoption by the defendant of some new invention adequately described in a claim according to its fair construction. The claim must state by express words or by plain reference to the rest of the specification what is the invention for which protection is demanded (*Ingersoll Sergeant Co.* v. *Consolidated Pneumatic Tools Co.*, H.L. 1907, 25 R.P.C. 61, p. 82). There is no such thing as infringing the equity of a patent (*Dudgeon* v. *Thomson*, 1877, 3 A.C. 34, quoted *Harrison* v. *Nicholson*, C.A. 1908, 25 R.P.C. 393).

A single bad claim will invalidate a patent (*British Horse Shoe* v. *Claughton*, C.A. 1906, 24 R.P.C. 33).

Disconformity.

The specification above mentioned is the complete specification, but there is another kind of specification called a provisional specification, which may have some importance. A provisional specification may be, and usually is, left instead of a complete specification when first making application for a patent, and need only describe the nature of the invention. Formerly, if a provisional specification had been first lodged and the complete specification lodged subsequently had comprised an invention which was not included in the provisional specification, and which could not be regarded as a fair development of anything so in-

cluded, the patent was invalid, this ground of invalidity being known as disconformity. Section 42 of the Act now provides that "A patent shall not be held to be invalid on the ground that the complete specification claims a further or different invention to that contained in the provisional, if the invention therein claimed, so far as it is not contained in the provisional, was novel at the date when the complete specification was put in, and the applicant was the first and true inventor thereof." Thus, where there is disconformity the patentee must be prepared to prove that the added invention was new at the date of the complete specification and that he was the inventor of it. The burden of proving that a case comes within the exception would appear to rest with the patentee, and in pleading would be alleged in the reply in answer to a defence that the patent was invalid on the ground of disconformity. It would require to be specially pleaded in this way, and the patentee would of course have to be prepared with evidence in support of his plea.

"Novel" would seem to mean that it must at the date of the complete specification have been such that an application for a patent for it could have been properly made on that date. Thus prior publication by the inventor, or with his knowledge and consent, would be sufficient to invalidate the patent.

Where a person attacking a patent on the ground of disconformity knows of any publication between

the dates of the specifications this should be pleaded when setting up the disconformity, and if he has also evidence that the patentee was not the true and first inventor of the added invention this should also be pleaded at the same time.

What is Granted by a Patent.

According to the Statute of Monopolies that which the Crown may grant is the sole working or making of the invention, as we may now designate the subject of the grant (see section 93). In the words of the actual grant it is "that the patentee by himself, his agents or licensees, and no others, may at all times during the term of the patent, make, use, exercise, and vend the said invention in such manner as to him or them may seem meet, and that the patentee shall have and enjoy the whole profit and advantage from time to time accruing by reason of the invention."

Since the Letters Patent are necessarily subject to the Statute, which does not refer to using or vending. it would seem to follow that the sole right to use and vend was intended to be merely supplemental to, and for the protection of the right to work and make. There could not very well be any advantage to the public in a mere monopoly of selling, which would simply enable the monopolist to charge his own price without conferring any corresponding benefit on the public. The working and making of a new manufac-

ture within the realm is, on the contrary, a public benefit, since it means the introduction of a new industry. This common-sense view of the statute was for some time previously to the year 1907 lost sight of, with the result that foreign manufacturers, instead of using their patents to introduce new industries into the United Kingdom, used them to exclude such industries by themselves manufacturing abroad and preventing anyone else from doing so in the United Kingdom.

The legislature has now made it clear that the sole right of vending is subsidiary to that of working and making, and also that a person who obtains from the Crown the sole right to work and make an invention within the realm is expected to make an active use of that right. It is, in fact, made clear that there are duties imposed upon a patentee correlative with his rights, and that failure in the duty forfeits the right.

The method of enforcing the performance of a patentee's duty is dealt with later (see Chap. VIII).

Although the rights granted to a patentee are very wide, the legislature has now imposed restrictions for securing the public from oppression by such monopolists. The effect of these provisions, which will be dealt with fully hereafter, are that a patentee is bound to work, or permit others to work his patent so as to satisfy the reasonable requirements of the public, and this will not be the case if, among other things, any trade or industry in the United Kingdom

is unfairly prejudiced by the conditions attached by the patentee to the purchase, hire, or use of the patented article, or to the using or working of the patented process.

The Act also forbids, save under certain conditions, a patentee from bargaining for indirect benefits with a purchaser, lessee, or licensee as by restricting him from purchasing or acquiring articles that are not patented, except from himself or his nominees, or from using any article made by some other manufacturer. These matters will be dealt with later.

INFRINGEMENT.

Whenever any person without the licence of the patentee does anything which can fairly be termed a "making," "using," "exercising," or "vending" of the invention claimed in the patent, such person is said to have infringed the patent, and is liable to be proceeded against by the patentee for such infringement.

Subject to the statutory restrictions, which will shortly be considered, the patentee has a right to prevent any person from making, using, exercising, or vending his invention within the United Kingdom and the Isle of Man during the term of the patert, save on such conditions as he may think fit to impose. Thus he may permit one person to make and another to use, and may limit such user to use in a particular manner or in a particular place. For instance, the

patentee of a machine may license a machine to be made in accordance with his invention for use for a particular purpose or in a particular place only, and in connection with some special attachment by which the extent of the user can be ascertained. The person in whose possession the machine remains may or may not be the owner of the machine, and thus may or may not be entitled to sell it, while the machine itself may be liable to be seized and sold under a distress for rent. In case of such a sale the purchaser would become the owner of the machine, but would not by reason of such ownership be entitled to make any use of it during the term of the patent without the express licence of the patentee. The mere possession of the machine would, however, be free from any objection so far as the patentee was concerned (*British Mutoscope* v. *Homer*, 1901, 18 R.P.C. 177; *British United Shoe* v. *Collier*, C.A., 1909, 26 R.P.C. 21). The restriction on user would be a condition attached to the machine, and the possibility of such a condition being attached is a distinctive feature of any patented machine, distinguishing it from any ordinary machine, of which the owner may make any use that he pleases (*McGruther* v. *Pitcher*, 1904, 2 Ch. 306; cf. *Badische Anilin* v. *Isler*, 1906, 23 R.P.C. 173, p. 180).

When a patentee sells a patented article to a purchaser without any conditions as to user, the law presumes that the purchaser has an implied licence to him or any assignee from him to use, or sell,

or otherwise deal therewith as he or they may please.

If the patentee wishes in any way to restrict this licence he must do so at or before the time of purchase, and must make such restriction fully known to the purchaser before the purchase is completed.

The requirement as to notice of restriction does not apply to a purchaser from any person other than the patentee, for every person who purchases from a person other than the patentee must make sure that the sale to him is duly licensed, and, if it be not so licensed, the purchaser will be an infringer if he makes any use of what he has purchased (*Thomas* v. *Hunt*, 1864, 17 C.B.N.S. 183; *Betts* v. *Wilmot*, 1871, L.R. 6 Ch. 239; *Incandescent Gas* v. *Cantelo*, 1895, 12 R.P.C. 262; *Incandescent Gas* v. *Brogden*, 1899, 16 R.P.C. 179; *McGruther* v. *Pitcher*, 1904, 2 Ch. 306; *Badische Anilin* v. *Isler*, 1906, 23 R.P.C. 173). Where the sale is by a person who is, in fact, an agent of the patentee, the result is the same as though the sale were by the patentee himself (*Badische Anilin* v. *Isler*). When user alone is restricted, the restriction comes to an end when the patent expires, but where the first possession of an article made in accordance with a patent is an infringement, the expiration of the patent does not necessarily free the article from illegality. Thus it is an infringement of the patentee's rights to manufacture or to import into the United Kingdom during the term of a patent articles made in

accordance with the invention patented, even though such articles may be made or imported with the intention of keeping them until the patent has expired. An unlicensed person has not any right to manufacture during the term of a patent with the view of flooding the market immediately upon the expiration of the patent, and should he do so he will, at the instance of the patentee, be restrained from selling the articles so made even after the expiration of the patent (*Crossley* v. *Beverley*, 1829, 1 R. & M. 166*n*).

The repair of a patented article may practically amount to the making of a new article containing some old parts, and this may be an infringement (*Dunlop Pneumatic Tyre* v. *Excelsior Tyre*, 1901, 18 R.P.C. 209; *Dunlop Pneumatic Tyre* v. *Neal*, 1899, 16 R.P.C. 247).

The manufacture and sale of part of a patented combination, even though its user is likely to be an infringement of the patent for the combination, is not of itself an infringement of the patent (*Dunlop Pneumatic Tyre* v. *Moseley*, 1904, 21 R.P.C. 53 C.A. 274).

It has been held to be an infringement to sell all the parts of a patented machine ready to be put together (*United Telephone* v. *Dale*, 1884, 25 Ch. D. 778).

Importation of an infringing article is infringement (*Von Heyden* v. *Neustadt*, 1880, 14 Ch.D. 230; *Walton* v. *Lavater*, 1860, 8 C.B.N.S. 162; *Wright* v. *Hitchcock*, 1870, L.R. 5 Ex. 37), even though such importa-

tion be immediately followed by exportation (*British Motor Syndicate* v. *John Taylor & Sons, Ltd.*, 1900, 17 R.P.C. 189, C.A. 723), and even though the article be one manufactured by the patentee, if it has been sold by him with a restriction against user in the United Kingdom.

The importation of an article made abroad in the production of which a patented process has been used is an infringement (*Saccharine Corporation* v. *Anglo-Continental Chemical Works*, 1900, 17 R.P.C. 307).

Exhibition in the United Kingdom of a patented invention, even though the article be not offered for sale, is an infringement (*Dunlop Pneumatic Tyre* v. *British and Colonial Motor Car*, 1901, 18 R.P.C. 313).

A person who merely licenses another person to do something that infringes a patent is not an infringer (*Montgomerie* v. *Paterson*, 1894, Ct. Sess. 11 R.P.C. 221), but the receipt of commission from an infringer upon orders for infringing articles forwarded to and executed by the infringer is an infringement in the recipient (*Incandescent Gas* v. *Brayden*, 1899, 16 R.P.C. 179).

A patentee must not lay a trap so as to entice an innocent person into infringement and consequent litigation (*Kelly* v. *Batchelar*, 1893, 19 R.P.C. 289), but it is very usual where infringement is suspected to send an agent to purchase an infringing article and to found an action upon the infringement thus committed.

A patent for a machine may be infringed by the use of such a machine for a purpose other than that apparently intended by the inventor (*Pneumatic Tyre* v. *East London Rubber*, 1897, 14 R.P.C. 103, quoting *Cannington* v. *Nuttall*, 1870, L.R. 5 H.L. 230).

Territorial Limitation on Patent Rights.

A patent is limited to the territory of the United Kingdom and the Isle of Man, and in order to constitute an infringement there must be something done with the invention within those territories. An act done abroad cannot constitute an infringement even though the result of such act may be an infringement. Thus the mere despatching from abroad to the United Kingdom of infringing articles is not an infringement by the person who despatches them. There cannot be any infringement until their arrival in the United Kingdom (*Badische Anilin* v. *Johnson*, H.L., 1897, 14 R.P.C. 405, 919). Similarly a dealing in the United Kingdom with goods which are abroad is not an infringement, so that it is allowable to make a contract for the delivery abroad of goods which could not be delivered in the United Kingdom (*Saccharine Corporation* v. *Reit Meyer*, 1900, 17 R.P.C. 606).

Test of Infringement.

So far it has been assumed that some use has been made of the invention patented by the person alleged

to be an infringer. Whether this be the case or not depends upon two things. First, upon the meaning of the claims in the specification, and the construction of a specification like that of any other document is a matter of law. Secondly, when the meaning of the specification has been ascertained, whether what has been done involves the use of the invention claimed.

Construction of Specification.

A specification being a technical document, addressed primarily to persons engaged in some industry who are expected to be acquainted with the language peculiar to that industry, ought to be construed as it would naturally be read by such a person at the time at which it was written. The meaning which ought to be attached to any technical word or expression is a matter upon which the evidence of experts is admissible, as is the state of general or public knowledge among persons engaged in that industry at the date of the patent, for it is only with such knowledge that a specification can be fairly construed (*Badische Anilin* v. *Levinstein*, 1885, 24 Ch. D. 156). It is therefore always allowable to adduce evidence with the object of informing the Court as to the state of public knowledge at the date of the patent, and as to the trade meaning of technical terms. When this has been done the meaning depends upon the specification and not upon the opinions of experts (*Brooks* v. *Steel*, C.A., 1897,

14 R.P.C. 46; *Pneumatic Tyre* v. *Tubeless Pneumatic Tyre*, H.L., 1899, 16 R.P.C. 77).

Having ascertained the meaning of the specification the question whether what has been done involves the use of the invention claimed is one of fact to be ascertained by evidence. The question is whether the alleged infringer has stolen the pith and marrow of the invention as claimed in the specification and as ascertained from the specification (*Pneumatic Tyre* v. *Tubeless Pneumatic Tyre*, H.L., 1899, 16 R.P.C. 77). An infringement may be, and often is, coloured and disguised by additions and subtractions and by the use of things which, though not mentioned in the specification, were at the date thereof known to be mechanical or chemical equivalents for the things there mentioned. The use of such an equivalent is an infringement, but the use of something not known at the date of the specification to be an equivalent may be a new invention, and is in no sense an infringement (*Heath* v. *Unwin*, H.L., 1855, 2 W.P.C. 314).

The question of infringement depends entirely upon the particular circumstances of each case.

Patent of Addition.

A patent of addition by section 19 may be granted for any improvement or modification in a patented invention, and its grant is conclusive evidence that the same is good subject matter for a patent of addition.

CHAPTER II.

VARIETIES OF PATENT LITIGATION.

PATENT litigation may be divided into four divisions, each of which will be considered separately.

The first division comprises litigation on behalf of the patentee for enforcing his monopolist rights, and this may be divided into actions for infringement founded upon tort, and actions for royalties founded upon contract and brought against a licensee.

The second division comprises proceedings by some member of the public for destroying the monopoly itself through the revocation of the patentee's grant. Such proceedings may be by petition for revocation to the Court, or in some cases, by petition to the Comptroller, with a right of appeal to the Court, the latter proceeding giving as an alternative to revocation the grant of a licence to the petitioner upon reasonable terms.

A claim for revocation may now, in some cases, be set up as a counter-claim in an action by the patentee for preventing infringement of his monopoly.

The third division comprises actions to prevent a patentee, or any person who poses as a patentee, from

threatening members of the public with actions in case they infringe any rights which he may claim. To such an action the patentee may counter-claim for infringement of his patent, and the plaintiff in reply may set up the invalidity of the patent, but cannot obtain its revocation.

The fourth division comprises proceedings by the patentee for extending the term of his monopoly upon the ground that his invention is one of peculiar merit, and that through no fault of his own he has been unable to obtain proper remuneration for his trouble.

There is also another class of proceeding which is not of very much importance, namely, proceedings by any person who is aggrieved by what he regards as an error, omission, or improper insertion in the Register of Patents for the rectification of that Register. Such rectification may be obtained on an Originating Motion to the Chancery Division of the High Court.

Action for Infringement.

The method of enforcing monopolist rights under a patent is by an action for restraining the future infringement of those rights, and for damages in respect of past infringement. An action for infringement of a patent may be brought by any patentee, that is, by any person whose name appears upon the Register of Patents as the legal owner (*Bowden's Patents* v. *Smith*, 1904, 2 Ch. 86), or as one of several

legal owners (*Anderson* v. *Patent Ovonite Co.*, 1886, 3 R.P.C. 279) of the patent.

A mortgagor in possession of a patent can sue for infringement without joining the mortgagee, but if it appear to the Judge desirable that the mortgagee should be a party, he ought to join him (*Van Gelder* v. *Sowerby Bridge Flour Co.*, 1890, C.A. 44 Ch. D. 374. 7 R.P.C. 41, 208).

If one of several patentees commences an action for infringement, the defendant may apply to join the other owners as parties, so as to avoid the possibility of having several actions brought against him in respect of the same infringement (*Sheehan* v. *G. E. Rail.*, 1880, 16 Ch. D. 59). The assignee of a patent cannot sue until his assignment has been registered (*Chollet* v. *Hoffman*, 1857, 7 E. & B. 686), but when the assignment has been registered his right relates back to the date of the assignment so far as damages are concerned (*Hassall* v. *Wright*, 1870, L.R. 10 Eq. 509). In one case an equitable owner was permitted to sue (*Speckhart* v. *Campbell* C. A. *Times*, 13th March, 1884), but it is safer to have the legal owner as a plaintiff, even though he be only a trustee. Should a trustee patentee refuse to be a plaintiff, it might be sufficient to join him as a defendant.

A licensee, even when his licence is an exclusive one, cannot sue in his own name without joining the patentee (*Heap* v. *Hartley*, 1889, C.A. 42 Ch. D. 461, 6 R.P.C. 495). Such a licence is not a conveyance

within the meaning of section 7 of the Conveyancing Act, 1881 (*Guyot* v. *Thomson*, 1894, 11 R.P.C. 554).

Time for Commencing Action.

An action for infringement of a patent cannot be commenced before the patent has been granted—*i. e.* actually sealed—but it may relate to any infringement committed after the publication of the complete specification (sections 10 and 13).

A patentee need not wait for an actual infringement of his patent before commencing an action; he is entitled to bring an action to restrain a threatened infringement (*Frearson* v. *Loe*, 1878, 9 Ch. D. 65; *Incandescent Gas Light Co.* v. *De Mare*, 1896, 13 R.P.C. 301).

A patent may be assigned for a part only of the United Kingdom, and the assignee will, when registered, become the patentee for that part, so that in case of an infringement which is confined to that part he alone will be the proper plaintiff (see section 14).

When Action Lies.

Where a person after knowledge of the existence of a patent shows an intention to infringe, an action may be safely brought against him, and he will not have any technical defence.

Where a person has infringed a patent, and upon

its existence being brought to his notice has shown that he has not any intention to continue the infringement, an injunction will not be granted against him (*Proctor* v. *Bailey*, 1889, C.A. 6 R.P.C. 538), while in the case of a patent granted after January 1st, 1908, if an infringer can prove that at the date of the infringement he was not aware, nor had reasonable means of making himself aware, of the existence of the patent, the patentee cannot recover any damages against him. The marking of an article with the word "patent," "patented," or any word or words expressing or implying that a patent has been obtained for the article stamped, engraved, impressed on, or otherwise applied to the article, is not deemed to constitute notice of the existence of the patent unless the word or words are accompanied by the year and number of the patent (section 33). Thus, in the case of a patent granted—and this probably means sealed—after January 1st, 1908, if the infringer has undertaken not to infringe any more, and states that he was not at the date of the alleged infringement aware of the existence of the patent, it is useless commencing an action against him unless the patentee has clear evidence that he was in fact aware or had reasonable means of making himself aware of the existence of a patent at or before that date.

In the case of a patent sealed prior to January 1st, 1908, ignorance on the part of the defendant is not

any defence to a claim for damages in respect of infringement.

Subject to the above, any party who has infringed or who is threatening to infringe directly or indirectly may be made a defendant. It has been held right to commence an action against carriers who have infringing articles in their possession, and on discovery to add the owners of those articles (Washburn v. Q., 1889, 6 R.P.C. 398). Custom house agents for foreign importers of infringing articles are, as such, not liable to be sued for infringement (*Nobels Explosives* v. *Jones*, 1882, 8 A.C. 1). Where a company is infringing a patent its directors may be made defendants with it and will be liable jointly and severally for the damages and costs in case the action be successful (*Betts* v. *De Vitre*, 1864, 3 Ch. 149, 11 Jur. N.S. 9).

The secretary of an infringing company, on the other hand, being merely a servant of the company, is not a proper defendant to an action in respect of infringement by the company, and as against him such action will be dismissed with costs (*Bowden's Patents* v. *Smith*, 1904, 21 R.P.C. 435; *British Vacuum Cleaner* v. *Suction Cleaner*, 1904, 21 R.P.C. 303).

Where before the trial of an action against a company and its directors the company has transferred its business to a new company with the same directors, an injunction will not be granted against

the directors so as to affect them in their management of the new company. The new company ought to be added as a defendant to the action (*Welsbach Incandescent Gas* v. *New Incandescent Sunlight Patent Gas*, 1900, 17 R.P.C. 237).

Foreign Infringers.

Where the infringer is abroad and there is a case for an injunction, leave can be obtained to serve a writ out of the jurisdiction, but should this, owing to the expiration or approaching expiration of the patent or for any other cause, not be practicable, or should such service not result in bringing the infringer before the Court, the patentee can only proceed for infringement by user against those who have received the infringing articles in this country. In the case of a foreign company carrying on business in the United Kingdom, service at its registered address in the United Kingdom is of course sufficient, but if there be not any such registered address it may be possible to find some temporary place of business at which service can be effected upon the officer in charge (R.S.C., O. IX, R. 8). Thus, a foreign company occupying a stand at an exhibition may be served by leaving the writ with the person in charge of such stand (*Dunlop Pneumatic Tyre* v. *Actien Gesellschaft für Motor*, C.A., 1902, 1 K.B. 342). So long as there is some definite place at which a foreign company can be regarded as carrying on business for the time

being, the company is regarded as residing at that place for the purpose of being served with a writ.

The mere use without licence of a patented article is an infringement of the patentee's rights, and he may bring an action for such infringement against a purchaser, and if he likes may join a manufacturer and a purchaser from him as defendants in one action (*Proctor* v. *Bennis*, 1887, 36 Ch. D. 740). Should a patentee prefer to sue a purchaser alone, the manufacturer of the infringing article cannot claim to be added as a defendant (*Moser* v. *Marsden*, C.A., 1892, 9 R.P.C. 214; *Edison* v. *Holland*, 1886, 3 R.P.C. 395), but, if he has given the purchaser an indemnity against the article being an infringement, he may be brought in to defend as a third party, and if unsuccessful will then be liable for the plaintiff's costs (*Edison* v. *Holland*, 1889, C.A., 6 R.P.C. 287).

The failure of a patentee to prove infringement against one defendant does not prevent him from bringing an action against another defendant for an exactly similar infringement, and such action will not be stayed unless it be clearly proved that the second defendant would be bound by the result of the first action (*Dunlop Pneumatic Tyre* v. *Rimington*, C.A., 1900, 17 R.P.C. 665).

Claims under several patents may be made in a single action, and such claims may be concurrent or in the alternative, the latter being the procedure where a patentee has several process patents for pro-

ducing a certain result and is uncertain which process the defendant has infringed. An action alleging infringement of one or more of a group of patents, covering every known commercial method of producing a substance, has been permitted against a purchaser who did not know how the particular consignment had been made (*Saccharine Corporation* v. *Annand*, 1900, 17 R.P.C. 1). In such a case the plaintiff may be ordered to limit his claim to a definite number of patents, and any injunction granted will be limited to the term of the first patent under which the substance can be made (*Saccharine Corporation* v. *Wild*, C.A., 1903, 20 R.P.C. 243; *Ditto* v. *Quincy*, 1900, 17 R.P.C. 337; *Ditto* v. *Dawson*, 1902, 19 R.P.C. 169; *Ditto* v. *Jackson*, 1903, 20 R.P.C. 611).

Where infringement of several patents is alleged it is often necessary or convenient to try each patent separately as though there were two or more distinct actions (*Pneumatic Tyre* v. *Caswell*, 1896, 14 R.P.C. 164). If an action under several patents be tried as one and the cases are distinguishable, the costs will be taxed as though there were a separate action on each patent (*Brooks* v. *Lamplough*, C.A., 1898, 15 R.P.C. 33). The act relied upon as an infringement in an action must have been committed before the issue of the writ (*Morrison* v. *Asplen*, 1904, 21 R.P.C. 557).

The limitation upon recovery of damages under section 33, by which damages cannot be recovered from an innocent infringer, is very important, and makes it

incumbent upon every patentee to advertise the existence of his patent so thoroughly that it will be difficult for any infringer to prove that he had not at least had a reasonable opportunity of becoming aware of the existence of the patent. It is advisable whenever possible to mark every patented article with the word "patent" and the year and number of each patent involved in its construction.

THE COURT.

An action for infringement of a patent, however small may be the damages claimed, cannot be brought in a county court (*Registrar* v. *Judge of County Court of Halifax*, 1891, C.A. 8 R.P.C. 338). The writ may be issued in either the Chancery or King's Bench Division of the High Court.

The writ usually claims:—

(1) An injunction to restrain the defendant, his servants and agents from infringing the plaintiff's letters patent, giving date and number and usually the title of the patent.

(2) Damages, or at the option of the plaintiff an account of profits. The plaintiff is entitled, if successful in this claim, to select either compensation in damages, in which case he must prove that he has in fact sustained damage and the amount thereof, or as an alternative he may treat what was in fact an infringement by the defendant as the act of his agent, and make the defendant, as such agent, account for all

the profit he has made by the transaction. This choice of remedies is a very valuable one, as it may happen that the damages would be trifling in a case where the profits of the defendant are considerable, while on the other hand where the infringement has injured the plaintiff's market the damages may be far in excess of any profits the infringer has made. The choice of remedy depends entirely on the facts of each particular case; it is open till judgment.

(3) Delivery up to the plaintiff or the destruction of all articles in the possession of the defendant made in infringement of the patent.

The directions given under this claim vary according to the nature of the patent and the infringement.

(4) Costs as between solicitor and client.

This is a proper claim to make on the writ if the patent has been previously litigated, and a certificate that its validity has come in question has been obtained from the Court under section 35. The existence of such a certificate entitles the patentee to have his full costs as between solicitor and client unless the Court otherwise directs. The existence of such a certificate is often a powerful inducement for a defendant to submit to the claim of a patentee, so that it should be mentioned at the earliest opportunity.

Interim Injunction.

If a plaintiff intends to apply for an interim injunction to prevent infringement pending the trial of the

action he should do so without delay. The application is made by motion or summons according to whether the action is in the Chancery or the King's Bench Division. In the latter case the summons is direct to the judge in Chambers.

Upon the hearing of the application the plaintiff must be prepared with affidavit evidence of the infringement and of the intention to continue to infringe, of the validity of the patent, and of his title.

An affidavit made on information and belief ought to show what are the sources of information (*Saccharine Corporation* v. *Chemical & Drugs Co.*, 1898, 15 R.P.C. 33). It is sufficient to file an affidavit based upon the result of inquiries even though its contents would not be admissible as *viva-voce* evidence (*Badische Anilin Fabrik* v. *Thompson*, 1902, 19 R.P.C. 502).

The best proof of validity is the fact that a certificate of validity has been obtained in a previous action, and where infringement is clear the existence of such a certificate is *primâ facie* ground for granting an interim injunction (*Welsbach Incandescent Gas* v. *Vulcan Incandescent Light*, 1901, 18 R.P.C. 279).

Even where there is a certificate of validity an injunction may be refused if the defendant sets up against the patent a prior user or other good ground for invalidity which was not set up in the action in which the certificate was granted, but whether this will be the case or not will depend upon the facts of the case (*Welsbach Incandescent Gas* v. *General Incan-*

descent Gas, 1901, C.A. 18 R.P.C. 533; cf. *Heine Solly* v. *Julius Norden*, 1904, 21 R.P.C. 513).

Where a certificate is put in evidence the affidavit should state that the validity of the patent had come in question in the action referred to, and that in that action the patent had been upheld.

If the defendant does not oppose the application, an injunction will be granted upon the plaintiff filing an affidavit stating that the patent is good and valid and has not been anticipated, and that the defendant is infringing (*Clarke* v. *Nichols*, 1895, 12 R.P.C. 310).

If the defendant appears to the application and does not dispute the validity of the patent, and if there be satisfactory evidence of infringement, an injunction will be granted (*Howes* v. *Webber*, 1894, 11 R.P.C. 586).

The same result will follow if the defendant is a licencee who cannot dispute the validity of the patent, if what he is doing is clearly outside the terms of his licence. If, however, the plaintiff denies the licence, or any right in the defendant to work under the patent at all, the defendant will, for the purpose of the application, be treated as a stranger, and an injunction will not be granted (*Wapshare Tube Co.* v. *Hyde Imperial Rubber*, 1901, C.A. 18 R.P.C. 374).

Unless there be a certificate of validity, an injunction will not be granted against a defendant who appears and disputes the validity of the patent, though he may be ordered to keep an account of his

dealings in connection with what is alleged to be an infringement, and the application will be ordered to stand over to the trial. If the defendant undertakes not to infringe pending the trial, the application will usually be ordered to stand over to the trial. If the defendant has undertaken not to continue the infringement before the application is made, it will probably be dismissed with costs (*Lyon* v. *Newcastle, Mayor of*, 1894, 11 R.P.C. 218).

Where an injunction has been refused upon terms against the vendor of an infringing article, an application against the purchaser will be dismissed with costs (*Pneumatic Tyre* v. *Goodman*, 1896, 13 R.P.C. 723).

Even where a patent has been previously upheld, an injunction may be refused against a defendant who offers to pay a reasonable sum of money into Court and to keep an account (*North British Rubber* v. *Formully and Jeffry Manufacturing*, 1895, 12 R.P.C. 17).

Where an interim injunction is granted the plaintiff must, of course, give the defendant an undertaking in damages in case the injunction turns out to have been wrongly granted, either because the patent is invalid, or because the defendant has not infringed.

DIRECTIONS.

Where there is an application for an interim injunction, the Judge may give directions as on a summons

for directions, and if the affidavits filed on the application show the cases for the plaintiff and the defendant, there does not seem any reason why the action should not be tried without pleadings. The absence of a formal statement of claim would not under such circumstances make very much difference, and in the majority of cases the absence of a formal defence would not matter provided particulars of objections to the validity of the patent be given. Even these might very often be dispensed with after filing affidavits, and then the action could be brought on for trial without delay.

Statement of Claim and Particulars of Breaches.

It is customary in an infringement action to have pleadings. The statement of claim is usually a formal document stating that the plaintiff is the registered proprietor of the Letters Patent, that the same are good and valid, and that the defendant has infringed. By O. LIIIA, R. 13, the plaintiff must deliver, with his statement of claim, particulars of the breaches relied upon. By rule 16—

"Particulars of breaches shall specify which of the claims in the specification of the patent sued upon are alleged to be infringed, and shall give at least one instance of each type of infringement of which complaint is made."

A general paragraph is usually added stating that the plaintiff is unable to give full particulars of the infringements, but that he claims in respect of them all.

Both statement of claim and particulars of breaches are usually settled by counsel.

If a certificate of validity has been obtained previously to the issue of the writ, particulars of it should be given in the statement of claim.

Further and better particulars of the statement of claim, and of the breaches may be ordered if necessary (O. LIIIA, R. 19 and R. 20).

The particulars of breaches should show in what way the defendant is alleged to have infringed or threatened to infringe, whether by manufacture, sale, or user (*Henser* v. *Hardie*, 1894, 11 R.P.C. 421).

If a plaintiff be unable to give particulars as to what claims of his patent have been infringed he should apply for an order to inspect the defendant's alleged infringement before delivering his statement of claim (*Drake* v. *Muntz' Metal*, 1886, 3 R.P.C. 43, see section 34). Where this is required, application for it should be made on the summons for directions. The particulars should be such as not to leave the defendant in any reasonable doubt about the case which he has to meet, but while alleging infringement of a claim in his patent the plaintiff is not under any obligation to say what he considers is the meaning of that claim (*Wenham* v. *Champion*, 1891, 8 R.P.C. 22).

Where the action is for infringement and not merely to restrain a threatened infringement, the plaintiff cannot give evidence of acts by the defendant after the date of the writ, so that the particulars should be confined to infringements before that date (*Welsbach Incandescent Gas* v. *Doyle*, 1899, 16 R.P.C. 391; *Shoe Machinery* v. *Cutlan*, 1895, 12 R.P.C. 342). If such prior breach be proved, the plaintiff can recover in respect of all breaches prior to judgment.

The plaintiff's costs of the particulars of breaches when the action goes to trial will be allowed only if the Court certifies that they have been proven or that they were reasonable and proper, so that the plaintiff if successful must always ask for such certificate to be given (O. LIIIA, R. 22).

DEFENDANT A LICENSEE.

A licensee may be sued for infringement in case he goes beyond the conditions of his licence, and in such case he is in regard to validity of the patent in much the same position as is a tenant with regard to the title of his landlord. He cannot dispute the validity of the patent, but he may ask the Court to construe it in such a way as to take what he has done outside its claims (*Société Anonyme* v. *Midland Lighting*, 1897, 14 R.P.C. 419; *Incandescent Gas Light* v. *Brogden*, 1899, 16 R.P.C. 179; *Jandus Arc Lamp* v. *Johnson*, 1900, 17 R.P.C. 361). A licensee, like a tenant, may

show that his licensor's title has expired by the revocation or lapse of the patent (*Muirhead* v. *Commercial Cable*, C.A., 1895, 12 R.P.C. 39; but see *African Gold Recovery* v. *Sheba Gold Mining*, 1897, 14 R.P.C. 660, where the revocation of a patent was held not to be a defence to an action for royalties).

Where there is any doubt as to whether what the licensee has done is within or outside his licence, the action can be brought in the alternative for infringement or for royalties.

Action for Royalties.

An action for royalties is merely an action of account, and need not be specially considered in connection with patent practice.

Defence.

The defence to an infringement action is usually as formal as is the statement of claim. Apart from special defences upon the title of the plaintiff to sue upon the patent or a licence under which the defendant may seek to justify his actions, there are only two defences to an action for infringement. The defendant may deny that he has infringed, or he may deny the validity of the patent either *ab initio* or by reason of the behaviour of the patentee. He may, and usually does, plead both of these defences. Whenever he pleads that the patent is invalid he must deliver with his defence particulars of the

objections on which he relies in support of such invalidity (R.S.C. O. LIIIA, R. 14), and these must state every ground upon which the validity of the patent is disputed, and must give such particulars as will clearly define every issue which it is intended to raise (R. 17). Particulars of objections are dealt with in a separate chapter.

When Contract connected with Patent is Null and Void Under Section 38.

Under the provisions of section 38 of the Act "the insertion by the patentee in a contract made after August 28th, 1907, of any condition which by that section would be null and void in such contract" is made available as a defence to an action for infringement of the patent to which the contract relates, brought while that contract is in force.

The material part of the section is subsection 1, which is as follows:

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

(*a*) To prohibit or restrict the purchaser, lessee, or licensee from using any article or class of articles, whether patented or not, or any patented

process supplied or owned by any person other than the seller, lessor, or licensor or his nominees; or

(*b*) To require the purchaser, lessee, or licensee to acquire from the seller, lessor, or licensor or his nominees any article or class of articles not protected by the patent:

and any such condition shall be null and void as being in restraint of trade and contrary to public policy:

Provided that this subsection shall not apply if—

(i) The seller, lessor, or licensor proves that at the time the contract was entered into the purchaser, lessee, or licensee had the option of purchasing the article or obtaining a lease or licence on reasonable terms without such conditions as aforesaid, and

(ii) The contract entitled the purchaser, lessee, or licensee to relieve himself of his liability to observe any such condition on giving the other party three months' notice in writing, and on payment in compensation for such

relief in the case of a purchase of such sum, or in case of a lease or licence of such rent or royalty for the residue of the term of the contract as may be fixed by an arbitrator appointed by the Board of Trade.

Subsection 5 provides that nothing in the section shall affect any condition in a contract whereby a person is prohibited from selling any goods other than those of a particular person, or any condition in a contract for a lease of or licence to use a patented article, whereby the lessor or licensor reserves to himself or his nominee the right to supply such new parts of the patented article as may be required to put or keep it in repair.

It will be noticed that the existence of any contract such as is referred to in the section is available as a defence to any defendant, although he may not be in any way affected by such contract. As between the patentee and his contractee, such clause is void, and the remainder of the contract is good, but so long as the contract is in force, any other member of the public appears to be at liberty to infringe the patent as much as he likes, and to plead the existence of such contract as a defence.

Where such a contract has been entered into, the condition being null and void, the contractee will probably not have any reason for desiring to bring the contract to an end, so that a patentee may find it difficult to get rid of this practical nullification of his patent rights.

Every patentee should therefore be extremely careful to keep within the letter of the section so as to prevent his patent rights becoming dependent upon the goodwill of a third party.

If the contract be one of sale and the sale has been completed, it is not easy to say whether the contract can ever cease to be in force, unless its execution by completion has brought it to an end, which can hardly have been intended.

By R.S.C., O. LIII, R. 10:

"If any defendant in an action for infringement of a patent intends to rely as a defence to such action on the insertion by the patentee in any contract or contracts of any condition which by virtue of section 38 of the Act is null and void, he shall deliver with his defence full particulars of the dates of and parties to all contracts on which he intends to rely as containing any such condition, and of the particular conditions in any such contracts on which he intends to rely as being by virtue of that section null and void, and save as appears from such particulars no defence shall be available to him in such action under subsection 4 of that section. Provided that

particulars delivered under this rule may be from time to time amended by leave of the Court."

The particulars required by this rule may be made part of particulars of objection delivered with the defence, and the plea in such a case will be "That the plaintiff is not entitled to sue upon the said Letters Patent by reason of the matters set out in the part of the Particulars of Objections delivered herewith."

Misuse or Non-use of Patent

By section 25:

Every ground on which a patent may be revoked under the 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 for revocation on petition.

Where revocation can be effected on counterclaim it would not appear to follow that such ground of revocation will also be available.

By section 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 licence, or in the alternative for the revocation of the patent.

Subsection 2 provides that an Order for 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.

By subsection 5 it is provided that the reasonable requirements of the public shall not be deemed to have been satisfied—

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

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

Probably in every case in which a patentee does not carry on the manufacture of the patented article or make use of the patented process in the United Kingdom it may be fairly said that the establishment of the industry of such manufacture or use is unfairly prejudiced. For example, if a patentee relies for his profits upon importation and will not grant to English manufacturers licences to manufacture upon such terms as would enable them to compete with the imported article, this would at once entitle any person who wished to carry on the manufacture in the United Kingdom to apply for a compulsory licence, and if the patent had been granted more than three years previously to apply for its revocation in case a licence would not meet the case. If by reason of local circumstances the importer would have an advantage over the home manufacturer even without any royalty, then the reasonable requirements of the public would appear to require competition between all available producing countries, and this might entitle a producer in a foreign country to apply for a compulsory licence,

while as the reasonable requirements of the public would in such a case require free competition revocation would be the proper course. In such a case the patent might well be bad at common law on the ground that the public could not possibly obtain any benefit from its being granted. The Statute of Monopolies does not authorise a monopoly of importation, but only a monopoly of some new manufacture within this realm (cf. *Hatschek's Patent*, 1909, 26 R.P.C. 241).

Section 26 provides for application to the Comptroller for revocation by persons who could have opposed the grant of a patent, but every ground for such an application would be a good ground for revocation by the Court, and also a ground of defence apart from the statute, so that it need not be considered here.

Unworked Patents.

Section 27 is an extremely important section, perhaps the most important section in the whole Act in its effect upon patent practice. It provides as follows:

1. At any time not less than four years from 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.

The only defence to this application, if the non-manufacture be established, is that the patentee shall prove that there are satisfactory reasons why the article or process is not so manufactured or carried on. The convenience or increased profits to the patentee by importing only cannot be such a reason (*Johnson's Patent*, 1908, 26 R.P.C. 52, see p. 56), and probably the only allowable ground will be that owing to the nature of the invention there has not been time to introduce the manufacture, although the patentee has done his best to introduce it into the United Kingdom. This will not be an easy thing to establish when the manufacture is being actively carried on abroad (cf. *Hatschek's Patent*, 1909, 26 R.P.C. 241).

A plea under this section should be set out in the defence, as it is not a plea that the patent is invalid, but rather a statutory defence despite the validity of the patent. Should this be the only defence particulars of objection are probably unnecessary, since this is not an objection to the validity of the patent, but only to the right to enforce it.

The above statutory grounds of defence or revocation are not expressly made grounds for revocation where revocation is claimed by way of counterclaim,

and it would therefore seem to follow that they are only made grounds for revocation under section 25, which provides for revocation by petition, and that they are not available on a counterclaim for revocation under section 32. Whenever revocation is claimed by counterclaim the defendant must deliver particulars of objections with his counterclaim (O. LIII, R. 15).

Counterclaim for Revocation.

Every defendant in an action for infringement is not as of right entitled to counterclaim for the revocation of the patent, though he can always deny its validity by way of defence unless he be by contract, express or implied, precluded from so doing.

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.

The cases in which this action applies will appear in considering the provisions as to petitions for revocation.

Petitions for Revocation.

Section 25 provides 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, 1884, 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 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.

By R.S.C., O. LIII, R. 11:

"Any person presenting a petition for the revocation of a patent under section 25 of the Act, must deliver with his petition particulars of the objections to the validity of the patent on which he means to rely, and no evidence shall, except by leave of the Court, be admitted in proof of any objection of which particulars are not so delivered."

Section 25 does not apply to a patent which, under the provisions of section 29, has been transferred to the Secretary of State for War or to the Admiralty, and as to which a certificate has been given that in the interest of the public service, the particulars of the invention and of the manner in which it is to be performed should be kept secret (section 30.9).

Attorney-General's Fiat.

It is a great advantage for a petitioner for revocation to bring himself under heading (*a*) as a person authorised by the Attorney-General. In such

cases every line of attack on the patent is open to him, whereas under the other heads he is practically limited to the head under which he petitions, since, unless he establishes his *locus standi* under such head, which is equivalent to saying, unless he shows that the patent is bad on that particular ground, the petition must fail (*Avery's Patent*, C.A., 1887, 4 R.P.C. 322, 36 Ch. D. 307). Should a petition be presented without the *fiat*, the Court can adjourn it in order to permit of an application being made for the fiat, and if the fiat be obtained the petition will proceed as though the fiat had been obtained in the first instance.

The costs of obtaining the fiat are allowed as part of the costs of the petition in the event of the patent being revoked (*Poulton's Patent*, 1906, 23 R.P.C. 571).

A person who desires to obtain the Attorney-General's fiat must send to the Chief Clerk, Law Officer's Department, at room 545, Royal Courts of Justice, the following documents:

(1) Memorial to the Attorney-General asking for his authority, and stating all the circumstances. (On judicature paper.)

(2) Statutory declaration verifying the statements in the memorial. (On judicature paper.)

(3) Two copies of the proposed petition, and of the particulars of objections proposed to be delivered.

(4) Certificate by a barrister that the petition is

proper to be authorised by the Attorney-General. (On foolscap.)

(5) Certificate by a solicitor that the proposed petitioner is a proper person to be a petitioner, and that he is competent to answer the costs of all proceedings in connection with the petition if unsuccessful.

(6) Declaration by the applicant that the validity of the patent cannot be disputed in any legal proceedings then pending. (On foolscap.)

Fiat for Counterclaim.

The above requirements, with the necessary modifications, apply to an application for the fiat where such is required in order to enable a defendant to counter-claim for revocation. Copies of a petition and the declaration under 6 are of course not required.

Petition without the Fiat.

The petition must be presented in the name of the person who makes the allegation on which it is based, and cannot be presented by his attorney in his own name (*Avery's Patent*, C.A., 1887, 4 R.P.C. 322, 36 Ch. D 307).

Where a patent is revoked merely on the second ground, viz. that the petitioner or the person through whom he claims was the true inventor of any invention included in the claim of the patentee,

the patent will simply be revoked, but where the revocation is on the ground of fraud the Comptroller may, on the application of the true inventor made in accordance with the provisions of the Act, grant to him a patent in lieu thereof and bearing the same date as the patent so revoked. In such case an action for infringement cannot be brought in respect of any infringement committed before the actual date when the patent was granted (section 15).

It has not been decided whether the fraud alleged must be the personal fraud of the actual patentee or whether fraud on the part of others through which the application came to be made is sufficient. If, however, the Act uses such general words, there does not seem to be any reason why the fraud should be limited to the actual patentee. For instance, where the patent is granted to a patent agent on behalf of a foreign principal it would be strange if the fraud of the principal had not any effect upon the validity of the patent granted in trust for him.

The question of what is meant by true inventor has already been considered.

The particulars of objections are similar to those in an action for infringement (see Chapter III).

A petition for revocation is a proceeding on behalf of the public, and being a proceeding *inter partes* neither party is estopped from raising anew points which have previously been decided in an action by the patentee against the petitioner (*Deeley's Patent*,

C.A., 1895, 12 R.P.C. 199). This would not apply to a counterclaim for revocation under section 32.

Service of Petition.

The petitioner may obtain directions from the Court as to what persons are to be served with the petition. The actual patentee whose name appears on the register as the legal owner must be served, and all persons beneficially interested in the patent should be served (*Gaulard and Gibbs' Patent*, C.A., 1888, 6 R.P.C. 215). This rule must be limited to persons appearing from the register to be beneficially interested; in the case of a patent granted on a communication from abroad service on the patentee is sufficient.

There is not any power to serve a petition out of the jurisdiction, and there is not any rule of the Supreme Court rendering service at the patentee's address for service under the Patent Rules sufficient so that service must, it appears, be effected in the ordinary manner.

Where the patentee is abroad the petitioner should give him ample notice of the petition, and when this has been done the Court will make an order *nisi* for the petition to be set down in the witness list for trial (*Drummond's Patent*, 1889, 43 Ch. D. 80, 6 R.P.C. 576; *Allison's Patent*, 1900, 17 R.P.C. 297).

The rule as to notice was formerly that the patentee should have notice by registered letter

(*Allison's Patent*, 1900, 17 R.P.C. 297; *Kay's Patent*, 1894, 11 R.P.C. 279; *La Compagnie Generale d'Eaux*, 1891, 8 R.P.C. 446; 1891, 3 Ch. 451; *Drummond's Patent*, 1889, 43 Ch. D. 80, 6 R.P.C. 576; *Hirschfold's Patent*, 1894, 11 R.P.C. 515). The Patent Rules now provide for an address for service within the United Kingdom, and it will probably be held sufficient to give notice at such address, or the Court may permit of substituted service at such address (see Patent Rule 8).

If after the Court has made an order *nisi* the patentee is willing to consent to the revocation he should apply in Chambers to discharge the order, and the petition will then come on in the ordinary course as an unopposed petition on affidavit evidence. The revocation must be in open Court (*Clifton's Patent*, 1904, 2 Ch. 357).

Licensees may in suitable cases be made respondents, and, should they appear and oppose the petition, they will be entitled to their costs in case of their being successful (*Brown's Patent*, 1907, 24 R.P.C. 313; C.A., 1907, 25 R.P.C. 86). Should a licensee oppose and fail it seems right that he should pay costs, but if a licensee respondent does not take any action in the matter it would be unfair to mulct him in costs.

If the patentee appears and consents to revocation an order for revocation will be made without taking evidence, and the petitioner will be awarded his costs

(*Sleight's Patent*, 1893, 10 R.P.C. 447; *Wilkinson's Patent*, 1894, 11 R.P.C. 208; *Clifton's Patent*, 1904, 2 Ch. 357, 21 R.P.C. 515; *Dawson's Patent*, 1907, 24 R.P.C. 140; *Martin's Patent*, 1906, 24 R.P.C. 176).

If the respondent does not consent to the revocation, the usual course is to have the petition set down in the witness list for trial in due course, and in such cases the order may be that either party be at liberty to set it down after a certain day (*Borrowman's Patent*, 1902, 19 R.P.C. 159), or more probably that it be set down forthwith not to be heard before a certain day. This order will be made when the petition is called on in the ordinary course. A foreign patentee is entitled to apply to have the petition set down in the witness list, and will not have to give security for costs (*Miller's Patent*, 1894, 11 R.P.C. 55).

A petition for revocation may be sent to trial at the assizes, and when fraud is alleged, the trial may be ordered to be by jury (*Edge* v. *Harrison*, 1891, 8 R.P.C. 273).

If the respondent does not appear, revocation will be ordered on affidavit evidence (*Lee's Patent*, 1906, 23 R.P.C. 233). Save in the case of a foreign patentee who does not appear, and who is not technically a respondent, the costs of the petition follow the event.

Interlocutory Proceedings.

These are similar to those in infringement actions, save for proceedings for an injunction, or connected with infringement. Thus, interrogatories may be administered, and discovery and inspection ordered (*Haddan's Patent*, 1885, Griff. 108). These may be asked for when the petition comes on for hearing in the ordinary list of petitions (*Scott's Patent*, 1902, 19 R.P.C. 273).

Trial.

The trial of a petition for revocation that has been set down in the witness list exactly resembles that of an action for infringement in which validity is assailed, save that there is no issue of infringement.

By R.S.C., O. LIII, R. 12:

"The respondent to a petition for the revocation of a patent under section 25, is entitled to begin and give evidence in support of the patent, and if the petitioner gives evidence impeaching the validity of the patent, the respondent shall be entitled to reply."

Thus, the respondent is entitled to the first word and the last as though he had been plaintiff.

Amendment Pending Petition.

The Act provides for amendment of the specification of a patent while a petition for revocation is pending (see Chapter V).

If the invalidity of a patent is curable by amendment such as the Court is permitted to allow, application for amendment may be made at any stage, when the need therefor becomes evident to the respondent. After trial, in lieu of ordering revocation, the Court may allow amendment, and this applies to the Court of Appeal and the House of Lords. It may be that the need for amendment is not finally recognised until the final tribunal has dealt with the matter, and it would not be fair to debar the patentee from amending on suitable terms as to the costs at any stage of the proceedings (*Deeley* v. *Perkes*, H. L., 1896, 13 R.P.C. 581; *Scott's Patent*, 1903, 20 R.P.C. 264).

The application to amend is made by motion. R.S.C. O. LIIIA, R. 23 (*a*). Where the application is made at the hearing, it appears to be necessary to adjourn the matter in order to enable the Comptroller to be notified. It seems doubtful whether in the King's Bench Division application can be made to the judge who is trying the case. It may be necessary to ask for an adjournment in order to permit of a motion being made to a Divisional Court.

The usual terms as to amendment are that the respondent shall pay the costs of the application, if any, and the costs of the petition down to the date of the application, except so far as what has already been done, may be utilised in subsequent proceedings, and should the petitioner decide not to continue the

petition, that the respondent should pay all the petitioner's costs of the petition (*Chatwood's Patent*, 1899, 16 R.P.C. 370; *Deeley's Patent*, 1894, 11 R.P.C. 72; *Delwick's Patent*, 1890, 2 Ch. 705).

By compelling the respondent to apply for amendment, the petitioner has in effect succeeded, so that he is entitled to his costs just as though the result were revocation.

Petition Pend g Amendment.

It may happen that a petition for revocation is presented while an application for amendment is pend'ng before the Comptroller, and that the amendment, if allowed, may affect the result of the petition. In such cases the petition will be adjourned until after the application for amendment has been disposed of, and the latter is not in any way affected by the petition (*Deeley's Patent*, 1894, 11 R.P.C. 72; *Woolfe* v. *Automatic Picture Gallery*, C.A., 1903, 20 R.P.C. 177).

Amendment is Discretionary.

The question whether amendment should be allowed and the terms on which it is allowed appear to be matters for discretion of the Court, so that the Court of appeal will not interfere unless the discretion has been exercised upon a wrong footing (see *Geipel's Patent*, C.A., 1904, 1 Ch. 239).

Judgment in Petition.

If a petition for revocation succeeds, the Court makes an order that the patent be revoked, and this order is made effective by registration at the Patent Office.

By Patent Rule 113, where an order has been made by the Court revoking a patent, the person in whose favour such order has been made shall forthwith leave at the office an office copy of such order, together with Patents Form No. 34. This requires a stamp for 10s. The purport of the order will then be entered in the register.

The Court will stay registration of the order pending an appeal (*Armstrong's Patent*, C.A., 1897, 14 R.P.C. 747), but may put the respondent upon terms not to refer to the patent in any advertisement pending the appeal (*Alsop's Patent*, 1907, 24 R.P.C. 133).

Failure to comply with an order to give security for the costs of an appeal may entail the dismissal of the appeal (*Owen's Patent*, 1900, C.A. 17 R.P.C. 637).

Should the petition fail it will simply be dismissed with costs. The provisions as to a certificate that the validity of a patent has come in question do not apply to petitions for revocation at all, so that the costs will never be more than the usual party and party costs.

Appeal in Petition for Revocation.

An appeal lies from the judgment on a petition for revocation under section 25 (*Patents and Designs Act*, 1908).

Action for Threats.

By section 36:

Where any person claiming to be the patentee of an invention by circulars, advertisements, or otherwise threatens any other person with any legal proceedings or liability in respect of any alleged infringement of the patent, any person aggrieved thereby may bring an action against him, and may obtain an injunction against the continuance of such threats, and may recover such damage, if any, as he has sustained thereby if the alleged infringement to which the threats related was not in fact an infringement of any legal rights of the person making such threats:

Provided that this section shall not apply if the person making such threats with due diligence commences and prosecutes an action for infringement of his patent.

This section is practically identical with section 32 of the Act of 1884 with regard to which in 1893 the Court of Appeal in *Skinner* v. *Perry*, 1893, 10 R.P.C. 1:

"The object of the section was to give an action for damages where there was not one before, and to enable an action to be brought against a man who uses threats, unless he will or does follow up his threats by commencing an action himself.

"You are not to threaten, even in a general kind of way, which might not be regarded as a threat to any particular person; you are not to do it even by a circular or advertisement; but, if you do threaten, no action is to lie against you if you will prosecute the person who is aimed at by your threats.

"The Legislature desires that threats of patent actions shall not hang over a man's head, that the sword of Damocles, in such a case, should either not be suspended, or should fall at once; and it is with that view that the section seems to be framed.

"You shall not threaten legal proceedings unless the manufacture to which the threat applies infringes the legal right of the threatener, or unless the threatener is about to forthwith bring an action to show the validity of his threats. If he cannot bring himself within these two saving clauses at the end of the section, then the section absolutely forbids a man threatening legal proceedings with regard to a patent at all."

It thus appears that there are only two conditions under which a person can use even the most general kind of threat without being liable for any damage which his threats may cause. It will be well to examine these two conditions carefully, and to see exactly what each amounts to.

The first defence is that the manufacture to which the threat applies infringes some legal right of the threatener.

In order to succeed in this defence the threatener must prove that he is the legal owner of a valid patent (*Blakey* v. *Latham*, C.A., 1889, 6 R.P.C. 190; *Kensington Electric* v. *Lane Fox Electrical*, 1891, 2 Ch. 573, 8 R.P.C. 277), and that his threats were aimed only at manufactures which were covered by his patent. In considering this question the circumstances under which the threats were issued as well as their actual wording must be considered, since a threat which on first sight appears to be merely a general warning advertising the existence of a patent may on further examination be found to be in fact directed against some particular manufacture (*Challender* v *Royle*, C.A., 1887, 36 Ch.D. 425, 4 R.P.C. 375; *Ungar* v. *Sugg*, C.A., 1892, 9 R.P.C. 114; *Johnson* v. *Edge*, C.A., 1892, 9 R.P.C. 142).

The second condition for threatening is more easy to comply with certainty, and is that the person making the threats shall with due diligence commence and prosecute an action for infringement of his patent.

When Action for Infringement is a Defence.

An action for infringement is a good defence to an action for threats only when the infringement complained of is similar to that against which the threat was issued (*Combined Weighing Machine* v. *Automatic Weighing Machine*, 1889, 6 R.P.C. 502). The in-

fringement action must be a *bonâ fide* action brought without collusion by the person who is threatening (*Challender* v. *Royle*, sup.; *Blakey* v. *Latham*, sup.), but it need not be brought against the person who is plaintiff in the action for threats (*Colley* v. *Hart*, 1890, 7 R.P.C. 101), nor need it apparently be an action in which the validity of the patent can be tested, *e. g.* the defendant may be a licensee (*Day* v. *Foster*, 1890, 7 R.P.C. 54; but see *Craig* v. *Dowding*, C.A., 1908, 24 T.L.R. 248). The action for infringement need not have been commenced before the threats were issued or the action for threats commenced, but if there be a suitable infringement action pending when the action for threats is commenced the latter will be vexatious (*Barrett* v. *Day*, 1890, 7 R.P.C. 54). The patentee may be entitled to wait until an action for threat has been commenced, and then consider whether he can suitably counterclaim for infringement (*Colley* v. *Hart*, 1890, 7 R.P.C. 101), and a reasonable time will be allowed for the defendant to consider the practicability of doing this (*Edlin* v. *Pneumatic Tyre*, 1893, 10 R.P.C. 311).

Due Diligence.

The question whether a person who has been made the defendant in a threats action has commenced and prosecuted an action for infringement of the patent with due diligence is one of fact to be determined from the circumstances of each case (*Colley* v. *Hart*,

1890, 7 R.P.C. 101; *Bishop* v. *Inman*, 1900, 17 R.P.C. 749).

The success of the action for infri ement is not material to the defence, and should the patentee upon receiving the defence and particulars of objections to the validity of the patent discontinue e action as hopeless this is not evidence of *mala fid* in l ving commenced the action (*English and American* v. *Gare Machine*, 1894, 11 R.P.C. 627).

The statute requires the threatener to c mence an action with due diligence after the threats have been issued, not after the infringements at which those threats were aimed (*Haskell Golf Ball* v. *Hutchison*, 1904, 21 R.P.C. 497).

The fact that it becomes necessary in an action to make an application for amendment of the specification does not affect the value of the action as a defence (cf. *Lycett* v. *Brooks*, 1904, 21 R.P.C. 653).

Where an action for threats has been commenced and the defendant is prepared and undertakes to commence and prosecute an action upon certain named patents the threats action will be stayed on such undertaking, the costs being made costs in the infringement action with regard to these patents (*Wrightson* v. *Taylor Madden*, 1907, 24 R.P.C. 347; *Household* v. *Fairburn*, 1884, 1 R.P.C. 109; but cf. *Dowson Taylor* v. *Drosophore*, C.A., 1895, 12 R.P.C. 95, where infringement action did not cover all the patents included in the threats).

Where an action for infringement is set up as a defence the onus is on the plaintiff in the threats action to prove that the infringement action is not a *bona fide* action, usually a hopeless task (*Craig* v. *Dowding*, C.A., 1908, 25 R.P.C. 259).

Interlocutory Proceedings in Threats Action.

In an action for threats where patents are set up the plaintiff is entitled to particulars of the patents on which the defendant relies in support of his threats (*Union Electrical Power* v. *Electrical Storage*, C.A., 1888, 38 Ch. D. 325, 5 R.P.C. 329).

The defendant is of course entitled to particulars of the threats, and if threats by his agents are alleged, to particulars of the agents as well, but he is not entitled to particulars of customers who are alleged to have required an indemnity in consequence of the threats (*Dowson Taylor* v. *Drosopl ore*, 1894, R.P.C. 536; *Law* v. *Ashworth*, 1890, 7 R.P.C. 86).

Where the plaintiff knows under what patents the threats have been issued he may allege the invalidity of those patents in his statement of claim, and must then deliver particulars of his objections (*Challender* v. *Royle*, C.A., 1887, 4 R.P.C. 363; *Union Electrical Power* v. *Electrical Storage*, C.A., 1888, 38 Ch. D. 325, 5 R.P.C. 329), otherwise invalidity may be set up in the reply and then a rejoinder may be

allowed (*Dowson Taylor* v. *Drosophore*, C.A., 1895, 12 R.P.C. 95).

Statement of Claim.

The statement of claim after setting out the threats and, where the patents are known and intended to be attacked, alleging their invalidity, claims an injunction to prevent a repetition of the threats and damages for the past. If the patents are attacked the plaintiff is not entitled to ask for their revocation, but can only ask for a declaration of invalidity.

Damages can only be recovered when they are really due to the threat, not where they are due to general rumours in the trade and to a general disinclination to incur the risk of litigation. Where the threats have caused the loss of a contract, the loss of profit will be the measure of damage (*Skinner* v. *Perry*, 1894, 11 R.P.C. 406). The damages will, as a rule, be assessed at the trial (*Ungar* v. *Sugg*, C.A., 1892, 9 R.P.C. 114).

Where a threats action is tried by a jury and there is a counterclaim for infringement, the counterclaim will be tried by the jury (*Appleby* v. *Albert Eadie Chain*, 1899, 16 R.P.C. 28).

Interlocutory Injunction.

An interlocutory injunction to restrain threats will not be granted if an action for infringement is being prosecuted with due diligence (*Kurtz* v. *Spence*, C.A.,

1887, 4 R.P.C. 427), or if the threats action be commenced after an infringement action and the latter be alleged not to be *bonâ fide* (*Berliner* v. *Edison-Bell Consolidated Phonograph*, 1899, 16 R.P.C. 330). An interlocutory injunction will not be granted where there is a question as to the threats (*Barber* v. *Nathan*, 1902, 19 R.P.C. 331).

Foreign Patentees.

An injunction may be granted against the English agents of a foreign patentee through whom threats have been made (*Overton* v. *Burn*, 1896, 13 R.P.C. 455).

Defence.

The defence may deny the issue of the threats or may justify them or plead an infringement action, or all of these things.

Counterclaim for Infringement.

The defendant is entitled to counterclaim for infringement, but on such counterclaim a certificate cannot be given under section 35 that the validity of the patent has been in question (*Crampton* v. *Patents Investment*, 1888, 5 R.P.C. 404). On the other hand the Court does not appear to have any power to revoke the patent in a threats action, so that the worst that can happen will be a declaration of invalidity, which will be conclusive only as against the

plaintiff. Thus, a counterclaim may be preferable to a fresh action and a stay of the threats action.

Circulating Threats by other People.

An injunction in a threats action restraining the defendant from threatening the plaintiff does not prevent the defendant as an agent from circulating threats made by other people (*Ellams* v. *Martyn*, C.A., 1899, 16 R.P.C. 28), nor would it prevent him from commencing an action for infringement against the plaintiff and giving notice of such action to his customers (*Bevan* v. *Welsbach Incandescent*, 1903, 20 R.P.C. 69).

Threats While Infringement Action is Pending.

It is not any contempt of Court to issue threats while an infringement action is pending (*Haskell Golf Ball* v. *Hutchison*, 1904, 21 R.P.C. 500), and there does not appear to be any objection to advertising the grant of an interim injunction unless it be obtained by consent, in which case it ought not to be advertised (*Dover* v. *New Townend Cycle*, 1904, 21 R.P.C. 135).

CHAPTER III.

PARTICULARS OF OBJECTIONS.

WHENEVER the validity of a patent is attacked, whether in an action for infringement or for threats, or in a petition for revocation, it is incumbent upon the attacking party to deliver to the patentee particulars of the objections upon which he relies for proving the invalidity of the patent. No evidence will, except by leave of the Court, be admitted in proof of any objection of which particulars are not so delivered (R.S.C., O. LIIIA, RR. 11, 14, and 15).

Particulars of objection must state every ground upon which the validity of the patent is disputed and must give such particulars as will clearly define every issue which it is intended to raise (R. 17).

"If one of the objections taken in the particulars of objections be want of novelty, the particulars must state the time and place of the previous publication or user alleged, and, if it be alleged that the invention has been used prior to the date of the patent, must also specify the names of the persons or person who are alleged to have made such prior use, and whether

such prior use is alleged to have continued down to the date of the patent, and, if not, the earliest and latest dates on which such prior use is alleged to have taken place, and shall also contain a description, accompanied by drawings if necessary, sufficient to identify such alleged prior use, and if such use relates to any machinery or apparatus, shall specify whether the same is in existence and where the same can be inspected.

"No evidence at variance with any statement contained in the particulars shall be given in support of any objection, and no evidence as to any machinery or apparatus which is alleged to have been used prior to the date of the patent and which is in existence at the date of the delivery of the particulars shall be receivable unless it be proved that the party relying on such prior use has, if such machinery or apparatus be in his own possession, offered inspection of the same, or, if not in his own possession, has used his best endeavours to obtain inspection of the same for the other parties to the proceedings" (R. 18).

If inspection can be given, so as to enable the patentee to make any drawings that may be necessary, the objector will not be required to supply drawings. The object of the rule is to identify the thing alleged to have been used prior to the patent (*Crosthwaite Fire Bar Co.* v. *Senior*, 1909, 26 R.P.C. 260).

Amendment of Particulars.

"Particulars of objection may from time to time be amended by leave of the Court upon such terms as may be just" (R. 19).

The usual terms are that the objector should pay any costs thrown away, and that the patentee should have a certain time within which to consider whether he should proceed, and in the event of his determining not to do so the objector may have to pay all the costs incurred since the original particulars of objection were delivered.

"Further and better particulars of objection may at any time be ordered by the Court" (R. 20).

Particulars of objection which do not properly raise the real issues should not be accepted by the patentee. He is entitled to intelligible particulars, and if the particulars delivered be not reasonably clear he ought not to accept them.

Each particular may be regarded as raising a separate issue, since it alleges a ground upon which the objector says that the patent is invalid, and should any particular be obviously futile there does not appear to be any reason why it should not be struck out under O. XXV, R. 4, as a pleading which discloses no reasonable cause of action or answer.

For instance, in the case of an anticipation by a prior publication there must be found in that prior publication information such as is required to be

given in a specification, so that if a specification or other publication, which obviously does not contain such information with regard to the subject matter of the patent attacked, is alleged to be an anticipation, it does not disclose any reasonable ground of objection, and therefore ought, in theory, to be struck out.

It is a common practice to allege as anticipations a long string of publications which are more or less remotely connected with the subject matter of the patent attacked, and to say that the objector will rely upon the whole of each of them as an anticipation. In such cases it has not been the rule to order further and better particulars (*Edison-Bell Consolidated Phonograph* v. *Columbia Phonograph*, 1900, 18 R.P.C. 4), although it has been laid down that the particulars should specify where the anticipation is to be found (*Holliday* v. *Heppenstall*, C.A., 1889, 6 R.P.C. 320).

Such particulars usually involve perusals and reports by experts and a considerable increase of the costs of the patentee, which he is unable to recover from the objector, although it is due to the introduction of irrelevant matter in the particulars.

Very often the only use intended to be made of alleged anticipations is as evidence of public knowledge, which they may or may not be, but where this is the case it would seem better to include them in a notice to admit, than to raise upon them a number of false issues.

Particulars may be divided into three heads according as they relate to the inventor, the invention, or the specification.

It is of course an objection that the person who in making an application for a patent has described himself as a true and first inventor was not so in fact, but had obtained the invention from some other person within the United Kingdom. The burden of proving an objection on this score lies upon the objector (*Ward Bros.* v. *Hill*, 1901, 18 R.P.C. 481).

The absence of any of the requirements already pointed out in the first chapter in connection with subject matter will give rise to objection under the second heading.

Under the third heading come objections upon the ground that the patentee has not, in fact, done that which it is recited in the patent he has done, viz. "hath by and in his complete specification particularly described the nature of his invention."

Thus, it may be objected that the directions in the specification are not sufficient to enable a competent workman to carry out the invention, or that the specification is ambiguous or misleading.

In every case the specification should be carefully examined by experts with a view to finding such defects, and sometimes it is well to employ a workman to carry out the invention solely from the specification; the results should of course be included in the instructions for settling particulars of objections.

Where there is disconformity between the provisional and complete specifications, it must be ascertained whether any additional invention introduced into the complete specification had been published before such specification was filed (section 42).

A careful study of the first chapter will show what other investigations must be made before there are sufficient materials to enable the pleader to settle particulars of objections, or to advise as to the best line of conduct with regard to the patent.

Without investigation into what has preceded the application for a patent, and information as to the general knowledge of the trade concerned, it is usually impossible to express a useful opinion upon the validity or even the ambit of a patent, and in order to avoid disaster in a particularly expensive form of litigation, it is always advisable to err on the right side in giving very full information upon any matter on which advice is to be given, or a line of action chosen.

Patents of Addition.

Objections to a patent of addition are limited by the provisions of section 19 (4), which makes the grant conclusive evidence that the invention is proper subject matter for a patent of addition, and forbids objection on the ground that it ought to have been an independent patent. A patent of addition may be practically unassailable under this provision (see p. 153).

CHAPTER IV.

General Procedure in Patent Litigation.

By section 34 it is provided that in an action for infringement of a patent the Court may on the application of either party make such order for inspection or account and impose such terms and give such directions respecting the same and the proceedings thereon as the Court may see fit.

Inspection.

The plaintiff can as a rule obtain an order for the inspection of the defendant's works even before delivery of the statement of claim (*Drake* v. *Muntz's Metal*, 1885, 3 R.P.C. 43; for form of order see *Haslem* v. *Goodfellow*, 1887, 5 R.P.C. 28). There is not, however, any absolute right to such an order, and its grant is a matter for discretion in each case (*McDougall* v. *Partington*, 1890, 7 R.P.C. 357). Mere suspicion of infringement is not sufficient to entitle a plaintiff to inspection; he must make out a *primâ facie* case and the order will be confined to such processes as relate to the case so made out (*Germ Milling* v. *Robinson*, 1884, 1 R.P.C. 217; *Cheetham* v. *Oldham*, 1888, 5 R.P.C. 617). If the infringement is an article, and not a process, a plaintiff who has been

supplied with specimens by the defendant is not entitled to inspection (*Sidebottom* v. *Fielden*, 1891, 8 R.P.C. 266).

If the defendant alleges a trade secret in his processes the Court will appoint an independent expert to make a secret report to it, and such expert cannot be called as a witness on either side, or, if called, may be asked only such questions as the judge may approve (*Plating Co.* v. *Farquharson*, 1883, Griff. 187, 17 Ch.D. 49).

When the utility of the invention claimed in the patent is in issue the defendant may wish to inspect the plaintiff's works to show that he is not working his own patent. In proper cases the plaintiff will be ordered to put his machinery to work before the defendant and his experts, and to supply samples of what is being made under the patent (*Germ Milling* v. *Robinson*, sup.; *Cheetham* v. *Oldham*, sup.; *Peters* v. *Owen*, 1888, 5 R.P.C. 622). As an alternative the plaintiff may be ordered to apply for inspection at the works of some third party at which the patent is being worked (*Rylands* v. *Ashley's Patent Bottle*, C.A., 1890, 7 R.P.C. 175).

Where inspection is given without an order the costs of the inspection will be allowed on taxation (*Ashworth* v. *English Card Clothing*, 1904, 21 R.P.C. 353). The cost of erecting machinery in London for a view by the counsel of the party erecting it will not be allowed.

Discovery.

On discovery communications between the patentee and his patent agent are not privileged, and if the patent agent be a solicitor the patentee must discriminate between communications with him as solicitor and communications with him as patent agent (*Moseley* v. *Victoria Rubber*, 1886, 3 R.P.C. 351).

Interrogatories.

Interrogatories must not depend for their relevancy upon the construction of the specification (*Delta Metal* v. *Maxim-Nordenfeldt*, 1891, 8 R.P.C. 169).

The plaintiff in an infringement action may ask the defendant whether he has used specified processes described in the specification, taking them one by one, but he may not ask him generally what processes he uses (*Benno Jaffé* v. *Richardson*, 1893, 10 R.P.C. 136). He may also ask from whom alleged infringing goods were obtained (*Saccharine Corporation* v. *Haines*, 1898, 15 R.P.C. 344), and, if infringement be denied, whether he sold specified goods to specified persons, but he cannot compel the defendant before judgment to disclose generally the names of his customers (*Lister* v. *Norton*, 1885, 2 R.P.C. 68; *Parker* v. *Wells*, C.A., 1881, 18 Ch.D. 477).

Similarly the defendant may interrogate the plaintiff as to whether he has succeeded in using his patent without any alteration or addition, but he cannot ask

what alteration or addition has been used (*Rylands* v. *Ashley's Patent Bottle*, C.A., 1890, 7 R.P.C. 175).

Admissions.

As in other forms of litigation, the documents relating to patent proceedings are usually admitted, but it is often necessary to prove in regard to some book or other document that it was placed in the library of the Patent Office or some other public place on or about a certain date, and in order to save expense it is always advisable to procure the admission of, or to admit, as the case may be, such dates of publication in the United Kingdom.

Similarly, the title of the plaintiff in an action for infringement is seldom in dispute, and ought, save in such cases, to be admitted.

Facts that are matters of public knowledge are very often practically undisputed, their effect on the patent being alone in contest, and, where this is the case, such matters may well be made the subject of admissions so as to save time and expense at the trial, and assist in preventing the accumulation in the shorthand notes of masses of unnecessary evidence. Although a patentee may not be entitled as of right to particulars of public knowledge, it can hardly be said that such particulars are irrelevant. If they can be conveniently set out, such definition of the issues might often effect a considerable saving to the parties, and be of material assistance to the Court.

Even where not set out in the particulars, there is nothing to prevent the facts relied on being made the subject of admissions.

Trial with Assessor.

The matters in controversy in proceedings with regard to patents are usually of a more or less technical nature, and in order to assist the Court in deciding between the evidence of opposing experts, provision is made for independent advice.

By section 31:

(1) In an action or proceeding for infringement or revocation of a patent the Court may, if it think fit, and shall at the request of either of the parties to the proceeding, call in the aid of an assessor specially qualified, and try the case wholly or partially with his assistance: the action shall be tried without a jury unless the Court otherwise directs.

(2) The Court of Appeal may, if they think fit, in any proceeding before them call in the aid of an assessor as aforesaid.

(3) The remuneration, if any, to be paid to an assessor under this section shall be determined by the Court, or the Court of Appeal as the case may be, and be paid as part of the expenses of the execution of this Act.

In view of the enormous expense of patent litigation on account of the expert evidence that is usually brought forward, one might have expected great popularity for this provision by which expert evidence could often be almost entirely dispensed with, but it is in practice almost disregarded, at least, in England. It will be noticed that the Court expert does not cost the parties anything, so that they obtain the services of a specially qualified expert for nothing, and either party is entitled to claim such assistance as of right. Probably with the assistance of this provision many patent actions, which with ordinary expert evidence cost fabulous sums, could be satisfactorily and rapidly dealt with at a very reasonable cost. The assessor, with the assistance of counsel, could inform the Court as to the meaning of technical terms in the specifications, and make clear the effect of previous knowledge upon the construction of the specification.

Models, Expert Evidence, etc.

The evidence which should be prepared for the trial will of course depend upon the facts of the case, and will be the subject of advice in the ordinary way.

With regard to public knowledge, any books in general use can be referred to, including the transactions and proceedings of learned societies of all civilised nations, and, of course, any publication in the nature of a magazine or journal published or circulating in the United Kingdom. Public knowledge

can also be proved by the oral evidence of persons engaged in the industry to which the patent relates or in kindred industries.

Shorthand Notes.

A shorthand note of the evidence is nearly always necessary in the trial of a patent action, and this should be arranged for between the parties before the commencement of the trial.

Certificate of Validity.

By section 35:

In an action for infringement of a patent the Court may certify that the validity of the patent came in question, and if the Court so certifies then in any subsequent action for infringement the plaintiff in that action on obtaining a final order or judgment in his favour shall, unless the Court trying the action otherwise certifies, have his full costs, charges, and expenses as between solicitor and client.

If a patent be held invalid at the trial and be upheld on appeal, the Court of Appeal will grant a certificate (*Faweett* v. *Homan*, C.A., 1896, 13 R.P.C. 398).

A certificate will be given even though the patent has expired before the date of the judgment (*Sun-*

light Incandescent Gas v. *Incandescent Gas Light*, 1897, 14 R.P.C. 757; *British Motor* v. *Universal Motor*, 1899, 16 R.P.C. 113).

A certificate may be given when a patent is held invalid, but this is unlikely unless by amendment the patent can be made good (*Acetylene Illuminating* v. *United Alkali*, 1902, 19 R.P.C. 213).

The rule as to costs applies only to an action for infringement which has been commenced after the date of the certificate (*Saccharine Corporation* v. *Anglo-Continental Chemical Works*, 1900, 17 R.P.C. 307), but it applies whether the validity of the patent be disputed in such action or not (*United Telephone* v. *Patterson*, 1880, 6 R.P.C. 140), though where validity is admitted in the subsequent action and infringement is the only issue, the plaintiff may be deprived of the full costs (*Edison-Bell* v. *Waterfield*, 1902, 19 R.P.C. 329; *Saccharine Corporation* v. *Dawson*, 1902, 19 R.P.C. 173; *Boyd* v. *Tootal Broadhurst Lee*, 1894, 11 R.P.C. 185; but cf. *Welsbach* v. *Daylight*, 1899, 16 R.P.C. 353). The result depends upon what is fair in the circumstances of the case, and the Court has to exercise its discretion if any reason be given for not leaving the section to have its ordinary effect.

Where a certificate of validity has been obtained the patentee, in any subsequent case, should make use of the fact to bring pressure to bear upon the infringer. The existence of a certificate is the usual reason for granting an interim injunction against infringement.

Where a specification has been amended since a certificate of validity was granted, full costs may be disallowed (*Brooks* v. *Rendall*, 1900, 24 R.P.C. 17).

A certificate may be granted where validity is disputed on the pleadings, even if the defendant should not contest it at the trial or should fail to appear (*Soda-Stream* v. *Davey*, 1907, 24 R.P.C. 763), and also where after validity has been put in issue a compromise is arranged under which validity is admitted. It seems, however, the better practice not to grant a certificate where there is not any actual decision as to validity (*Claughton* v. *Foster*, 1904, 21 R.P.C. 17) since the facts upon which such a certificate has been granted will not usually be considered by the Court on a subsequent trial.

The granting of a certificate, like the question of its effect on the costs of a subsequent action, are in the discretion of the Court, and its refusal is not a matter for appeal (*Haslam* v. *Hall*, C.A., 1888, 5 R.P.C. 144).

It will be noticed that the provision as to certificates is limited to actions for infringement (cf. *Crampton* v. *Patents Investment Co.*, 1888, 5 R.P.C. 404).

Costs.

The costs of a patent action are, to a large extent, those of proving or disproving the particulars of objections, and there has always been provision

against allowing costs occasioned by any unreasonable attack upon a patent by means of long particulars of objections the majority of which are not proved. This matter is now provided for by O. LIIIA, R. 22, which is as follows:

"On taxation of costs in any action or counterclaim for infringement of a patent or in any petition for revocation of a patent under section 25, or in any counterclaim for revocation of a patent under section 32 of the Act, the following provision shall apply, that is to say—

"If the action, petition, or counterclaim proceeds to trial on any patent no costs shall be allowed in respect of any issues raised in the particulars of breaches or particulars of objections and relating to that patent to the parties delivering the same respectively, except in so far as such particulars are certified by the Court to have been proven or to have been reasonable and proper without regard to the general costs of the case, but, subject as aforesaid, the costs of the issues raised by the particulars of breaches and the particulars of objections shall be in the discretion of the Taxing Master."

If the patentee discontinues after receipt of the particulars of objections it seems right to allow the costs of all the particulars without enquiring which was responsible for the discontinuance.

CHAPTER V.

AMENDMENT OF SPECIFICATIONS.

It very often happens that a specification has claimed something which was not novel at the date of the patent, and that in consequence the patent is invalid. It may, however, happen that although the patentee has made this mistake the patent would have been good had the claim been less extensive. Or it may be that the specification is not quite as clear as it ought to be, and the want of clearness may be such as to render the patent of questionable validity. In such cases, in order to save the patentee from the result of what was probably an oversight, the Act makes provisions for amending the specification so as if possible to make the patent good.

Where there is not any litigation pending with respect to a patent the Act provides for the patentee making an application to the Comptroller for leave to amend his specification and drawings by way of disclaimer, correction, or explanation; but this right is suspended when and so long as any action for infringement or proceeding before the Court for revocation of a patent is pending (section 21).

The pendency of an application for amendment does not prevent the commencement of an action or the presentation of a petition for revocation, but so long as an action or petition is pending the power of the Comptroller is suspended altogether. An action that has been withdrawn from the list and is standing over generally is none the less a pending action so as to prevent amendment by the Comptroller (*Brooks* v. *Lycett*, 1904, 21 R.P.C. 651), but on the other hand an action that has been tried is no longer pending because there is an appeal pending in regard to it, so that the pendency of an appeal does not appear to affect the right to apply for amendment (*Cropper* v. *Smith*, 1884, 28 Ch.D. 151).

AMENDMENT DURING LITIGATION.

By section 22:

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

Provided that no amendment shall be so allowed that would make the specification as amended claim an invention substantially larger

than, or substantially different from, the invention claimed by the specification as it stood before the amendment, and where an application for such an order is made to the Court notice of the application shall be given to the Comptroller, and the Comptroller shall have the right to appear and be heard, and shall appear if so directed by the Court.

Prior to the Act of 1907 the Court had not any power to amend a specification, but in an action or petition the patentee could at any stage, even after judgment, apply to the Court for leave to make an application to the Comptroller to amend the specification, and the action or petition was stayed until the application had been disposed of. The necessity for amendment is very often forced upon the patentee during the hearing of the case, and an adjournment is asked for in order to enable him to apply for amendment.

Order LIIIA, R. 23 provides for the procedure in case of an application for amendment as follows:

"Where an application is made by a patentee for leave to amend his specification by way of disclaimer under section 22 of the Act the following rules shall apply:

"(*a*) The application shall be made by motion in the proceedings pending before the Court and

notice of such motion together with a King's Printer's copy of the specification showing in red ink the amendment proposed to be made shall be served on the parties to such proceedings, and in the first instance upon such parties only.

"(*b*) On the hearing of such motion the Court shall decide whether and on what terms as to costs or otherwise the application shall be allowed to proceed, and if the application be allowed to proceed shall give directions as to whether such application shall be heard on oral or affidavit evidence, and if on affidavit evidence shall fix the times within which affidavits shall be filed by the parties respectively and by any other person entitled to be heard under the Act or these rules.

"(*c*) If the application be allowed to proceed the applicant shall forthwith serve the Comptroller with a copy of the notice of motion together with such copy specification as aforesaid and also a copy of the order allowing the application to proceed, and also with the name and address of the applicants' solicitor and the proposed amendment shall be advertised in the illustrated official journal (Patents), such advertisement stating that any person desiring to oppose the amendment must within fourteen days of the issue

of the advertisement give notice in writing of such desire to the applicant's solicitor, whose name and address for that purpose shall be also stated in the advertisement. Any person giving such notice shall be entitled to be heard upon the hearing of the motion.

"(*d*) Within seven days after the receipt of any such notice the applicant shall, if the person giving such notice shall have stated therein an address for service within the United Kingdom, serve on such person a copy of the notice of motion together with such copy of the specification as aforesaid, and also a copy of the order allowing the application to proceed. Such service may be made by prepaid registered letter sent to such person through the post at his address for service.

"(*e*) In the case of an application directed to be heard on oral evidence the applicant shall as soon as he shall have complied with the requirements of the preceding rules set the same down for hearing in the witness list, and in the case of an application directed to be heard on affidavit evidence the applicant shall after such compliance as aforesaid and after the times fixed for filing evidence have expired set the same down for hearing in the non-witness list, and the application so

set down shall be heard and disposed of in due course.

"(*f*) Where the Court allows a specification to be amended the applicant shall forthwith lodge with the Comptroller an office copy of the order allowing such amendment, and the Comptroller shall advertise the same once at least in the illustrated official journal (Patents). He shall also if required so to do by the Court or by the Comptroller leave at the Patent Office a new specification and drawings as amended, the same being prepared as far as may be in accordance with the rules of the Patent Office for the time being in force."

This rule seems more applicable to the Chancery Division than to the King's Bench Division.

Should the need for amendment become apparent during the trial of an action in the King's Bench Division, it might, under the rule, be necessary to adjourn the case, make an application by motion to a Divisional Court, of which the judge who was trying the action might not be a member, and then have the motion come on again at a later stage before another Divisional Court, composed perhaps of different judges.

Time for Amendment.

It is never too late to apply for leave to amend a specification. The application may be made at any

stage of the proceedings, even after judgment for revocation, and in that case the registration of the judgment will be suspended in order to allow of amendment being made. The application may be made to the House of Lords after that tribunal has decided that the patent must be revoked, because of some matter that can be disclaimed, and the patent can thus be renovated (*Deeley* v. *Perkes*, H.L., 1896, A.C. 496, 13 R.P.C. 591).

Terms.

The usual terms on which amendment will be granted involve the payment by the patentee of all the costs incurred down to the date of the application to amend, and should the party attacking the patent determine not to continue the attack, the payment of all the costs of the proceedings.

The patentee must also as a rule abandon any claim in respect of infringements committed prior to the date of the amendment, and all right to claim in respect of the future use of machines made prior to the date of the amendment (*Ludington Cigarette* v. *Baron*, H.L., 1900, 17 R.P.C. 745).

The terms on which amendment should be allowed are in the discretion of the Court, and this will not be interfered with upon appeal save in exceptional cases (*ibid.*).

It is not easy to conceive any case in which amendment could be refused as an alternative to revoca-

tion upon suitable terms, provided it came within the limitations permitted by the Act, and the right to amend in the course of litigation may be considered as one of the rights of a patentee. If the proceedings be an action for infringement, the amendment generally waives all damages that would have been recoverable in the action, so that its main object must always be to avoid revocation.

Usually in a petition for revocation the patentee must pay the costs to the date of amendment, except so far as what has been done is utilised in subsequent proceedings. The petitioner has a certain time to consider whether to proceed, and in the event of his not doing so the patentee must pay all the costs of the petition (*Chatwood's Patent*, 1899, 16 R.P.C. 370).

Where there is not a counterclaim for revocation, the Court may dismiss the action instead of amending (*New Conveyor* v. *Leith Gas*, Ct. Ses., 1904, 21 R.P.C. 1; *Lacy* v. *Whitecross*, 62 L.T. 267, H.L. 89, L.T.J. 351).

Comptroller's Costs.

Should the Comptroller appear on the application to amend, the patentee will have to pay his costs (*Klaber's Patent*, 1908, 25 R.P.C. 334).

Damages after Amendment.

By section 23, where a specification has been amended, no damages are to be given for infringe-

ments prior to the date of amendment, unless the patentee shows that his original claim was framed in good faith, and with reasonable skill and knowledge.

Amendment Conclusive.

Amendment is in every case conclusive of the propriety of the amendment being allowed, except in case of fraud, and the amended specification becomes for all purposes the only complete specification to which reference can be made (section 21 (7), and see *Moser* v. *Marsden*, 1896, H.L. 13 R.P.C. 24).

CHAPTER VI.

EXTENSION OF TERM OF PATENT.

THE term limited in a patent is fourteen years from the date of the patent, which is usually the date of the application, but the Act makes provision in special cases for extending this term up to the extreme limit of a further fourteen years.

By section 18:

(1) A patentee may after advertising in manner provided by Rules of the Supreme Court his intention to do so present a petition to the Court praying that his patent may be extended for a further term, but such petition must be presented at least six months before the time limited for the expiration of the patent.

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

(3) On the hearing of any petition under this section the patentee and any person who has given such notice of objection shall be

made parties to the proceeding, and the Comptroller shall be entitled to appear and be heard and shall appear if so directed by the Court.

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

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

Ground for Extension.

It will be noticed that the only ground on which extension can be granted is that the patentee has been inadequately remunerated by his patent. If he has received any remuneration, the Court must inquire whether under the circumstances, and considering the merits of the invention, his remuneration has been adequate. Formerly the Privy Council had the like power of extending the term of a patent on

the like grounds, and the rule laid down by the Judicial Committee (*Henderson's Patent*, 1901, 18 R.P.C. 449), quoting from *Seaby's Patent*, 1870, L.R. 3 P.C. 294) may be taken to be the guide of conduct in every petition for extension :

"It is the duty of every patentee who comes for the prolongation of his patent to take upon himself *the onus of satisfying this committee in a manner* which admits of no controversy, what has been the amount of remuneration which in every point of view the invention has brought to him, in order that their lordships may be able to come to a conclusion whether that remuneration may fairly be considered as a sufficient reward for his invention or not. It is not for the committee to send back the accounts for further particulars, nor to dissect the accounts for the purpose of surmising what might be their real outcome if they were differently cast. It is for the applicant to bring his accounts before the committee in a shape which will leave no doubt as to what the remuneration has been which he has received."

A patentee should from the first keep a patent account distinct and separate from any other business in which he may be engaged. He knows perfectly well that if his invention is of public utility he will *have a claim for an extension, and he should there-*fore be prepared, when the necessity arises, to give the clearest evidence of everything that has been paid and received on account of the patent (*Bell's*

Patent, 1 Moo. P.C. 40, cited in *Hughes' Patent*, 1898, 15 R.P.C. 372).

The accounts should on the one side show all receipts in connection with the patent, and on the other all the expenditure, and in the latter may be included the cost of legal proceedings and the expense of bringing the invention into use (*Halloway's Patent*, 1843, 1 W.P.C. 725). Manufacturers' profits cannot be distinguished from patentee's profit (*Muntz's Patent*, 1846, 2 W.P.C. 121; *Duncan and Wilson's Patents*, 1884, 1 R.P.C. 257; *Saxby's Patent*, 1871, L.R. 4 P.C. 75). Profits from foreign patents for the same invention must be shown in the accounts (*Newton's Patents*, 1884, 9 A.C. 592, 1 R.P.C. 177). If there be a free licensee, the profits made by him compared with those made by other licensees must be shown (*Thomas's Patents*, 1892, 9 R.P.C. 367).

The only case in which extreme accuracy in the accounts is not required is where there has been a clear loss on the patent (*Darby's Patent*, 1891, 8 R.P.C. 380), but where there is not any doubt that the remuneration has been insufficient, uncertainty as to its exact amount will not be fatal to the petition (*Parsons' Patent*, 1898, 15 R.P.C. 349). In estimating the patentee's profits there may be deducted from the total amount which he has received a reasonable amount of remuneration for his own time spent in superintending work under the patent (*Joy's Patent*, 1893, 10 R.P.C. 89; *Carr's Patent*, L.R. 4 P.C. 539;

Perkin's Patent, 1845, 2 W.P.C. 17; *Liret's Patent*, 1892, 9 R.P.C. 332; *Hazeland's Patent*, 1894, 11 R.P.C. 467).

Class of Patents that may be Extended.

In order to sustain a petition the patentee must be able to show that the invention is one of peculiar merit, and that it is not through want of due diligence on his part that the patent has so far not been a success (*Woodcroft's Patent*, 1846, 2 W.P.C. 31; *Semet and Solvay's Patent*, 1895, A.C. 78, 12 R.P.C. 10; *Thompson's Patent*, 1902, 19 R.P.C. 565).

If the invention has not been taken up, the patentee must show that there is likely to be a change in this respect if prolongation be granted (*Scott's Patent*, 1906, 23 R.P.C. 478).

The Court will consider all the circumstances of the case, and an opponent may show that infringements have been allowed to go unchecked, or that the patentee had not done anything towards getting the patent worked until far on in its term (*Pettit Smith's Patent*, 1850, 7 Moo. P.C. 133).

Extension will not be granted where the original inventor or his family will not derive any benefit from the extension (*Van Gelders' Patent*, 1907, 24 R.P.C. 169; *Finch's Patent*, 1898, 15 R.P.C. 674; *Herbert's Patent*, 1867, L.R. 1 P.C. 399), and an exclusive licence may have to be resigned as a condition for extension (*Shone's Patent*, 1892, 9 R.P.C. 438; *Lyon's*

Patent, 1894, 11 R.P.C. 537; *Darby's Patent*, 1891, 8 R.P.C. 384).

Terms may be imposed as to the granting of licences and the working of the patent (*Lyon's Patent*, 1894, 11 R.P.C. 537; *Mallet's Patent*, 1866, L.R. 1 P.C. 308; *Normandy's Patent*, 1855, 9 Moo. P.C. 452; *Hart's Patent*, 1908, 25 R.P.C. 299). If the patent be mortgaged, the mortgage must be extended to cover the extended term (*Church's Patents*, 1886, 3 R.P.C. 95).

Order LIIIA, Rule 3, is a code by which the practice in petitions for extension is governed, and the subsequent rules dealing with infringement and revocation have very little, if any, application to such petitions (*Johnson's Patent*, 1908, 25 R.P.C. 542). This rule is as follows:

"3. In the case of petitions for extension of the term of a patent under Section 18 of the Act, the following rules shall apply:

"(*a*) A party intending to apply by petition under Section 18 of the Act shall give public notice by advertising three times in the 'London Gazette' and once at least in a London daily newspaper, the price of which is not less than one penny.

"(*b*) If the applicant's principal place of business is situated in the United Kingdom at a distance of 15 miles or more from Charing

Cross he shall also advertise once at least in some local newspaper published or circulating in the town or district where such place of business is situated. If the applicant has no such place of business, then if he carries on the manufacture of anything made under his specification in the United Kingdom at a distance of 15 miles or more from Charing Cross he shall advertise once at least in some local newspaper published or circulating in the town or district where he carries on such manufacture. If he has no such place of business and carries on no such manufacture in the United Kingdom, then if he resides in the United Kingdom at a distance of 50 miles or more from Charing Cross he shall advertise once at least in some newspaper published or circulating in the town or district where he resides.

"(*c*) The applicant shall in his advertisements state the object of his petition and shall give notice of the day (which if the Court is for the time being a Judge of the Chancery Division shall be an ordinary petition day) on which he intends to apply to the Court for a day to be fixed before which the petition shall not be in the paper for hearing (hereinafter called 'the appointed day'), which first mentioned day shall not be less

than four weeks from the date of the publication of the last of the advertisements to be inserted in the 'London Gazette.' Every such advertisement shall state an address within the United Kingdom for service on the applicant of any document requiring service under this rule. He shall also give notice that notices of objection must be lodged as hereinafter provided before such day so named in the said advertisements. A copy of such advertisement shall be forwarded by the applicant to the solicitor for the Board of Trade at the same time as the first advertisement is sent to the 'London Gazette,' and the Board of Trade shall thereupon cause such advertisement to be inserted in the three following issues of the illustrated official journal (Patents).

"(*d*) A petition under section 18 of the Act must be presented within one week from the publication of the last of the advertisements required to be published in the 'London Gazette' and a copy of the petition must within the same time be furnished to the solicitor to the Board of Trade. Such petition shall be made returnable for the day named in the advertisements.

"(*e*) The petition must be accompanied by an affidavit or affidavits of advertisements having been

published by the petitioner according to the requirements of Rules (*a*), (*b*), and (*c*) hereof. The statements contained in such affidavit or affidavits may be disputed upon the hearing.

"(*f*) Upon the day named in the advertisements the petition shall appear in the Court List, and the petitioner shall apply to the Court to fix the appointed day.

"(*g*) The petitioner shall forthwith after the appointed day has been fixed give public notice of the same by advertising once at least in the 'London Gazette.'

"(*h*) A party presenting a petition under section 18 of the Act must lodge as hereinafter provided a copy thereof with two printed copies of the specification of his patent.

"(*i*) The petitioner shall also lodge as hereinafter provided, not less than three weeks before the appointed day, two copies of the balance sheet of expenditure and receipts relating to the patent in question, which accounts are to be proved on oath before the Court at the hearing. He shall also at the same time furnish three copies of the specification and of the said balance sheet to the Solicitor to the Board of Trade, and shall upon receiving two days' notice give the Solicitor to the Board of Trade, or any person deputed by

him for the purpose, reasonable facilities for inspecting and taking extracts from the books of account by reference to which he proposes to verify the said balance sheet, or from which the materials for making up the said balance sheet have been derived.

"(*j*) Any person desirous of opposing the prayer of a petition under section 18 of the Act shall lodge as hereinafter provided a notice that he intends so to oppose, and giving an address in the United Kingdom for service of any document requiring service under this rule. Such persons shall at the same time serve upon the petitioner a copy of such notice. Such notices shall be respectively lodged and served before the day named in the petitioner's advertisements as that on which he intends to apply to the Court for the appointed day to be fixed.

"(*k*) The petitioner shall forthwith upon receipt of such notice serve a copy of his petition upon each person giving such notice.

"(*l*) Every person giving such notice as aforesaid shall within three weeks after service of the petition upon him, lodge as hereinafter provided two copies, and serve upon the petitioner one copy, and lodge with the Solicitor of the Board of Trade three copies in writing of particulars of the objections upon which

he intends to rely against the granting of the prayer of the petition.

"(*m*) Any person who shall not within the said three weeks lodge and serve such particulars of objections as aforesaid shall be deemed to have abandoned his opposition.

"(*n*) No person who has delivered such particulars of objections shall be entitled to oppose the granting of the prayer of the petition on any grounds not stated in such particulars.

"(*o*) Any person who has lodged notice that he intends to oppose the granting of the prayer of the petition shall be entitled to be heard on the application to fix the appointed day, and every person who has lodged and served particulars of objection shall be served by the petitioner with notice of the appointed day.

"(*p*) The petition shall not be entered in the list for trial until the expiration of the time limited for the lodging and service of the particulars of objections, and shall only be entered for trial on the lodging of an affidavit on behalf of the petitioner that all persons who have served him with notice of intention to oppose the prayer of his petition have been served with copies of the petition. The petition shall, if and so long as the Court is a Judge of the Chancery Division and subject to any

direction of the Court to the contrary, be set down in the same manner as if it had been a witness action assigned to that Judge, and shall be marked in the witness list not before the of 19 , being the appointed day.

"(q) Any persons who have delivered particulars of objections shall be entitled, at their own expense, to obtain from the petitioner copies of the accounts which have been lodged by him.

"(r) All petitions, documents, and copies by these rules required to be lodged shall, if and so long as the Court is a Judge of the Chancery Division, be lodged at the Chambers of the Judge, and subject as aforesaid, shall be lodged with such person and at such place as the Court may from time to time direct.

"(s) The Court may excuse petitioners and opponents from compliance with any of the requirements of these rules, and may give such directions in matters of procedure and practice under section 18 of the Act as it shall consider to be just and expedient.

"(t) The Comptroller, if he elects or is directed to appear on the question of granting the prayer of any petition under section 18 of the Act, shall not be required to give notice of the grounds of any objection he may think

fit to take or any evidence which he may think fit to place before the Court.

"(*n*) The Court may in cases where opposition has been entered to the prayer of a petition under section 18 of the Act give costs to or against such opponents.

"(*o*) In the event of the Court refusing the prayer of the petition, the Court shall not, except under under special circumstances, give more than one set of costs amongst all the opponents.

"(*p*) The Comptroller-General and the Board of Trade shall not be entitled to any costs on or in relation to their appearance on or opposition to the granting of the prayer of a petition.

"(*q*) Service of any document requiring service under this rule may be made by enclosing such document in a prepaid registered letter and posting such letter to the person required to be served at his address for service."

An objector will not be bound down to his original objections if during the progress of the petition he acquires knowledge of other objections which he ought to bring forward on behalf of the public. The ordinary rules of pleading apply to particulars of objections on a petition. So far as the objector relies

on documents they should be pleaded in the ordinary way, and in the case of a prior user, names and addresses of users, and places and dates of user should be given.

Costs.

The mere fact that a petition is withdrawn is not a special circumstance within the meaning of Rule 3 (c) (*Imray's Patent*, 1908, 26 R.P.C. 11).

CHAPTER VII.

COMPULSORY LICENCES AND REVOCATION AS ALTERNATIVE.

As has been already pointed out, the grant of a patent is made for the benefit of the public as well as for that of the patentee, one of the objects of patents being to assist in the introduction of new industries. If the patentee provides for the requirements of the public by manufacturing under his patent, *i. e.* in the United Kingdom, and supplying the public on reasonable terms, then his monopoly cannot be in any way interfered with. If, however, he either sleeps on his rights, or fails to satisfy the reasonable requirements of the public in regard to his invention, power is reserved to any member of the public to secure the benefits which the patentee has failed to provide. Sections 24 and 92 of the Act, Patent Rules 68 to 74 and R.S.C., O. LIIIA, R.R. 7-9 provide for the procedure to be adopted.

(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 licence, or, in the alternative, for the revocation of the patent.

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

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

Provided that an order of revocation shall not be made before the expiration of three years from the date of the patent, or if the

patentee gives satisfactory reasons for his default.

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

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

(*a*) If by reason of the default of the patentee to manufacture to an adequate extent and supply on reasonable terms the patented article, or any parts thereof which are necessary for its efficient working, or to carry on the patented process to an adequate extent or to grant licences on reasonable terms, any existing trade or industry, or the establishment of any new trade or industry in the United Kingdom is unfairly prejudiced, or the demand for the patented article or the article produced by the

patented process is not reasonably met; or

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

(6) An Order of the Court directing the grant of any licence under this section shall, without prejudice to any other method of enforcement, operate as if it were embodied in a deed granting a licence and made between the parties to the proceeding.

Section 92 provides that when the Board of Trade refer a petition to the Court, it shall be referred to such judge of the High Court as the Lord Chancellor may select for the purpose, and that the decision of that judge shall be final.

O. LIIIA, R. 7 provides as follows:

"In all petitions referred by the Board of Trade to the Court under section 24 of the Act the following Rules shall apply:

"(a) No evidence shall be given upon any issues other than those raised upon the original petition before the Board of Trade.

"(*b*) Every person who has given notice of opposition in accordance with the Patent Rules, 1908, shall be entitled to be heard on such petition, and the Court may direct the petition to be served, or notice thereof to be given to such other person or persons as may be thought desirable.

"(*c*) The petition shall, if and so long as the Court be a Judge of the Chancery Division and subject to any direction of the Court to the contrary, be set down in the same manner as if it were a witness action assigned to such Judge.

"(*d*) The petition shall be heard by the Court as a witness action and shall come on in due course in the witness list.

"9. In all proceedings before the Court under the Act, the costs of and incident thereto, including the costs of hearings before the Comptroller or the Board of Trade as the case may be, shall be in the discretion of the Court."

The Patent Rules on this subject are as follows:

Compulsory Licences and Revocation of Patents.

"68. A petition to the Board for an order under section 24 of the Act shall be made on Patents Form No. 20, and shall show clearly the nature of the

petitioner's interest and the ground or grounds upon which he claims to be entitled to relief, and shall state in detail the circumstances of the case, the terms upon which he asks that an order may be made, and the purport of such order, and the name and address of the patentee and any other person who is alleged in the petition to have made default.

"69. The petition and an examined copy thereof shall be left at the office with a request on Patents Form No. 19, and shall be accompanied by affidavits or statutory declarations in proof of the allegations contained in the petition, together with any other documentary evidence in support, and the petitioner shall simultaneously with, or as soon as may be after the leaving of such petition, deliver to the patentee and any other person who is alleged in the petition to have made default, copies of the petition and of such affidavits or statutory declarations and other documentary evidence in support.

"70. The persons to whom such copies are delivered by the petitioner may give notice of opposition on Patents Form No. 21, and may, within fourteen days after being invited to do so by the Board, leave at the Office their affidavits or statutory declarations in answer, and if they do so shall deliver copies thereof to the petitioner; and the petitioner may within fourteen days from such last-mentioned delivery leave at the Office his affidavits or statutory declarations in reply, and if he does so, shall deliver copies thereof

to the patentee or any other person alleged in the petition to have made default, such last-mentioned affidavits or statutory declarations being confined to matters strictly in reply.

"The times prescribed by this Rule may be altered or enlarged by the Board, if they think fit, upon such notice to parties interested and upon such terms, if any, as they may direct.

"71. No further evidence than as aforesaid may be left by either side at the Office except by leave or on requisition of the Board and upon such terms, if any, as the Board may think fit.

"72. The Board shall consider the petition and the evidence, with a view to satisfying themselves whether a *primâ facie* case has been made out for proceeding further with the petition, and if they are not so satisfied they shall dismiss the petition.

"73. If they are so satisfied, they shall consider whether there is any probability of an arrangement being come to between the parties, and if it appears to them that there is any reasonable probability that such an arrangement can be come to, they may take such steps as they consider desirable to bring it about, and in the meanwhile may defer the reference of the petition to the Court.

"74. If the Board are not of opinion that there is a reasonable probability of any arrangement being come to between the parties, and are satisfied that a *primâ facie* case has been made out by the petitioner,

they shall refer the petition to the Court, with copies of any affidavits, statutory declarations, or other documentary evidence which may have been furnished under the foregoing Rules, and with certified copies of all entries in the Register of Patents relating to the patent in question, and any other information in the possession of the Board which it appears to them may be of service to the Court in ascertaining what persons should be made parties to the proceedings before the Court, and the Board shall give written notice to the parties that the petition has been referred to the Court."

The above provisions are of considerable importance, and may be used among other things to prevent the trade in a new article being appropriated by a foreign patentee and manufacturer before there is any opportunity for its manufacture being introduced into the United Kingdom. The introduction of such a manufacture is the establishment of a new trade or industry, and the patentee is bound either to introduce this himself into the United Kingdom, or to permit others to start the manufacture upon such terms as will be commercially possible in view of the price at which the foreign m article is being sold. The royalty demanded must leave a fair manufacturing profit to the licensee or its terms will not be reasonable.

Provisions for the grant of compulsory licences have existed for many years, but the absence of any

power over costs has, among other things, prevented much use being made of them. The present provisions are a great improvement on the old ones, and the power of revocation after three years in case the grant of licences would not meet the case ought to enable the public to obtain fair treatment from obstructive or dilatory patentees.

CHAPTER VIII.

REVOCATION OF UNWORKED PATENTS.

It has already been noticed that the non-use or misuse of patent rights is a defence to any action of infringement, and is also a ground for revocation in an ordinary petition for revocation, but a special summary method is provided for dealing with cases of the abuse of patent rights by foreign patentees. Sections 27 and 92 of the Act, Patent Rules 78 to 81 and R.S.C. O. LIIIA, R.R. 4-6 and 8 and 9 deal with the procedure to be adopted and the rights of the patentee and public in this respect.

Section 27 provides as follows :

(1) At any time not less than four years after the date of a patent 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 appli-

cation, 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.

Section 92 makes the decision of the Court on such appeal final.

Revocation of Patents Worked Outside the United Kingdom.

The Patent Rules, 1908, provide as follows:

"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.

"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 incorrect, 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.

"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."

This rule is strictly enforced. The patentee must not keep back evidence and try and spring it on the petitioner at the last moment (*Hügner's Patent*, 1909, 26 R.P.C. 149).

"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."

Order LIIIA provides as follows:

"Rule 4. All appeals to the Court from any decision of the Comptroller under sections 20, 26 or 27 of the Act shall be brought by petition presented to the Court within one calendar month of the decision of the Comptroller, or within such further time as the Court may under special circumstances allow. Each such petition shall state the nature of the decision appealed against, and whether the appeal is from the whole or part only, and if so what part of such decision. It shall also state concisely the grounds of the appeal, and no grounds other than those so stated shall, except with the leave of the Court, to be given on such terms and conditions as may seem just, be allowed to be taken by the appellant at the hearing.

"Rule 5. Every appeal to the Court under sections 20, 26 or 27 of the Act shall, if and so long as the Court is a Judge of the Chancery Division, and subject to any direction of the Court to the contrary, be set down in the same manner as if it were a witness

action assigned to such Judge, and be heard and disposed of in due course.

"Rule 6. In all proceedings before the Court under sections 20, 26 and 27 of the Act the evidence used shall be the same as that used at the hearing before the Comptroller, and no further evidence shall be given except by the leave of the Court on application made to the Court at or before the hearing."

The Court is very sparing in permitting further evidence to be given (re *Brewer's* and *Hägner's Patents*, 'Times,' 26th May, 1909).

"Rule 8. In all proceedings before the Court under the Act the Court shall have all the powers by the Act vested in the Comptroller, and may make any order which might or ought to have been made by the Comptroller.

"Rule 9. In all proceedings before the Court under the Act the costs of and incident thereto, including the costs of hearings before the Comptroller or the Board of Trade, as the case may be, shall be in the discretion of the Court except as hereinbefore expressly provided in the case of petitions under section 18 of the Act (extension petitions)."

Section 27 is by far the most important section in the Act, and in order to see what ought to be regarded as satisfactory reasons it is necessary to look at the prime object of the patent laws. There cannot be any doubt that the principal object for allowing monopolies in new inventions is to encourage inven-

tors to introduce new industries into the United Kingdom, and not to merely benefit an inventor at the cost of the community by enabling him to charge his own price for his wares. From this it is apparent that the mere fact that by manufacturing abroad the patentee can obtain a larger profit than by manufacturing in the United Kingdom is not a good reason for so doing if he wishes to preserve his monopoly (see *Johnson's Patent*, 1908, 26 R.P.C. 52).

Then, again, if the manufacture is being largely carried on abroad, or can be carried on more cheaply abroad, it might not be commercially practicable for a licensee to manufacture in the United Kingdom unless he were protected from foreign competition. One of the objects of a patent is to secure protection from foreign competition in the markets of the United Kingdom, and in order to enable a home manufacturer to make even a bare manufacturing profit protection from foreign competition may be essential. It would appear to be the duty of a patentee to make use of his patent as far as possible for the purpose for which it was granted, namely, the fostering of a new manufacturing industry in the United Kingdom, and unless he can show that he has tried to do this it is not easy to see how he can show a satisfactory reason for preserving his patent.

The essential features of a patented machine must be manufactured here to an adequate extent (*Johnson's Patent*, 1908, 26 R.P.C. 52, see p. 56).

Since the above was written the report of the proceedings in re *Hatschek's Patents*, 1909, 26 R.P.C. 241, has shown exactly what is the effect of the section and how it will be applied in practice. The following selections from the lucid judgment of Mr. Justice Parker in that case will be found useful by all interested in the section.

The question whether a patented article is being manufactured or a process being carried on to an adequate extent in the United Kingdom is one that depends on the circumstances of each case. The extent of the manufacture cannot be regarded as 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.

A patentee must not exercise his rights in such a way as to give other countries four years' start over this country in developing a new industry. He must at least take the same pains to develop the new industry here as he does abroad. It does not follow that he is bound to absolutely prohibit importation.

A reason for non-working cannot be satisfactory which does not account for the inadequacy by causes operating irrespective of any abuse of the monopoly granted by the patent. The patentee must free himself from all suspicion of having done anything to hamper the industry of the United Kingdom.

It is an abuse of the monopoly to use it for securing a monopoly of selling in this country articles manufactured abroad, and not for the purpose of establishing a new industry here.

With regard to procedure, it will be noticed that it is open to any person to make an application under section 27. The applicant need not have any interest in the subject matter of the patent as in the case of an opponent. There is not any provision in the Rules by which the applicant must establish by filing evidence in support of his application a *primâ facie* case for the patentee to answer. In order to prevent frivolous applications or applications for some improper purpose the Comptroller has issued the following official notice modifying to some extent the procedure outlined under the Rules 78 to 81.

NOTICE BY COMPTROLLER AS TO PROCEDURE.

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 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 leave and deliver further statutory declarations in answer, in accordance with the provisions of the latter part of Rule 79.

(4) The Comptroller will then intimate to the parties whether, having regard to the circumstances of the case, he considers it desirable and intends to hold a preliminary hearing on the question whether a *primâ 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 *primâ 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.

An unopposed application will be granted usually with four guineas costs. An appeal that fails will be dismissed with costs, including the costs of the Attorney-General if he has appeared (*Hatschek's Patents*, 1909, 26 R.P.C. 241).

CHAPTER IX.

Revocation in Lieu of Opposition.

In one special case power is given to the Comptroller to revoke a patent on the ground that it ought not to have been granted. Section 26 provides as follows:

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.

Appeals to the Court are regulated by O. LIIIA, R.R. 4 to 9 (see p. 133). Where there is an appeal the Court may deal with the costs before the Comp-

troller, but the Comptroller has also power to deal with the costs before him.

This procedure for revocation under section 26 has the advantage over opposition in that the appeal is to the Court, so that there is a decision which forms a precedent, instead of to the Law Officer, whose decision is not binding upon the Court.

Procedure under Section 26 of the Act.

"75. An application for the revocation of a patent under section 26 of the Act shall be made on Patents Form No. 22, and shall be accompanied by an unstamped copy of the form, which shall be transmitted by the Comptroller to the patentee. Where the ground of application is that the applicant for the patent obtained the invention from the person applying for the revocation of the patent, evidence by way of statutory declaration in support of such allegation shall be left at the office at the same time as the application for the revocation, or as soon as may be thereafter. In other cases such evidence may be so left by the applicant for revocation if he desires. Copies of any declarations left at the office under this rule shall be delivered by the applicant to the patentee.

"76. Upon such declarations being left and delivered the provision of Rules 43 to 47 shall apply *mutatis mutandis* to the furnishing of further evidence and to the hearing of the case before the Comptroller.

The effect of incorporating Rules 43 to 47 appears to be that the patentee must deliver declarations in answer within fourteen days, and that the applicant has fourteen days in which to leave declarations in reply. Probably if the applicant does not leave any declarations the patentee may do so if he wishes within three months, and then the applicant may file declarations in answer within fourteen days and the patentee may reply within the like period. The Comptroller will give ten days' notice of the time for hearing, and if either party desires to be heard he must give notice on Patent Form No. 9 (fee £1) prior to the date fixed for hearing. If either party does not desire to be heard he should notify the Comptroller to that effect.

If any party intends to refer to any publication other than a specification mentioned in the notice or in some declaration he must give the other party and the Comptroller five days' notice with details of the publication.

"77. A notice of an offer by a patentee to surrender his patent under section 26 of the Act shall be given on Patents Form No. 23, and shall be advertised by the Comptroller in the Journal and in such other manner, if any, as he deems desirable."

The grounds of opposition are the following:

"(*a*) That the applicant obtained the invention

from the opponent or from a person of whom he is the legal representative.

"(*b*) That the invention has been claimed in any complete specification for a British patent, which is, or will be, of prior date to the patent, the grant of which is opposed other than a specification deposited pursuant to an application made more than fifty years before the date of the application for such last-mentioned patent."

Only a person interested in the earlier patent is entitled to oppose on this ground. (*Heath* v. *Frost*, 1886, Griff. 311; re *Meyer*, 1899, 16 R.P.C. 526; re *Hill*, 1888, 5 R.P.C. 599).

"(*c*) That the nature of the invention or the manner in which it is to be performed is not sufficiently or fairly described and ascertained in the complete specification.

"(*d*) That the complete specification describes or claims an invention other than that described in the provisional specification, and that such other invention forms the subject of an application by the opponent in the interval between the leaving of the provisional specification and the leaving of the complete specification."

Where there is an appeal to the Court the procedure is regulated by Order LIIIA, Rules 4 to 9, for which see p. 133.

CHAPTER X.

OFFENCES.

THERE are various offences having relation to Letters Patent for which penalties are prescribed in the Act.

By section 89 :

(1) If any person makes or causes to be made a false entry in any register kept under this Act or a writing falsely purporting to be a copy of an entry in any register, or produces or tenders or causes to be produced or tendered in evidence any such writing knowing the entry or writing to be false, he shall be guilty of a misdemeanour.

MISUSE OF WORD "PATENT."

By section 89 :

(2) If any person falsely represents that any article sold by him is a patented article, or falsely describes any design applied to any article sold by him as registered, he shall be liable for every offence on conviction under the

Summary Jurisdiction Acts to a fine not exceeding five pounds.

(3) If any person sells an article having stamped, engraved, or impressed thereon or otherwise applied thereto the word "patent," "patented," "registered," or any other word expressing or implying that the article is patented or that the design applied thereto is registered, he shall be deemed, for the purposes of this section, to represent that the article is a patented article, or that the design applied thereto is a registered design.

(4) Any person who, after the copyright in a design has expired, puts or causes to be put on any article to which the design has been applied the word "registered" or any word or words implying that there is a subsisting copyright in the design, shall be liable on conviction under the Summary Jurisdiction Acts to a fine not exceeding five pounds.

There is an important difference between the wording of paragraphs (2) and (3) and that of the former corresponding enactment, under which it was held that if a patent had ever been granted for an article the right to use the word "patent" was independent of the continued existence of the patent.

The old penalty applied only if a representation were made that an article was a patented article "when no patent had been granted for the same."

Probably the alteration of the language of the paragraph was intended to prevent the use of the word "patent" or "patented" for an article the patent for which has long since expired, so as to prevent manufacturers from frightening off competitors when they have ceased to have any monopoly in the article.

If the effect of the present section is to forbid the use of the word "patent" after the patent has expired, the sellers of articles marked with the word "patent" must ascertain whether there is in fact an existing patent applying to them, or they will entail a penalty.

It will be noticed that in the case of a design there is an express prohibition against continuing the use of the word "registered" after the expiration of the copyright, but that this is not the case as regards the use of the word "patent," and being a penal enactment, the section must be construed strictly and not extended beyond its express language. The real question therefore is as to whether "patented article" means an article for which there is an existing patent, or one for which there has at some time or other been a patent granted. There is another possible ambiguity in the provision in the case of an article which has been patented abroad, but not in Great Britian. Is an article which is the subject of a patent in the United States a patented article all

over the world, and in particular within the United Kingdom? It seems probable that this is not the meaning of the Act, since in section 91, dealing with foreign patents, the Act is careful to restrict the use of the word "patent" to patent for the United Kingdom, and in section 93 it provides that "patent" means letters patent for an invention. The definition of "invention" in the same section says: "invention means any manner of new manufacture the subject of letters patent and grant of privilege within section six of the Statute of Monopolies." Such new manufactures means new manufactures within this realm, and this seems to limit "patent" for all purposes of the Act to patent for the United Kingdom. If this be the case, the existence of a foreign patent, even in an English-speaking country where the same word is used, would not be any defence to a prosecution under section 89 (2). It may also be observed that the terms used are "is a patented article," *i. e.* "is at the time of sale a patented article." It would hardly be in accordance with common sense to describe an ordinary condensing steam engine as a "patent engine" because Watts once had a patent for such an engine.

Retailers should insist upon the word "patent" or "patented" being in every case accompanied by the date and number of the patent, and upon a guarantee that such patent is in force, before dealing in any article which bears the word "patent" or "patented."

The word "patent" may probably be lawfully used as

soon as the complete specification has been accepted, section 10 providing that, after the acceptance of the complete specification and until the date of sealing a patent in respect thereof, or the expiration of the time for sealing, the applicant shall have the like privileges and rights as if a patent for the invention had been sealed on the date of acceptance of the complete specification. Provided that an applicant shall not be entitled to institute any proceeding for infringement until a patent for the invention has been granted to him (see *R.* v. *Townsend*, 1896, Pal. Ct., 13 R.P.C. 265).

Misuse of Term "Patent Office."

Those who knew Chancery Lane and its surroundings prior to the year 1908 will remember that "Patent Offices" abounded, and probably many an intending patentee was misled by this high-sounding description for the office of a Patent agent or of someone who, though not a Patent agent, was anxious to do the work of a member of that limited fraternity. This abuse of language is now provided against by section 89 (5) of the Act, which is as follows:

> If any person uses on his place of business or on any document issued by him or otherwise the words "Patent Office," or any other words suggesting that his place of business is officially connected with or is the Patent Office he shall

be liable on conviction under the Summary Jurisdiction Acts to a fine not exceeding twenty pounds.

Misuse of Term "Patent Agent."

For the protection of inventors the legislature have restricted the use of the title "Patent Agent" to persons who are duly registered as such, and registration can only be obtained after satisfactory evidence of competency.

By section 84:

If any person who is not a registered patent agent knowingly describes himself as such, whether by advertisement, by description on his place of business, by any document issued by him or otherwise, he is liable on summary conviction to a fine not exceeding twenty pounds.

The prohibition is confined to the use of the actual words "Patent Agent." Anyone can style himself a patent expert or use any other similar title (*Graham* v. *Eli*, 1898, 15 R.P.C. 259), nor is there any objection to any person who is not a registered patent agent doing any work of the kind usually done by patent agents, or acting as agent for any other person in connection with applications relating to patents (*ibid.* *Graham* v. *Fanta*, 1892, 9 R.P.C. 263).

Any solicitor can thus style himself a Patent

Solicitor if he wishes to make a speciality in patent work, and under this style he can do the ordinary work of a patent agent.

Misuse of Royal Arms.

Section 90 of the Act provides as follows:

(1) The grant of a patent under this Act shall not be deemed to authorise the patentee to use the Royal Arms or to place the Royal Arms on any patented article.

(2) If any person without the authority of His Majesty uses in connection with any business, trade, calling, or profession the Royal Arms (or arms so nearly resembling them as to be calculated to deceive) in such manner as to be calculated to lead to the belief that he is duly authorised to use the Royal Arms, he shall be liable on conviction under the Summary Jurisdiction Acts to a fine not exceeding twenty pounds:

Provided that nothing in this section shall be construed as affecting the right, if any, of the proprietor of a trade mark containing such arms to continue to use such trade mark.

It need hardly be said that it is open to anyone to prosecute for any of the above offences.

CHAPTER XI.

Miscellaneous Provisions.

Term of Patent.

Section 17.—(1) The term limited in every patent for the duration thereof shall, save as otherwise expressly provided by this Act, be fourteen years from its date.

(2) A patent shall, notwithstanding anything therein or in this Act, cease if the patentee fails to pay the prescribed fees within the prescribed times; provided that the Comptroller, upon the application of the patentee, shall, on receipt of such additional fee, not exceeding ten pounds, as may be prescribed, enlarge the time to such an extent as may be applied for but not exceeding three months.

(3) If any proceeding is taken in respect of an infringement of the patent committed after a failure to pay any fee within the prescribed time, and before any enlargement thereof, the

Court before which the proceeding is proposed to be taken may, if it thinks fit, refuse to award any damages in respect of such infringement.

Enlargement of time must be applied for on Patent Form No. 14, stamp £1, £3, or £5 for an enlargement not exceeding one, two, or three months respectively. Enlargement of time is a matter of right.

For extension of term of patent by the Court, see Chapter VI.

Patents of Addition.

The Act has introduced a new form of patent under the title "Patent of Addition," the provisions with regard to which are comprised in section 10, which is as follows:

(1) Where a patent for an invention has been applied for or granted, and the applicant or the patentee, as the case may be, applies for a further patent in respect of any improvement in or modification of the invention, he may, if he thinks fit, in his application for the further patent, request that the term limited in that patent for the duration thereof be the same as that of the original patent or so much of that term as is unexpired.

(2) Where an application containing such a request is made, a patent (hereinafter referred

to as a patent of addition) may be granted for such term as aforesaid.

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

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

Subsection 4 is rather important from the point of view of the public, for there is not any provision to prevent a patentee from bringing an action for the infringement of the patent of addition without alleging infringement of the principal patent. In such action the subsection suggests that the only defence, apart from matters relating to true and first inventor and technical objections to the specification, would be non-infringement. On the language of the subsection it seems doubtful whether any attack can be made on the ground of subject matter. It may therefore be well to make use of this provision to provide a series of patents on which the patentee can attack infringers from a position of security such as

a British patentee has never previously been allowed to occupy.

Restoration of Lapsed Patents.

Section 20.—(1) Where any patent has become void owing to the failure of the patentee to pay any prescribed fee within the prescribed time, the patentee may apply to the Comptroller in the prescribed manner for an order for the restoration of the patent.

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

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

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

(5) After the expiration of the prescribed period the Comptroller shall hear the case, and, subject to an appeal to the Court, issue

an order either restoring the patent or dismissing the application; provided that in every order under this section restoring a patent such provisions as may be prescribed shall be inserted for the protection of persons who may have availed themselves of the subject-matter of the patent after the patent had been announced as void in the illustrated official journal.

An application for the restoration of a lapsed patent must be made on Patent Form No. 15, bearing a stamp for £20, and accompanied by one or more statutory declarations verifying the statements made in the application. Opposition can be made on Patent Form 16, stamp £1, lodged within two months after the first advertisement of the application in the official journal, and evidence in opposition by statutory declaration must be lodged at the Patent Office within fourteen days after notice of opposition, and copies must be delivered to the applicant. Hearing fee of £1 on Patent Form No. 9 payable by each party. Appeal to the Court is by petition under O. LIIIA, RR. 4 to 9, for which see Chapter VIII.

CROWN.

Section 29.—A patent shall have to all intents the like effect as against His Majesty the King as it has against a subject:

Provided that any Government department may, by themselves, their agents, contractors, or others, at any time after the application, use the invention for the services of the Crown on such terms as may, either before or after the use thereof, be agreed on, with the approval of the Treasury, between the department and the patentee, or, in default of agreement, as may be settled by the Treasury after hearing all parties interested.

In case of infringement by a Government department, application should be made for royalty to be fixed, and if the validity of the patent be disputed, the patentee should ask for the name of some servant of the government who will be authorised to defend an action for infringement on behalf of the Crown. This enables the action to be brought in the ordinary way instead of being by petition of right (*Maxim-Nordenfelt* v. *Anderson*, 1897, 14 R.P.C. 371; *Nobel's Explosives Co.* v. *Anderson*, 1894, 11 R.P.C. 115).

Restrictive Conditions in Contracts relating to Patents.

Attempts have frequently been made to obtain by means of a patent for one thing protection for something else more or less closely connected with it so as to restrict the liberty of the public who may wish to

make use of a patented invention in carrying on their business. Section 38, which has already been noticed in Chapter II, deals with this evil, and is as follows:

Restriction on User of Invention.

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

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

(*b*) To require the purchaser, lessee, or licensee to acquire from the seller, lessor, or licensor, or his nominees, any article or class of articles not protected by the patent;

and any such condition shall be null and void, as being in restraint of trade and contrary to public policy.

Provided that this subsection shall not apply if—

(i) The seller, lessor, or licensor proves that at the time the contract was entered into the purchaser, lessee, or licensee had the option of purchasing the article or obtaining a lease or licence on reasonable terms, without such conditions as aforesaid; and

(ii) The contract entitles the purchaser, lessee, or licensee to relieve himself of his liability to observe any such condition on giving the other party three *months'* notice in writing and on payment in compensation for such relief in the case of a purchase of such sum, or in the case of a lease or licence of such rent or royalty for the residue of the term of the contract, as may be fixed by an arbitrator appointed by the Board of Trade.

(2) Any contract relating to the lease of or licence to use or work any patented article or patented process, whether made before or after

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

(3) Any contract made before the passing of this Act relating to the lease of or license to use or work any patented article or process and containing any condition which, had the contract been made after the passing of this Act, would by virtue of this section have been null and void may, at any time before the contract is determinable under the last preceding subsection, and notwithstanding anything in the same or any other contract to the contrary, be determined by either party on giving three months' notice in writing to the other party,

but where any such notice is given the party giving the notice shall be liable to pay such compensation as, failing agreement, may be awarded by an arbitrator appointed by the Board of Trade.

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

(5) Nothing in this section shall—

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

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

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

(*d*) Affect any condition in a contract for the lease of or licence to use a patented

article, whereby the lessor or licensor reserves to himself or his nominees the right to supply such new parts of the patented article as may be required to put or keep it in repair.

Costs in Patent Office Proceedings.

39.—(1) The Comptroller shall, in proceedings relating to an opposition to the grant of a patent or to an application for the amendment of a specification or the revocation of a patent, have power by order to award to any party such costs as he may consider reasonable, and to direct how and by what parties they are to be paid, and any such order may be made a rule of the Court.

(2) If a party giving notice of opposition to the grant of a patent or to the amendment of a specification, or applying to the Comptroller for the revocation of a patent, or giving notice of appeal from any decision of the Comptroller, neither resides nor carries on business in the United Kingdom or the Isle of Man, the Comptroller, or, in case of appeal to the law officer, the law officer may require such party to give security for costs of the proceedings or appeal,

and in default of such security being given may treat the proceedings or appeal as abandoned.

As a general rule costs before the Comptroller follow the event, the Comptroller fixing a sum that he considers to be adequate according to the circumstances of each case.

Where there is an appeal to the Court, the Court can deal with the costs before the Comptroller (O. LIIIA, R. 9).

Duplicate Patents.

Section 44.—If a patent is lost or destroyed, or its non-production is accounted for to the satisfaction of the Comptroller, the Comptroller may at any time seal a duplicate thereof.

Application for a duplicate patent must be made on Patent Form No. 70, bearing a stamp for £2 and verified by statutory declaration.

Use of Inventions on Foreign Ships.

Section 48.—(1) A patent shall not prevent the use of an invention for the purposes of the navigation of a foreign vessel within the jurisdiction of any of His Majesty's Courts in the United Kingdom or Isle of Man, or the use of an invention in a foreign vessel within that

jurisdiction, provided it is not used therein for or in connection with the manufacture or preparation of anything intended to be sold in or exported from the United Kingdom or Isle of Man.

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

PATENT OFFICE, ETC.

62.—(1) The Treasury may continue to provide for the purposes of this Act and the Trade Marks Act, 1905, an office with all requisite buildings and conveniences, which shall be called, and is in this Act referred to as, the Patent Office.

(2) The Patent Office shall be under the immediate control of the Comptroller, who shall act under the superintendence and direction of the Board of Trade.

(3) Any act or thing directed to be done by or to the Comptroller may be done by or to any officer authorised by the Board of Trade.

(4) Rules under this Act may provide for the establishment of branch offices for designs at Manchester or elsewhere, and for any document or thing required by this Act to be sent to or done at the Patent Office being sent to or done at any branch office which may be established.

63.—(1) There shall continue to be a Comptroller-General of patents, designs, and trade marks, and the Board of Trade may, subject to the approval of the Treasury, appoint the Comptroller, and so many examiners and other officers and clerks, with such designations and duties as the Board of Trade think fit, and may remove any of those officers and clerks.

Provisions as to Registers and other Documents in Patent Office.

Section 66.—There shall not be entered in any register kept under this Act, or be receivable by the Comptroller, any notice of any trust expressed implied or constructive.

An equitable assignment can be registered as a document affecting the proprietorship of the patent (*Stewart* v. *Casey*, 1892, C.A. 9 R.P.C. 9).

Section 67.—Every register kept under this Act shall at all convenient times be open to the

inspection of the public, subject to the provisions of this Act and to such regulations as may be prescribed; and certified copies, sealed with the seal of the Patent Office, of any entry in any such register shall be given to any person requiring the same on payment of the prescribed fee.

The register is open for inspection during office hours, *i. e.* 10 to 4 on weekdays, 10 to 1 on Saturdays. The Office is closed on the day kept as his Majesty's birthday and the usual holidays.

The fee for inspection or search is 1*s.* for each patent.

Printed copies of specifications are sold at the uniform price of 8*d.*, and can be obtained for this sum at the Patent Office or on a postal application made on Patent Form No. 35, which can be obtained for 8*d.* through any money order office.

The fees for Office Copies are 4*d.* for every hundred words and for drawings by agreement, and 1*s.* for certifying.

Section 68.—Reports of examiners made under this Act shall not in any case be published or be open to public inspection, and shall not be liable to production or inspection in any legal proceeding, unless the court or officer having power to order discovery in such legal proceed-

ings certifies that such production or inspection is desirable in the interests of justice, and ought to be allowed.

Section 69.—(1) Where an application for a patent has been abandoned, or become void, the specifications and drawings (if any) accompanying or left in connection with such application, shall not, save as otherwise expressly provided by this Act, at any time be open to public inspection or be published by the Comptroller.

CORRECTION OF ERRORS IN DOCUMENTS.

Section 70.—The Comptroller may, on request in writing accompanied by the prescribed fee,—

(*a*) Correct any clerical error in or in connection with an application for a patent or in any patent or any specification;

(*b*) Correct any clerical error in the representation of a design or in the name or address of the proprietor of any patent or design, or in any other matter which is entered upon the register of patents or the register of designs.

Application for the correction of a clerical error is

made on Patent Form 30, bearing a stamp for 5s. or £1, according as the patent has or has not been sealed.

Registration of Assignments, etc.

Section 71.—(1) Where a person becomes entitled by assignment, transmission, or other operation of law to a patent, or to the copyright in a registered design, the Comptroller shall, on request and on proof of title to his satisfaction, register him as the proprietor of a patent or design.

(2) Where any person becomes entitled as mortgagee, licensee, or otherwise to any interest in a patent or design, the Comptroller shall, on request and on proof of title to his satisfaction, cause notice of the interest to be entered in the prescribed manner in the register of patents or designs, as the case may be.

(3) The person registered as the proprietor of a patent or design shall, subject to the provisions of this Act and to any rights appearing from the register to be vested in any other person, have power absolutely to assign, grant licences as to, or otherwise deal with, the patent or design and to give effectual receipts

for any consideration for any such assignment, licence, or dealing: Provided that any equities in respect of the patent or design may be enforced in like manner as in respect of any other personal property.

The application for registration must be made on Patent Form 27 in the case of proprietorship, on Patent Form 28 in the case of any other interest in a patent such as mortgagee or licensee, and on Patent Form 29 in the case of any document purporting to affect the proprietorship of a patent. In each case the application must bear an impressed stamp for 10s.

In order to be entitled to registration a document must as a rule affect the proprietorship of the patent in a definite manner. A letter agreeing to give an exclusive licence upon terms to be agreed and an agreement in a general form relating to future patents have been held not to be registrable (*Fletcher's Patent*, 1893, 10 R.P.C. 252; *Parnell's Patent*, 1888, 5 R.P.C. 126).

The Comptroller may call for any further evidence of title if he is not satisfied.

Original documents or office copies of records showing title must be produced, and attested copies left at the Patent Office (see Patent Rules, 1908, 85–91).

As to conveyance, etc., see next chapter.

Where a company in which a patent was legally vested has been dissolved any person entitled to the

patent may apply to the Patent Office to be registered as proprietor, and should not petition the Court (re *Taylor's Agreement*, 1904, 21 R.P.C. 713).

Rectification of Register by Court.

Section 72.– (1) The Court may, on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the egister of patents or designs of any entry, or by any entry made in either such register without sufficient cause, or by any entry wrongl remaining on either such register, or by an error or defect in any entry in either such register, make such order for making, expunging, or varying such entry as it may think fit.

(2) The Court may in any proceeding under this section decide any question that it may be necessary or expedient to decide in connection with the rectification of a register.

(3) The prescribed notice of any application under this section shall be given to the Comptroller, who shall have the right to appear and be heard thereon, and shall appear if so directed by the Court.

(4) Any order of the Court rectifying a

register shall direct that notice of the rectification be served on the Comptroller in the prescribed manner, who shall upon the receipt of such notice rectify the register accordingly.

Application for rectification is made by originating motion in the Chancery Division served on the Comptroller and any person affected thereby. The Comptroller is entitled to four clear days' notice of any application (Rule 113). The order of the Court must be entered on the register, Patents Form No. 34, stamp 10s.

EVIDENCE, ETC.

Section 77.—(1) Subject to rules under this Act in any proceeding under this Act before the Comptroller the evidence shall be given by statutory declaration in the absence of directions to the contrary; but in any case in which the Comptroller thinks it right so to do he may take evidence *viva voce* in lieu of or in addition to evidence by declaration or allow any declarant to be cross-examined on his declaration. Any such statutory declaration may in the case of appeal be used before the Court in lieu of evidence by affidavit, but if so used shall have all the incidents and consequences of evidence by affidavit.

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

Statutory Declarations and Affidavits in Patent Office.

"Rule 106. The statutory declarations and affidavits required by these Rules or used in any proceedings thereunder shall be headed in the matter or matters to which they relate and shall be drawn up in the first person, and shall be divided into paragraphs consecutively numbered, and each paragraph shall, so far as possible, be confined to one subject. Every statutory declaration or affidavit shall state the description and true place of abode of the person making the same, and shall be written or printed bookwise, and shall bear the name and address of the person leaving it, and shall state on whose behalf it is left.

"Rule 107. The statutory declarations and affidavits required by the Act and these Rules or used in any proceedings thereunder shall be made and subscribed as follows:

"(*a*) In the United Kingdom, before any justice of the peace or any commissioner or other

officer authorised by law in any part of the United Kingdom to administer an oath for the purpose of any legal proceeding.

"(*b*) In any other part of His Majesty's dominions before any court, judge, justice of the peace, or any officer authorised by law to administer an oath there for the purpose of a legal proceeding; and

"If made out of His Majesty's dominions, before a British Minister or person exercising the functions of a British Minister or a Consul, Vice-Consul, or other person exercising the functions of a British Consul, or before a notary public, or before a judge or magistrate."

Documents for the Patent Office must always be strong white paper approximately 13 inches by 8 inches with a margin on left-hand side of at least one and a half inches, and signatures must be in a large and legible hand. They may be written, lithographed, or type-written or printed, and must be in the English language, and duplicate documents must be left if required.

CERTIFICATES BY COMPTROLLER.

Section 78.—A certificate purporting to be under the hand of the Comptroller as to any entry, matter, or thing which he is authorised by this Act, or any general rules made there-

under, to make or do, shall be *primâ facie* evidence of the entry having been made, and of the contents thereof, and of the matter or thing having been done or left undone.

The fee for any such certificate is 5s. Application to be made on Patent Form 31.

Section 79.—Printed or written copies or extracts, purporting to be certified by the Comptroller and sealed with the seal of the Patent Office, of or from patents, specifications, and other documents in the Patent Office, and of or from registers and other books kept there, shall be admitted in evidence in all Courts in His Majesty's dominions, and in all proceedings, without further proof or production of the originals.

SERVICE OF PROCESS.

81.—Any application, notice, or other document authorised or required to be left, made, or given at the Patent Office or to the Comptroller, or to any other person under this Act, may be sent by post.

Any document relating to proceedings at the Patent Office may be sent by post in a prepaid or official paid letter addressed to the Comptroller,

Patent Office, Chancery Lane, London, and if sent by post is deemed to be received at the time at which such letter would be delivered in the ordinary course of post (see Rules 6 and 7).

Every patentee is now required to have an address for service within the United Kingdom, and any letter addressed to a patentee at his address as it appears on the register of patents or at his address for service, or to any applicant for or opponent to the grant, revocation, or restoration of a patent at the address appearing on the application or notice of opposition or given for service as provided in the Rules, is deemed to be sufficiently addressed (see Rules 7 and 8).

INFANCY, ETC.

83.—(1) If any person is, by reason of infancy, lunacy, or other disability, incapable of making any declaration or doing anything required or permitted by or under this Act, the guardian or committee (if any) of the person subject to the disability, or, if there be none, any person appointed by any Court possessing jurisdiction in respect of his property, may make such declaration or a declaration as nearly corresponding thereto as circumstances permit, and do such thing in the name and on behalf of the person subject to the disability.

(2) An appointment may be made by the Court for the purposes of this section upon the petition of any person acting on behalf of the person subject to the disability or of any other person interested in the making of the declaration or the doing of the thing.

Patent Forms and Fees.

Forms are not supplied by the Patent Office, but can be purchased on personal application at the Inland Revenue Office, Royal Courts of Justice (Room No. 6), Strand, London, W.C., or, at a few days' notice and upon pre-payment of the value of the stamp, at any Money Order Office in the United Kingdom.

If it should not be convenient to apply in either of the ways above specified, the stamped Forms can be ordered by post from the Controller of Stamps, Room 7, Inland Revenue Office, Somerset House, London, W.C. In this case a bankers' draft or a Money or Postal Order payable to the Commissioners of Inland Revenue and crossed "Bank of England," to cover the value of the stamp and the cost of transmitting the Form in a registered envelope by post, must be forwarded to Somerset House with the application for the Form. Cheques will not be accepted.

Unstamped forms can also be obtained at Room No. 6.

CHAPTER XII.

PATENT CONVEYANCING.

LETTERS patent are personal property and are assignable by deed, either in whole or in part, the legal title of the assignee being perfected by registration at the Patent Office in the manner described in the last chapter. It need hardly be said that a document must be properly stamped before it can be registered.

The rights granted by a patent extend to the United Kingdom and the Isle of Man, and can be assigned or otherwise dealt with either for the whole or for any part of this area and either for the entirety or for any share within that area or any district (*Actien Gesellschaft* v. *Templer*, 1900, 18 R.P.C. 6). When the rights for a district are assigned the assignee becomes the patentee for that district, and he has this advantage over a mere licensee for the district, that he can sue in his own name for infringements taking place within the district. A mere licensee, even though his licence be exclusive, cannot sue without joining the patentee (*Heap* v. *Hartley*, 1889, C.A. 42 Ch. D. 461, 6 R.P.C. 495). This makes assignment for a district in some

cases more convenient than a licence, and as the assignment may be in consideration of a royalty its other effects are very similar.

Patent rights can of course be dealt with by will, and if bequeathed the title of the legatee would be completed by the assent of the personal representatives. This should be in writing so as to be put on the register.

Where the payment of a royalty is the consideration for an assignment, the assignee is not bound to pay renewal fees in the absence of express agreement (in re *Railway Electrical Appliances*, 1876, 3 Ch. D. 597).

EQUITIES.

Although by section 66 notice of a trust cannot be entered on the register, it has been held that an equitable assignment can be registered (*Stewart* v. *Casey*, 1892, C.A. 9 R.P.C. 9).

A patent belonging to a bankrupt or granted to an undischarged bankrupt passes to his trustee as part of his estate (*Hesse* v. *Stevenson*, 1803, 3 Bos. and P. 565).

Notice of an equity will defeat priority of registration (*New Ixion Tyre* v. *Spilsbury*, 1898, 15 R.P.C. 380; 1898, 2 Ch. 484).

This might defeat a conveyance by a bankrupt, since all the world has notice of the bankruptcy. Thus where there is any possibility of a bankruptcy on the part of a vendor search should be made before completion.

Similarly the non-production of the Letters Patent themselves would suggest that some person might have an equitable interest in them by deposit, and before completing a purchase in which the vendor is not in possession of the letters patent the greatest care must be exercised.

The assignee of an assignee takes subject to the terms of the first assignment (*Werdeman* v. *Société Générale d'Electricity*, 1881, 19 Ch. D. 247).

Where the patentee has given an option to take an exclusive licence, and before the licence is granted assigns his patent to a third party subject to the rights given under the option, the assignee of the patent is not a necessary party to the licence (*Frentzell* v. *Donjill*, 1904, 21 R.P.C. 641).

Warranties on Sale, Etc.

There is not any implied warranty upon the sale of a patent that it is valid (*Hall* v. *Condor*, 1857, 2 C.B.N.S. 22; *Smith* v. *Neale*, 1857, c. C.B.N.S. 67, 26 L.J.C.P. 143). Similarly there is not any implied warranty upon the sale of a patented article either that the patent is valid or that the article does not infringe some other patent (*Monforts* v. *Marsden*, 1895, 12 R.P.C. 266). It is not fraudulent for a patentee to grant a licence merely because he knows that his pateint is invalid, nor will proof of such knowledge on his part enable the licensee to avoid payment of his royalties (*Smith* v. *Scott*, 1859, 6

C.B.N.S. 771). Thus a patentee who has contracted to sell his patent can maintain an action for the purchase money, and a patentee who has granted a licence can sue for royalties, even though the patent has been held to be invalid. The purchaser or licensee who wishes to be protected must insist upon an express covenant for validity or the cessation of royalties upon any declaration of validity. A general warranty of validity upon sale is unusual, but a purchaser sometimes stipulates for a covenant that the vendor, if an original grantee, had not done anything to render the patent invalid by having published the invention before the date of his application.

Sometimes the purchaser bargains that the vendor shall prosecute an action for infringement to trial, and that the sale shall be conditional upon the patent being upheld. In such a case if the result of the trial be adverse the purchaser may prosecute an appeal upon indemnifying the vendor against the cost (*Commercial Development* v. *Atkins*, 1902, C.A. 19 R.P.C. 93).

Sale of Future Patents and Future Inventions.

A contract for the sale of a patent by the original inventor frequently includes the right to all future improvements invented by him either with or without further payment, and such contract is perfectly valid

and very often quite necessary for the protection of the purchaser (*Printing, etc., Co.* v. *Sampson*, L.R. 19 Eq. 462; *Pneumatic Tyre Co.* v. *Dunlop*, 1896, 13 R.P.C. 553).

Co-owners.

The case of co-grantees is provided for by the Act (see p. 4); they are joint-tenants in law and tenants in common in equity, but in other cases of co-owners they may be tenants in common in law as well as in equity, and in such cases unless their respective rights are regulated by agreement each would be at liberty to work the patent for his own benefit without accounting to the others for any profits he may make (*Steers* v. *Rogers*, 1893, H.L. 10 R.P.C. 245). Whether a co-owner other than a co-grantee can grant licences and receive royalties without accounting to the other owners does not appear to have ever been determined (*Mathers* v. *Green*, 1865, L.R. 1 Ch. 29). A person who is entitled to a share of the profits of a patent can claim an account from a licensee, but the account must be taken in the presence of all persons interested (*Bergmann* v. *MacMillan*, 1881, 17 Ch. D. 423).

Where a patent is partnership property, even though it be granted to one partner, each partner will in the absence of agreement to the contrary be entitled to work under it for his own benefit in case of a dissolution (*Kenny's Buttonholing Co.* v. *Somerville*, 26 W.R. 787).

Licences (See also Chapter VII).

One of the most important rights of a patentee is that of being able to licence others to use his invention on payment of a royalty. This is a right that is specially provided for in the grant, although it might well have followed as a matter of course without special mention.

A licence to work under a patent if granted by deed requires to be stamped like any other deed, but a licence not under seal will be enforced by the Courts (*Chanter* v. *Dewhurst*, 1844, 12 M. and W. 823). Correspondence containing the main terms of a licence and forming part of negotiations for a formal licence which was never executed, followed by the payment of royalty, constitutes a binding licence (*Tweedale* v. *Ashworth*, 1896, 13 R.P.C. 522). A licence other than by deed does not appear to require any stamp (*Chanter* v. *Johnson*, 1845, 14 M. and W. 411). An agreement to grant a licence is enforceable in equity, and is in many respects as good as a licence (*Post-Card Automatic Supply* v. *Samuel*, 1889, 6 R.P.C. 562).

A licence may be by parole, and in such cases is *primâ facie* revocable (*Coppin* v. *Lloyd*, 1898, 15 R.P.C. 373). The presumption of revocability is easily rebutted where there is any consideration. For instance, as has been already pointed out, the sale by the patentee of a patented machine is a parole

licence to the purchaser and to any assign from him to use it as he may think fit for his own advantage, and the patentee cannot revoke this licence (*Incandescent Gas Light* v. *Cantelo*, 1895, 12 R.P.C. 262).

The right of the patentee to grant licences upon such terms as he may think right is now subject to the restrictions imposed by section 38 which has been already noticed (see p. 158), and the greatest care must be exercised not to infringe the provisions of this section, as any infringement may be tantamount to the loss of all the patentee's rights.

There is a duty upon every patentee not to so use his monopoly as to interfere with trade, and he is, among other things, bound to grant licences upon reasonable terms.

Exclusive Licences.

It has been not at all unusual in the past to grant an exclusive licence for the whole of the United Kingdom to work under a patent, but there is now some danger in doing this on account of the provisions of section 27. If an exclusive licensee uses his licence so as to prejudicially affect the trade of the United Kingdom by manufacturing abroad, the patent may be revoked and the patentee may, by the grant of the licence, have put it out of his power to comply with the requirements of that section, and so be unable to save his patent.

Threats by an exclusive licensee have been held

protected by an action for infringement brought by the licensor (*Incandescent Gas* v. *New Incandescent Gas*, 76 L.T. 47); such threats are, however, dangerous, since even an exclusive licensee cannot bring an action for infringement (*Heap* v. *Hartley*, 1889, C.A. 42 Ch. D. 461, 6 R.P.C. 495).

Local Licences.

Where the working of a patent is a matter that can be treated as of a local nature, it is often convenient to grant exclusive licences for localities, or as an alternative to assign the patent for localities either for a lump sum or for royalty as though a licence had been granted.

Ordinary Licence to Manufacture.

The most ordinary form of licence is probably a licence to manufacture under the patent in which the right of selling is impliedly included (*Thomas* v. *Hunt*, 1864, 17 C.B.N.S. 183), the licensee to pay royalty on all articles manufactured under the licence, with or without a minimum royalty, and to keep accounts to which the patentee is to have access at all reasonable times. A licence "to use and exercise" an invention is a full licence, and includes the right to import as well as to manufacture (*Dunlop Pneumatic Tyre* v. *North British Rubber*, C.A. 1904, 21 R.P.C. 161).

Special Licences.

Licences are of very varying kinds, and it is not always easy to determine what are the rights of the parties under them.

Thus one may have a licence to manufacture a particular article for a particular purpose without including the right to use such article or to entitle anyone else to use it (*Basset* v. *Graydon*, 1897, H.L. 14 R.P.C. 701). Then there may be a right given to sell upon certain terms, and any sale upon other terms will be an infringement. Then, again, on a sale by the patentee the right of user may be restricted by notice given before the sale, and any user by the purchaser or by any sub-purchaser from him contrary to the notice will be an infringement (*Incandescent Gas Light* v. *Cantelo*, 1895, 12 R.P.C. 262; *Incandescent Gas Light* v. *Brogden*, 1899, 16 R.P.C. 179). If patented articles are supplied for sale subject to restrictions set out in a label attached to them, any purchaser is entitled to rely on this statement of restrictions being inclusive (*Badische Anilin* v. *Isler*, C.A. 1906, 23 R.P.C. 633).

In the absence of a restrictive notice the sale of a patented article by a patentee is a licence to the purchaser and to any person claiming under him to sell or use the same in any manner that is desired in any country for which at the time of sale the patentee has patent rights, but not in any country for which he

has previously parted with his patent rights (*Betts* v. *Willmott*, 1871, L.R. 6 Ch. 239).

It has been a very common practice to license particular machines for use on a royalty to be determined by the amount of the user ascertained by a counting machine attached, and such a licence is free from any objection provided it does not involve a contravention of section 38.

A licensee may be restricted to manufacturing a particular form of the patented article and may be bound not to sell below a certain price (*Societé Anonyme* v. *Midland Lighting Co.*, 1897, 14 R.P.C. 419). If a licensee has agreed in his licence not to infringe the patent or do anything in competition with it he will be bound by his contract even though it may prevent him from carrying on his business in the manner in which it was carried on before the date of the licence (*Monchel* v. *Cubitt*, 1907, 24 R.P.C. 194).

A licensee unless specially required so to do is not bound to complete the article made under his licence before selling it; he may leave the purchaser to complete it ready for use (*Dunlop Pneumatic Tyre* v. *Cresswell*, 1901, 18 R.P.C. 473).

Like the patent itself a licence is necessarily of a local nature, and a licence under a British patent does not authorise the licensee to sell an article made under it in a foreign country, for which there are patent rights, even though his licensor may own those

patent rights. Similarly a licence under a foreign patent does not authorise a sale in England (*Societé Anonyme* v. *Tilghman*, 1883, C.A. 25 Ch.D. 1).

A licence may be granted before the patent is sealed, and even before the complete specification has been filed (*Otto* v. *Singer*, 1890, 7 R.P.C. 7).

Licences by Part Owners.

The part owner of a patent can grant a valid licence under his share of the patent, but the position of his licensee with regard to the other owners is not quite clear.

The part owner of a patent can in the absence of agreement to the contrary use the patent on his own account for his own benefit without accounting to the other owners for any profit he may make (*Steers* v. *Rogers*, 1893, H.L. 10 R.P.C 245). Thus he can grant to those who purchase from him the right to use the patented articles supplied, which is a particular form of licence. He can also clearly licence others to make for him the articles that he wishes to sell, and he can authorise others to sell on his behalf.

His whole part in the transaction may be reduced to receiving part of the profits of the sale, and be thus made very like the position of a mere licensor. Again, he may sell a part of his share in the patent, and this will enable the purchaser to work under it for his own benefit, even though the purchase consideration be in the form of payments indistinguishable

from royalties. A licence may be granted in consideration of a lump sum, and in that case would be very similar in effect to a sale of a small share in the patent with a proviso against further sub-division or otherwise to protect the vendor.

It has been suggested that a part owner would have to account to his co-owners for their shares in any royalties he received from licences (*Mathers* v. *Green*, 1865, 1 Ch. 29), but this would be giving them a share of his personal work in obtaining the licences. Possibly the licensee of a part owner might be liable to account for a share of his profits to other owners (cf. *Job* v. *Potton*, 1875, L.R. 20 Eq. 84), but it is not easy to distinguish between the case of an implied licence, which a part owner must necessarily be able to grant without entitling his co-owners to anything, and an express licence. This difficulty will have to be faced in dealing with section 37 of the Act, for this entitles each of the joint grantees to use the invention for his own profit without accounting to the others, but prohibits the grant of a licence.

Licence under Void Patent.

When a licensee has accepted a licence he is estopped so long as the licence continues to exist from disputing the validity of the patent (*Clark* v. *Adie*, 1877, H.L. 2 A.C. 423), but after the licence has expired a licensee may attack the validity of the patent (*Dangerfield* v. *Jones*, 1865, 13 L.T. 141) unless

by his licence he has agreed not to do so. It is therefore advisable to insert in every licence an express covenant by the licensee not at any time to dispute the validity of the patent. The mere fact that a patent has been held void in litigation between the patentee and a third party does not assist a licensee (*Grover* v. *Millard*, 8 Jur. N.S. 714), and if royalties are to be paid during a certain fixed term the revocation of the patent before the end of that time does not affect the right of the patentee to be paid (*African Gold Recovery* v. *Sheba Gold*, 1897, 14 R.P.C. 660).

It is thus wise for a licensee to stipulate that in the event of the patent being declared invalid the royalties shall cease. Where this is done the reversal of such a declaration on appeal, even by consent, will restore the licence to full effect (*Cheetham* v. *Nuthall*, 1893, 10 R.P.C. 321).

Money paid as royalty under an invalid patent cannot be recovered from the patentee (*Taylor* v. *Hare*, 1805, 1 W.P.C. 292), unless there has been fraud (*Lovell* v. *Hicks*, 5 L J.N.S. Ex. Eq. 101).

Usually a licence is granted for the remainder of the term of the patent and any extension thereof and if for good consideration or under seal it cannot be revoked by the licensor (*Guyot* v. *Thomson*, 1894, 11 R.P.C. 541). A licence for an indefinite time unless express provision be made to the contrary would be determinable at any time by the licensor

(*Lines* v. *Usher*, 1897, C.A. 14 R.P.C. 206; *Mills* v. *Carson*, 1892, 9 C.A. 10 R.P.C.).

On the other hand in the absence of provision to the contrary the licensee can at any time repudiate his licence upon giving notice to the licensor, and from the time of such notice the licence terminates (*Redges* v. *Mulliner*, 1893, 10 R.P.C. 21; *Crossley* v. *Dixon*, 1863, 10 H.C.L. 293; *Cheetham* v. *Nuttall*, 1893, C.A. 10 R.P.C. 321). If the licence is really a lease of patented machinery the licensee cannot escape payment of the rent of the machine by repudiating the licence (*Cutlan* v. *Dawson*, 1897, C.A. 14 R.P.C. 249).

Warranty on Grant of Licence.

Just as the vendor of a patent does not warrant its validity so also the licensor does not warrant the validity of his patent, nor does he warrant that in working under the licence the licensee will not infringe some other patent not owned by himself (*Monforts* v. *Marsden*, 1893, 12 R.P.C. 266). Nor does the grant of a licence bind the licensor to keep up the patent by payment of the necessary fees, and if the licensee has covenanted to pay royalties for a fixed term they will continue to be payable even though the patent has lapsed by non-renewal (*Mills* v. *Carson*, 1892, 10 R.P.C. 9). The licensee can, however, protect himself against this, and if the licensor has agreed to protect and defend the patent

from infringements and in default thereof royalties are to cease, the lapse of the patent will excuse the payment of royalties and enable the licensee to recover back any royalties that he has paid since the lapse as money paid under a mistake (*Lines* v. *Usher*, 1897, C.A. 14 R.P.C. 206; *Henderson* v. *Shiels*, 1906, 24 R.P.C. 108). Similarly if a patent has been revoked the licensee can set up the revocation as putting an end to the licensor's title to royalties, unless he has agreed to pay them for a fixed term (*Muirhead* v. *Commercial Cable*, 1895, C.A. 12 R.P.C. 39).

Assignability of Licence.

A licence to work under a patent is property, so that a contract for its sale requires an *ad valorem* stamp (*Smelting Co. of Australia* v. *Commissioners of I.R.*, C.A. 1897, 1 Q.B. 175); being of a local nature it would appear to be property locally situated in the district to which it extends (*Commissioners of I.R.* v. *Muller*, H.L. 1901, A.C. 217), but the Commissioners of I.R. have taken a contrary view.

The assignor of a licence is estopped as against the assignee from disputing the validity of the patent (*Gonville* v. *Hay*, 1903, 21 R.P.C. 49).

Unless in its terms assignable a licence to work under a patent is not assignable, but it is very usual to permit of assignment with the licensee's business, and for the licensee to agree not to transfer his

business to any person who will not take a transfer of the licence.

Licence for a Company to be Formed.

Sometimes a company is formed to work under a licence, which the patentee either grants to the promotor or a trustee, or which he agrees to grant to the company when formed. The former method has the objection that until the licence has been actually transferred to the company there is not any privity of contract between the company and the patentee, even though the company has worked as though under the licence (*Bagot Pneumatic Tyre* v. *Clipper*, 1901, C.A. 19 R.P.C. 69). It is better for the patentee to enter into a contract with the promoter to grant the licence to the company, and the agreement can appoint the promoter the attorney of the patentee to execute the licence in case of the patentee refusing to carry out his contract. This method, which the author believes that he first suggested, enables the company to enforce the contract against the patentee without making the promoter a party to any litigation. The agreement between the patentee and the promoter can be registered as a document affecting the proprietorship of the patent, and the rights agreed on can thus be made sure for the company. A form of such contract will be found at page 220.

Although a licence is not assignable as of right

without express provision, a patentee who has accepted royalties from the assignee of a licensee cannot afterwards dispute the validity of the assignment (*Lawson* v. *Donald Macpherson*, 1807, 14 R.P.C. 696).

Multiple Licences.

A licence may extend to more than one patent, and may even be made to cover any future improvements that may be patented. In such cases the royalties may be made payable until the expiration of the last of the patents, and will then be payable without any deduction, even though the principal patents have expired (*Siemens* v. *Taylor*, 1892, 9 R.P.C. 393). In such cases the licensee must take care that he is properly protected after the earlier patents expire, or his licence may be an undesirable burden in competition with rivals who have the free use of the earlier inventions.

On the other hand, the patentee should in granting licences under several patents protect himself against the chance of some of them being revoked. If the consideration for a licence is the right to work under, say, six patents, and one of them ceases to exist, the partial failure of an entire consideration may disentitle the patentee from recovering anything (*Chanter* v. *Leese*, 1839, 5 M. and W. 701).

Simple forms of licence are given in the appendix.

APPENDIX.

CONVEYANCING FORMS.

FORM I.

AGREEMENT FOR JOINT APPLICATION.

MEMORANDUM OF AGREEMENT made the day of 19 between A. B. of the one part and C. D. of the other part WHEREAS the said A. B. claims to be in possession of an invention relating to and by him entitled of which the said A. B. claims to be the first and true inventor and which is hereinafter referred to as the said invention AND WHEREAS the said A. B. has requested the said C. D. to provide him with the funds requisite for perfecting and bringing out the said invention and the said C. D. has agreed to provide such funds subject to the conditions hereinafter contained NOW IT IS HEREBY MUTUALLY AGREED AS FOLLOWS that is to say—

1. The said A. B. shall in confidence explain the said invention to the said C. D. or some person named by him.

2. IF within one month after such explanation the said C. D. is satisfied or such other person reports favourably as to the value of the said invention the said A. B. and C. D. will forthwith apply for a joint grant of letters patent for the United Kingdom in respect of the said invention and will make similar applications in such colonies and

foreign countries as to the said C. D. shall appear advisable Such applications shall be made through E. F. or some other registered patent agent named by the said C. D and at the sole cost of the said C. D. and the said A. B. will supply the said E. F. or other patent agent aforesaid with full information as to the said invention in order to enable him to apply for the said letters patent and will assist as and when required in the preparation of the necessary specifications and drawings.

3. The said A. B. will as and when reasonably required by the said C. D. and at the cost of the said C. D. make or assist in making or supervise the making of any working or other models to show the working of the said invention and the said A. B. will at any time after the said application for letters patent for the United Kingdom has been accepted explain and demonstrate the said invention and models and the working thereof to such person or persons and at such place or places and time or times as the said C. D. shall reasonably require.

4. The said C. D. will pay the cost of making the application or applications aforesaid and will advance to the said A. B. from time to time such sums subject as hereinafter provided as the said A. B. shall reasonably require for defraying the cost of travelling and hotel expenses in connection with the carrying out of these presents and the cost of models and demonstrations as aforesaid and the said C. D. will also pay the said A. B. at the rate of per day for all time reasonably occupied in the carrying out of these presents including time during which by reason of his obligations hereunder the said A. B. is prevented from engaging in or obtaining other work.

5. Any letters patent obtained under this agreement shall be under the control of the said C. D. who shall have full power without consulting the said A. B. to enter into

any contracts for the sale thereof or for granting licences thereunder or otherwise in connection therewith including the mortgaging thereof PROVIDED ALWAYS that the said A. B. is not thereby rendered subject to any pecuniary liability or obligation and the said C. D. shall have full power to give a good and sufficient discharge to any purchaser licensee or mortgagee for any purchase money royalty or mortgage money payable in respect thereof and the said A. B. hereby agrees to concur in the execution of any deed licence or other document necessary for carrying any such contract into execution AND the said A. B. hereby irrevocably appoints the said C. D. to be his attorney in his name and on his behalf to do all such acts and things and to execute all such deeds and other instruments as may in the opinion of the said C. D. be necessary or convenient for giving effect to these presents PROVIDED that the said A. B. shall not thereby be subjected to any pecuniary liability.

6. It shall be lawful for the said C. D. in lieu of applying for letters patent for any colony or foreign country to sell the right to make any such application on any terms that the said C. D. may approve and any money or other consideration received in respect thereof shall be applied as though it were purchase-money paid for such letters patent.

7. The said A. B. shall not without the consent in writing of the said C. D. previously obtained either himself work under the said letters patent or licence any other person so to do.

8. The said C. D. shall be at liberty to work under the said letters patent but in the event of his so doing he shall keep proper accounts in separate books showing all his dealings in respect of goods made in accordance with the said invention and will permit the said A. B. or his agent thereto appointed in writing at all reasonable times to

inspect and take copies therefrom and will also permit the said A. B. or his agent appointed as aforesaid at all reasonable times to inspect any works whereon the said C. D. is carrying on any process of manufacture in accordance with the said invention and will render to the said A. B. half-yearly accounts showing the profits made by the said C. D. by working the said invention and will account for one-third of the profits so shown as though the same were royalties received by him in respect of the said letters patent and this clause shall apply so long as any letters patent obtained under these presents shall be in force.

9. All moneys and other considerations received by the said C. D. under or by virtue of these presents shall be applied by him in repaying all expenses incurred by him under or by virtue of these presents together with interest thereon at the rate of per cent. and the balance thereof shall be equally divided between the said A. B. and C. D.

10. The said A. B. may at any time after the expiration of months after the date of the application for letters patent for the United Kingdom by written notice require the said C. D. to state in writing whether he proposes to apply for any particular foreign or colonial letters patent and unless the said C. D. within fourteen days after such notice states in writing that he intends so to apply such foreign country or colony shall be excluded from this agreement and the said A. B. shall be at liberty to apply for letters patent for such foreign country or colony himself or to dispose for his own sole benefit of the right to make such application as to him shall seem good.

11. If the said A. B. shall at any time during the continuance of this agreement make any improvement in respect of the said invention he shall forthwith communicate the same in confidence to the said C. D. or some person

named by him as aforesaid and if the said C. D. shall within one month after such communication state in writing his desire to include such improvement in this agreement this agreement shall apply thereto as though the said improvement were part of the said invention otherwise the said A. B. shall be at liberty to apply for letters patent in respect of the said improvement on his own behalf or to otherwise deal with the same as to him shall appear right.

12. The said C. D. shall not be bound under these presents to pay any renewal fee necessary for keeping any letters patent obtained under these presents in force nor to work the said invention in any country where such working is required in order to support a patent but in the event of the said C. D. determining not to pay such renewal fee or to provide for such working the said C. D. shall give to the said A. B. in the case of a renewal fee one month's and in the case of working three months' notice of such his intention and from the date of such notice such letters patent shall cease to be subject to this agreement and the said C. D. shall at the request and cost of the said A. B. assign and convey or release the same to the said A. B. or his assigns without prejudice to any right the said A. B. may have to recover from the said C. D. any moneys previously received by the said C. D. in respect of the said letters patent.

13. The said C. D. shall at any time during the continuance of this agreement be at liberty to apply for the amendment or to bring any action for the infringement of any letters patent for the time being subject hereto and to use the name of the said A. B. therein upon indemnifying him against any liability for the costs thereof and in the event of the said C. D. being unwilling to defend any petition for the revocation of any such letters patent or if

any such letters patent shall be declared invalid in any legal proceedings to appeal from such decision or if such invalidity can be cured by amendment to apply for leave to amend the said A. B. shall be entitled at his own cost and risk to defend such petition or to prosecute an appeal from such decision or to make such application for leave to amend and in the event of his so doing such letters patent shall forthwith cease to be subject to this agreement and the said C. D. shall at the request and cost of the said A. B. assign and release such letters patent to the said A. B. or his assigns PROVIDED ALWAYS that the said A. B. shall not be entitled to use the name of the said C. D. in defending any such petition or in prosecuting any such appeal unless he shall before so doing reasonably secure the said C. D. against any liability for the costs thereof.

14. The said C. D. may at any time after making the application for letters patent give one month's notice in writing to the said A. B. revoking this agreement and from the expiration of such notice this agreement shall determine without prejudice to anything done in the meantime or to the right of the said A. B. to recover from the said C. D. any moneys due to him under these presents and the said C. D. shall at any time thereafter at the request and cost of the said A. B. assign and release any letters patent and other rights then subject to these presents to the said A. B. or his assigns.

15. If the said C. D. shall not be satisfied with the said invention or shall not as provided in Clause 2 hereof state his desires to include any improvement under this agreement the said C. D. shall not without the previous consent in writing thereto of the said A. B. in any way use or publish the said invention or such improvement respectively.

16. The said A. B. will not unless the said C. D. has expressed himself as not satisfied with the said invention

during the time mentioned in Clause 2 hereof without the consent of the said C. D. in writing disclose the said invention to any person other than the said C. D. or the person named by him as aforesaid.

In witness etc.

FORM II.

Agreement for Joint Application (Short Form).

An Agreement made the day of 19 between A. B. of the one part and C. D. of the other part whereas the said A. B. is in possession of an invention entitled of which he claims to be the true and first inventor and whereas the said C. D. has agreed to assist him in bringing out the said invention now it is hereby agreed as follows that is to say—

1. The said A. B. shall join the said C. D. in making a joint application for letters patent in respect of the said invention for the United Kingdom at the cost of the said C. D. and through E. F. or any other registered patent agent named by the said C. D. and the said A. B. will give the said E. F. or such other patent agent as aforesaid full information to enable him to prepare the necessary specifications and drawings and to make the said application.

2. If the said letters patent be granted the said A. B. shall not be at liberty to make use exercise or vend the said invention or to grant licences under the said letters patent without the consent in writing of the said C. D. previously obtained.

3. The said C. D. shall be at liberty to make use exercise and vend the said invention provided that in the event of his so doing he shall account to the said A. B. for per cent. of the profits made by him thereby and the said

C. D. shall be at liberty to grant licences under the said letters patent and shall account to the said A. B. for per cent. of the royalties or other payments received by him in respect thereof.

4. The said C. D. shall not be bound to pay any renewal fee in respect of the said letters patent but in the event of his determining not to do so he shall at least one month before such renewal fee shall be due give to the said A. B. notice in writing of his intention not to pay such fee and he shall at any time thereafter at the request and cost of the said A. B. convey or release the said letters patent to the said A. B. or his assigns.

In witness etc.

FORM III.

Assignment of Letters Patent.

THIS INDENTURE made the day of 19 between A. B. hereinafter called the patentee of the one part and C. D. hereinafter called the purchaser of the other part WITNESSETH that in consideration of the sum of £ now paid to the patentee the receipt whereof is hereby acknowledged the patentee as beneficial owner doth hereby assign unto the purchaser all those letters patent and grant of privilege dated the day of and numbered granted to E. F. for the sole making using exercising and vending within the United Kingdom of Great Britain and Ireland and the Isle of Man for the term of fourteen years from the date thereof of an invention entitled together with all rights benefits and privileges thereby conferred TO HAVE AND HOLD AND ENJOY the same unto the said C. D. for the residue of the term thereof and any extension thereof absolutely.

In witness etc.

One or both of the following covenants may also be added where the patentee is the original grantee.

And the patentee doth hereby covenant with the purchaser that he has not at any time prior to the date of the application for the said letters patent made any disclosure or publication of the said invention such as would render the said letters patent invalid.

If improvements are included in the sale.

And the patentee doth hereby covenant with the purchaser that he will from time to time after making any improvement in or addition to the said invention or discovery in connection therewith including any improvement addition or discovery aforesaid now (if so) in their knowledge and possession forthwith give notice thereof in writing to the purchaser or his assigns who shall be entitled to the sole and exclusive benefit thereof and as and when reasonably required by the purchaser or his assigns but at his or their expense as to actual costs (if any) out of pocket occasioned thereby communicate and explain to the purchaser or his assigns or his or their agents any such improvement addition or discovery and shall at the expense of the purchaser or his assigns if he or they shall require the same apply for and obtain or (if he or they shall so think fit) join with him or them in applying for and obtaining letters patent in respect of any such improvement addition or discovery and execute and do all such assurances and things as shall be necessary or convenient for vesting the same letters patent and the exclusive benefit thereof in the purchaser or his assigns as by the purchaser or his assigns shall be reasonably required And further the foregoing provisions in this clause shall as far as possible apply to the interest of the patentee in every such improve-

ment addition or discovery aforesaid which he may in conjunction with any other person or persons now have in their knowledge and possession or hereafter make.

FORM IV.

Assignment of Letters Patent for a District.

This Indenture made the day of 19 between A. B. of the one part and C. D. of the other part witnesseth that in consideration of the sum of £ paid to the said A. B. the receipt whereof is hereby acknowledged the said A. B. as beneficial owner doth hereby convey and assign unto the said C. D. all those letters patent and grant of privilege dated the day of and numbered for the sole making using exercising and vending within the United Kingdom of Great Britain and Ireland and the Isle of Man for the term of fourteen years from the date thereof of an invention entitled together with all the rights benefits and privileges thereby conferred so far as the same relate to the administrative County of London and no further TO HAVE HOLD AND ENJOY the same within the said administrative County unto the said C. D. for the remainder of the term thereof and any extension thereof absolutely And the said A. B. doth hereby for himself his executors administrators assigns and licensees covenant with the said C. D. that he and they respectively will not during the remainder of the said term or any extension thereof unless and until the said letters patent be revoked sell give lend let on hire or otherwise supply to any person other than the said C. D. his executors administrators assigns or licensees any made in accordance with the said invention unless such be marked in a conspicuous and permanent manner with a notice that it may not be used or sold within the said

administrative County of London so long as the said letters patent shall remain in force And the said C. D. for himself his executors administrators assigns and licensees doth hereby covenant with the said A. B. that he and they respectively will not during the said term or any extension thereof as aforesaid sell give away lend let on hire or otherwise supply to any person other than the said A. B. his executors administrators assigns or licensees any so made as aforesaid unless such be marked as aforesaid with a notice that it may not be used or sold in any part of the United Kingdom outside the said administrative County of London or exported to or used in . And the said A. B. hereby covenants with the said C. D. that he will pay or cause to be paid all fees necessary to be paid to keep the said letters patent in force as and when the same shall become due and will defend the said letters patent in the event of any petition being presented for their revocation up to the Court of Final Appeal and in the event of any renewal fee in respect of the said letters patent not being paid on or before the date when the same ought to be paid it shall be lawful for the said C. D. to pay such fee together with the fee payable for an extension of the time for paying such fee and the said A. B. will on demand repay to the said C. D. the amount of such fee or fees together with any other expense properly incurred by the said C. D. in paying the same with interest thereon at the rate of 5 per cent. per annum but the said C. D. shall be under no obligation to make any such payment and his right in this respect shall be without prejudice to his right to recover damages in respect of breach of this covenant or otherwise and the said A. B. hereby acknowledges the right of the said C. D. to production of the said letters patent and undertakes for the safe custody thereof.

In witness etc.

FORM V.

MORTGAGE OF LETTERS PATENT.

THIS INDENTURE made the day of between A. B. hereinafter called the mortgagor of the one part and C. D. hereinafter called the mortgagee of the other part whereas the mortgagor is the registered proprietor of the letters patent and grant of privilege dated the day of for the sole making using and vending within the United Kingdom of Great Britain and Ireland and the Isle of Man for the term of fourteen years from the date thereof of an invention entitled granted to E. F. And whereas the mortgagee has agreed to advance the present sum of £ and may advance further sums by monthly instalments upon having the same secured in manner hereinafter appearing NOW THIS INDENTURE WITNESSETH that in consideration of the sum of £ now paid to the mortgagor and of any further sums which may be advanced as aforesaid the mortgagor hereby covenants with the mortgagee that he will on the day of repay to the mortgagee the said sum of £ and any further sums that shall have then been actually advanced by the mortgagee and will six months after any further advance by the mortgagee repay the sums advanced with interest thereon from the date hereof or from the date or dates on which the same shall have been advanced respectively at the rate of per cent. per annum and that if the said sum or sums or any of them shall not be repaid as aforesaid that the mortgagor will pay interest on the same or such part thereof as shall be from time to time outstanding at the said rate by equal half-yearly payments on the day of and the day of

respectively until the same shall be repaid AND THIS INDENTURE FURTHER WITNESSETH that for the same consideration the mortgagor as beneficial owner doth hereby convey and assign to the mortgagee all those letters patent and grant of privilege dated the day of and numbered granted to the said E. F. as aforesaid together with all rights and privileges thereby conferred TO HAVE AND TO HOLD the same to the mortgagee his executors administrators and assigns for the residue of the unexpired term thereof and any extension thereof subject nevertheless to the provisoes for redemption and for the granting of licences hereinafter contained AND the mortgagor doth hereby covenant with the mortgagee that he will during the remainder of the said term so long as any money shall remain owing under these presents pay each of the renewal fees necessary for keeping the said letters patent in force not less than one month before the same shall become due and that in the event of his not paying any such fee as aforesaid that it shall be lawful for the mortgagee to pay the same together with any further fee that may be necessary for extending the time for paying the same and that the mortgagor will on demand repay to the mortgagee the amount of any such fee or fees so paid as aforesaid together with any expense properly incurred by the mortgagee in making such payment with interest thereon at the rate of 5 per cent. per annum and that until the repayment thereof the same shall be a charge on the said letters patent AND the mortgagor doth hereby covenant with the mortgagee that the said letters patent are good and valid AND it is hereby agreed and declared that the mortgagor shall until the registration of the declaration as hereinafter provided or until the exercise by the mortgagee of the statutory power of sale have full power without the concurrence of the mortgagee to work under the said letters

patent for his own benefit and to grant licences to manufacture in accordance with the said invention in consideration of the payment of any royalty not less than for each made and sold under such licence and with or without a minimum royalty but not for any other consideration whatever PROVIDED ALWAYS that such licence shall not be binding on the mortgagee whether he shall have notice thereof or not unless the same shall have been registered at the Patent Office before the registration thereat by the mortgagee or his assigns of some document showing that the right of the mortgagor to grant licences has ceased AND that the royalties reserved by the said licences shall form part of the security for the money due from time to time under these presents as though the same had been expressly assigned to the mortgagee hereby AND it is hereby declared that in the event of any principal or interest payable under these presents remaining unpaid for the space of thirty days after the same shall have become due and payable it shall be lawful for the mortgagee to register at the Patent Office a declaration under his hand that the mortgagor shall no longer have the right to grant licences under the said letters patent as above provided and upon the registration thereof the right of the mortgagor to grant licences hereunder shall determine And it is further declared that until the registration of such declaration as aforesaid or until the exercise by the mortgagee of the statutory power of sale it shall not be lawful for the mortgagee to grant licences under the said letters patent or to work under the same without the licence of the mortgagor and that from and after the registration of such declaration the mortgagee shall have power to grant licences under the said letters patent upon any terms that he shall think right provided always that if the principal sum or sums of money hereinbefore cove-

nanted to be paid with interest thereon shall be duly paid as hereinbefore provided then and in such case the said letters patent shall at the request and cost of the mortgagor his executors administrators or assigns be reassigned to him or them.

In witness etc.

FORM VI.

Licence at a Royalty.

This Indenture made the day of between A. B. hereinafter called the licensor of the one part and C. D. hereinafter called the licensee of the other part whereas the licensor is the registered proprietor of letters patent for the United Kingdom for an invention entitled numbered of AND WHEREAS the licensee is desirous of manufacturing in accordance with the invention described in the specification of the said letters patent similar to that which has been deposited with the licensor and marked for purposes of identification AND WHEREAS the licensor has agreed to grant to the licensee such licence as is hereinafter contained NOW THIS INDENTURE WITNESSETH and it is hereby agreed and declared as follows that is to say—

1. The licensor hereby grants to the licensee full power authority and licence during the residue of the term of the said letters patent number of and any extension thereof to manufacture and sell or let on hire in the United Kingdom similar in all respects to the said deposited .

2. The licensee shall pay to the licensor by way of royalty in respect of every manufactured by him during the residue of the term of the said letters patent or

any extension thereof the sum of Provided that in the event of the licensor granting any licence for the manufacture of of similar quality to the said deposited at a lower royalty than that above mentioned the licensee shall as from the date of such licence pay the same royalty as is thereby reserved in lieu of that above mentioned.

3. The licensee shall within ten days after the last days of June and December in each year deliver to the licensor an account in writing showing the number of manufactured by him during the preceding half-year and shall within one month after such last days respectively pay the royalty due in respect thereof and in the event of such royalty not being paid within the time aforesaid the licensee will pay interest thereon from the expiration thereof until payment at the rate of 5 per cent. per annum PROVIDED ALWAYS that if the royalty payable in respect of any half-year shall be less than £ the licensee shall pay in addition thereto such further sum as will therewith make up the sum of £ But in the event of his so doing he shall be entitled to deduct the sum or sums so paid over the said sum of £ from the excess if any of the royalty payable in respect of any succeeding half-year.

4. The licensee shall keep proper accounts in separate books showing the number of manufactured by him and shall permit the licensor or his agent authorised thereto in writing to examine the same at any reasonable time and to take copies thereof and extracts therefrom and shall permit the licensor or his agent as aforesaid at any time to inspect any premises on which are being manufactured under these presents.

5. The licensee shall mark every manufactured by him under these presents in the manner shown on the

deposited and shall not in any way depart from the pattern of the said deposited without the consent in writing of the licensor previously obtained.

6. The licensee will not repudiate this license nor will he at any time directly or indirectly dispute the validity of the said letters patent.

7. In the event of the said letters patent being declared invalid by any competent Court and of the licensor not appealing therefrom or being unable so to appeal the said royalties shall not be payable in respect of any manufactured after the date of such declaration of invalidity unless such invalidity can be cured by amendment and the licensor shall within three months after such declaration apply for and on such application obtain leave to amend.

8. The licensee will at all times during the continuance of this licence give information to the licensor of any infringements of the said letters patent that may come under his notice and will do all in his power to prevent the infringement thereof.

Lastly if any royalty due under these presents shall remain unpaid for one month after the same ought to have been paid whether payment thereof shall have been demanded by the licensor or not or if the licensee shall make default in the performance of any obligation on his part herein contained it shall be lawful for the licensor at any time before such royalty shall have been paid or before such default shall have been remedied to his reasonable satisfaction or waived by notice in writing to the licensee to revoke this licence as from the date of such notice without prejudice to the right of the licensor to recover any moneys due to him hereunder.

In witness etc.

FORM VII.

EXCLUSIVE LICENCE.

THIS INDENTURE made the day of between A. B. hereinafter called the licensor of the one part and C. D. hereinafter called the licensee of the other part WHEREAS the licensor is the registered proprietor of letters patent for the United Kingdom number of and dated the day of granted to E. F for the sole making using exercising and vending of an invention entitled of which the said E. F. claims that he is the true first inventor AND WHEREAS the licensee is desirous of working under the said letters patent and the licensor has agreed to grant him an exclusive licence to work thereunder as hereinafter provided NOW THIS INDENTURE WITNESSETH as follows that is to say—

1. The licensor in consideration of the sum of £ paid to him by the licensee the receipt whereof is hereby acknowledged and in consideration of the royalties hereinafter reserved doth thereby grant to the licensee the sole power authority licence and during the residue of the term of the said letters patent and any extension thereof by himself his servants agents and sub-licensees as hereinafter provided to make use exercise and vend within the United Kingdom of Great Britain and Ireland and the Isle of Man the invention described and claimed in and by the specification of the said letters patent No. of .

2. The licensee will pay to the licensor by way of royalty a sum equal to per cent. of the net selling price of all the made and sold by him hereunder and will also pay to the licensor a sum equal to per cent. of any moneys received by him by way of royalty or pay-

ment for any licence granted by him hereunder or the net amount after payment of costs obtained by way of damages or on an account of profits or otherwise against any infringer of the said letters patent as hereinafter provided.

3. The licensee shall within ten days after the last days of and respectively in each year deliver to the licensor an account in writing showing the sales for the preceding half-year and the sums received by the licensee on account of royalties or by way of damages or profits or otherwise as aforesaid during the same period and shall within three months thereof pay to the licensor the sum or sums due to him hereunder in respect thereof and in the event of any such moneys not being paid within the time aforesaid the license will pay interest thereon from the expiration of such period of three months at the rate of 5 per cent. per annum provided always that the total sum payable to the licensor in respect of any half-year shall not be less than £ but subject to such minimum payments being made the licensee shall be entitled to deduct from the moneys payable in respect of any succeeding half-year any sum paid in excess of the sum shown to be due on the account aforesaid.

4. The licensee shall keep proper accounts in separate books containing full particulars of everything made and sold by him under these presents of all licences granted by him and of all receipts of royalties and other payments under or in respect thereof and of all other things which may be material for the purpose of showing the amounts payable to the licensor hereunder and will at any time produce the same for the inspection of the licensor or of his agent thereto appointed in writing who shall be at liberty to make copies or extracts therefrom.

5. The licensor shall be at liberty at any reasonable time during the continuance of this licence by himself or his

agent thereto appointed in writing to enter upon any factory or place of business of the licensee or his sub-licensees in which the manufacture of anything made under these presents is being carried on at any reasonable hour with the object of obtaining any information that may be material for the purpose of ascertaining the amount of any royalty or other sum payable hereunder and the licensee and his sub-licensees respectively shall afford every reasonable facility for obtaining such information.

6. The licensee will pay the fees due for renewal of the said letters patent as and when the same shall become due and will not at any time repudiate this licence nor will he at any time either directly or indirectly dispute the validity of the said letters patent.

7. The licensee shall take all reasonable steps to prevent infringement of the said letters patent and shall be at liberty to use the name of the licensor for the purpose of bringing any legal proceedings to enforce the said letters patent upon indemnifying the licensor against any pecuniary liability in respect thereof and shall subject as hereinbefore provided be entitled to retain for his own benefit any damages or other sums recovered therein In the event of a petition being presented for the revocation of the said letters patent the licensee will defend the same and indemnify the licensor against any liability for the costs thereof In the event of the said letters patent being declared invalid in any legal proceeding the licensee will carry the same on appeal to the final Court of Appeal Provided that if such invalidity can be cured by amendment it shall be lawful for the licensee with the consent of the licensor (such consent not to be unreasonably withheld) to apply for leave to amend the specification of the said letters patent in lieu of appealing Any proceedings for amendment shall be at the cost of the licensee.

8. *In the event of the said letters patent being declared* invalid by the highest Court of Appeal the royalties hereby reserved shall cease to be payable as from the date of such declaration but the licensee shall be entitled to recover all royalties due in respect of sales made previous to the date of such declaration Provided always that if the invalidity of the said letters patent so declared shall be capable of being cured by amendment the licensee shall forthwith apply in the name of the licensor but at the cost of the licensee for leave to amend the same and in the event of such leave being obtained the provisions of this clause as to the cesser of royalty shall not take effect.

9. The licensee shall have the right to grant sub-licences at such royalties as he may consider reasonable and such sub-licences may be for the residue at the time of the granting thereof of the term of the said letters patent and any extension thereof or for any shorter term and may be limited to particular districts or to special forms of manufacture and may be subject to such conditions as to the licensee may appear right.

10. The licensee shall not manufacture or carry on the patented process hereunder exclusively or mainly outside the United Kingdom or in any way render the patent liable to revocation under the provisions of sections 24, 27, or 38 of the Patents and Designs Act 1907 and in the event of any breach of this covenant the licensor shall be at liberty by notice in writing to the licensee summarily to determine this licence without prejudice to any other rights he may have at law in respect of such breach Such notice of the determination hereof shall not affect any sub-licences granted by the licensee that have been registered prior to the registration of such notice but the licensor shall be entitled to all benefits reserved to the licensee thereunder as though such notice

had been an assignment thereof from the licensee to the licensor.

11. If the licensee shall dispose of his business during the continuance of this licence it shall be lawful for him to transfer the benefit of this licence to the purchaser but such transfer shall not release the licensee from any liability hereunder to indemnify the licensor against the costs of any legal proceedings or from any other obligation on his part hereunder.

12. If the licensee shall become bankrupt or insolvent or shall compound with his creditors this licence shall *ipso facto* determine without prejudice to the right of the licensor to recover any moneys then accrued due to him hereunder.

Lastly if any moneys due to the licensor from the licensee under these presents shall remain unpaid for fourteen days after the same ought to have been paid or if the licensee shall make default in the performance of any obligation on his part herein contained it shall be lawful for the licensor at any time before such moneys shall have been paid or such default shall have been remedied to the reasonable satisfaction of the licensor or have been waived by notice in writing to the licensee to revoke this licence as from the date of such notice without prejudice to the right of the licensor to recover any moneys due to him hereunder at the date of such notice Provided always that such revocation or the determination of this licence under the last preceding clause shall not affect any sub-licences *bonâ fide* granted by the licensee previously to such revocation or determination but the royalties thereafter payable thereunder shall be payable to the licensor as if the same had been duly assigned to him.

In witness etc.

FORM VIII.

AGREEMENT FOR THE USE OF A MACHINE AT A ROYALTY WITH RIGHT TO PURCHASE.

MEMORANDUM OF AN AGREEMENT made the day of 19 between A.B. hereinafter called the company of the one part and C.D. hereinafter called the licensee of the other part WHEREAS the company is the registered proprietor of the letters patent of which particulars are contained in the schedule hereto AND WHEREAS the licensee has paid to the company the sum of £ and in consideration thereof and of the royalties hereinafter reserved the company has agreed to grant to the licensee the licence hereinafter expressed NOW IT IS HEREBY AGREED AS FOLLOWS that is to say—

1. The company will forthwith deliver to the licensee the machine numbered hereinafter referred to as the machine The licensee shall pay the cost of carriage of the machine from the company's depôt and the cost of fixing the machine in position which shall be done by the company's workmen.

2. The licensee shall pay to the company within ten days after the last days of March June September and December respectively for the use of the machine during the preceding three months the sum of for every thousand revolutions of the machine during such period and for the purpose of ascertaining the number of such revolutions the number indicated by the counter attached to the machine shall be conclusive evidence.

3. The licensee will at any reasonable time during the continuance of this licence permit the agent of the company duly authorised thereto in writing to inspect the machine.

4. The licensee will during the continuance of this

licence keep the machine clean and in good repair and condition and in the event of any substantial repair becoming necessary will give notice thereof to the company and will not before or during days after giving such notice unless at the written request of the company attempt to do such repairs The company will endeavour to do any repairs of which notice is given as aforesaid within the time aforesaid but in the event of the company not commencing to do such repairs within such time the licensee shall be at liberty to have such repairs done at his own cost and risk by any person who is in the opinion of the licensee capable of doing the same If any repairs are done by the company the licensee will pay the company's reasonable charge therefor.

5. The licensee will not at any time during the continuance of this licence remove the name-plate from the machine nor remove the said counter or permit the same to be removed from the machine or to be in any way tampered or interfered with except for necessary cleaning and oiling and not for such purposes in any way that can affect the reading thereof.

6. The licensee will on the day of in every year so long as this licence shall continue pay to the company for insuring the machine against fire the sum of and in the event of the machine being destroyed or damaged by fire during such time the company will without cost to the licensee repair or replace the same as to the company may appear best and in the event of the company replacing the same the substituted machine shall be deemed to be the machine for all purposes of these presents and the licensee shall in the event of the said counter being so damaged that it cannot be read pay to the company in respect to the time between the last reading of the said counter and the date of the fire a sum

proportionate to that paid in respect of the last preceding period of three months.

7. The machine shall remain the property of the company during the continuance of this licence but after the licensee shall have paid the sum of £ by way of royalty for the use thereof as aforesaid the licensee shall have the right of purchasing the same outright for the sum of one shilling.

8. Subject to the provisions of the last preceding clause the term of this licence shall be from the date when the machine shall be delivered to the licensee until the expiration of the terms of all the said letters patent Provided that if during the said term and the continuance of these presents the company shall make or acquire any improvement which can be applied to the machine the company will at the request and cost of the licensee apply such improvement thereto And if such improvement shall be the subject of letters patent belonging to the company the term of this licence shall be extended until the expiration of the term of such letters patent and the said sum of £ shall be increased to such sum as may be agreed or in default of agreement as may be determined by arbitration.

9. The licensee shall not at any time directly or indirectly dispute the validity of any of the letters patent specified in the said schedule or of any other letters patent referred to in the last preceding clause hereof nor shall the revocation or any declaration of the invalidity of any of such letters patent affect this licence or the payment of the said royalties thereunder so long as any of the said letters patent shall be in force.

10. The licensee will not at any time during the continuance of this licence permit or suffer a distress to be levied on any premises where the machine shall be and will

at all reasonable times upon the request of the company's agent produce to him the receipts for the last rent or rates that shall have become due in respect of such premises.

11. The licensee shall not except on an emergency remove the machine from the place where it shall be fixed by the company as aforesaid without giving the company at least one week's previous notice in writing and the company shall be entitled to superintend such removal and the subsequent fixing of the machine and the licensee shall pay the reasonable charges of the company for so doing.

12. If this licence shall continue until the expiration of the term thereof as defined in clause 8 hereof the licensee shall be entitled within one month from the expiration of the said term and in this respect time shall be of the essence of the contract to purchase the machine at a price equal to the difference between the total sum paid by him as royalty under this licence and the sum of £ or such increased sum as aforesaid.

13. If any royalty or other money payable to the company under these presents shall be in arrear for ten days or if the licensee shall make default in the performance of any obligation on his part herein contained or if the licensee shall become bankrupt or insolvent or shall compound with his creditors it shall be lawful for the company at any time before such money shall have been paid or such default shall have been remedied to the reasonable satisfaction of the company or waived without any notice to the licensee to enter on the premises where the machine shall be and retake possession thereof and upon the company so retaking possession this licence shall determine without prejudice to the right of the company to recover any moneys due to it from the licensee under these presents at the date of such retaking of possession.

14. This licence is assignable with the consent in writing

of the company such consent not to be unreasonably withhold.

In witness etc.

FORM IX.

AGREEMENT TO GRANT A LICENCE TO A COMPANY TO BE FORMED.

THIS AGREEMENT made the day of between hereinafter called the patentee of the one part and hereinafter called the promoter of the other part WHEREAS the patentee is the owner of the letters patent mentioned in the schedule hereto AND WHEREAS the promoter is desirous of promoting a company to work under the said letters patent in accordance with the terms of the licence contained in the said schedule Now IT IS HEREBY MUTUALLY AGREED as follows that is to say—

If the promoter shall procure within months from the date hereof the registration of and the provision of working capital of at least £ for a company for the purpose of working under the said letters patent as aforesaid the patentee hereby agrees at the request and cost of such company to grant to it a licence in the form contained in the schedule hereto or in such other form as may be agreed between the patentee and such company to be formed and in the event of the patentee upon reasonable proof of such registration and of the provision of such working capital failing or refusing to grant such licence upon being thereto required by such company the patentee hereby appoints the promoter or any person appointed by him his agent and attorney in his name and on his behalf to execute a licence to such company in the form contained in the schedule hereto and the patentee hereby agrees to

ratify and confirm such execution and licence and hereby declares that this appointment is irrevocable for the space of twelve months from the date hereof.

In witness etc.

FORM X.

Agreement to Promote a Company to Acquire an Invention.

This Agreement made the day of between hereinafter called the inventor of the one part and hereinafter called the promoter of the other part Whereas the inventor is in possession of an invention entitled which is the subject of an application for letters patent for the United Kingdom No. dated And whereas the inventor has requested the promoter to promote a company for the purpose of acquiring the said invention and patent and of obtaining letters patent for the said invention for foreign countries to which request the promoter has acceded Now it is hereby mutually agreed as follows that is to say—

1. The promoter agrees to register a company under the name of or some other suitable name with a capital of £ divi into shares of each and having for its p mary object to enter into an agreement with the invento in the form contained in the schedule hereto and to pay or provide for the payment of the preliminary expenses in connection with the registration and formation thereof and to procure the subscription of shares therein.

2. Upon the registration of the said company the inventor agrees to enter into an agreement with the company in the form contained in the schedule hereto upon being required so to do by the said company or by the promoter

or by any person appointed by them or either of them by notice in writing served upon the inventor in the manner described in the said form of agreement and in the event of the inventor upon being so required refusing or failing or omitting to enter into and duly execute such agreement the inventor hereby appoints the promoter or any person appointed by him his agent and attorney in his name and on his behalf to enter into and duly execute the said agreement and the inventor hereby agrees to ratify confirm and allow such agreement and execution and to carry such agreement into effect And the inventor hereby declares that this appointment is irrevocable for the space of months from the date hereof.

3. If the said company shall enter into the said agreement with the inventor the inventor will pay to the promoter or his nominees by way of remuneration for his services the sum of £ in cash and the sum of in fully paid shares out of the said company and the inventor hereby authorises the directors of the said company to allot the same to the promoter or his nominees out of the fully paid shares to become due to the inventor under the said agreement as and when the same shall become due.

4. If the promoter should fail to register the said company within weeks after the date of these presents the inventor may give him notice in writing terminating this agreement and in the event of such notice being given this agreement shall determine and neither party shall be entitled to any compensation.

In witness etc.

THE SCHEDULE ABOVE REFERRED TO.

THIS AGREEMENT made the day of between hereinafter called the inventor of the one

part and limited hereinafter called the company of the other part WHEREAS the inventor is in possession of an invention entitled which is the subject of an application by him for letters patent for the United Kingdom No. of AND WHEREAS the company has been formed with the object *inter alia* of entering into this agreement being the agreement referred to in paragraph of its Memorandum of Association NOW IT IS HEREBY AGREED as follows that is to say—

1. The inventor shall sell and the company shall purchase all that said invention and the benefit of the said application for letters patent and the right to make application for letters patent in any country or colony in respect of the said invention.

2. The price to be paid by the company for the said invention and rights shall be the sum of £ to be paid as to £ part thereof immediately upon the execution hereof and as to the balance in fully paid-up shares of the company to be allotted to the inventor or his nominees upon the sealing of the said letters patent for the United Kingdom.

3. The inventor will forthwith at the request and cost of the company apply to amend his said application by joining the company as an applicant and will supply all requisite information to any patent agent appointed by the company to enable him to prepare the necessary specifications and applications and will at the request and cost of the company execute all deeds and documents that may be required for enabling the company to complete the said application and to make and complete any other applications for letters patent that the company may think right to make and for vesting any letters patent obtained in respect of the said invention in the company.

4. If the inventor shall at any time during the term of years from the date hereof make any improvement

in respect of the said invention he shall forthwith inform the company thereof and shall at the request of the company communicate the same to some person appointed thereto in writing by it And if the company shall within one month after such communication express its desire to include such improvement in this agreement and shall agree to apply for letters patent for the United Kingdom in respect thereof this agreement shall apply to such improvement as though the same were part of the said invention otherwise the inventor shall be at liberty to deal with such improvement in such way as he shall think fit In the event of the company including any improvement in this agreement the company shall pay to the inventor in respect thereof upon the sealing of any patent therefor such remuneration as may be agreed or in default of agreement as may be settled by arbitration to be the fair value to the company thereof and the company shall have the option of paying the same in cash or fully paid ordinary shares or part thereof in cash and part in such shares.

5. In the event of the company not applying for letters patent in any country or colony within months after the date of the application for the United Kingdom the inventor shall have the right to apply on his own behalf for letters patent in such country or colony and the right to apply therefor shall thenceforth cease to be subject to this agreement.

6. The company shall employ the inventor as its manager for a term of years from the date hereof at a salary of £ per annum and the inventor agrees to act as such manager for the said term and at the said salary and to devote his whole time to the service of the company and during such time as he may remain such manager as aforesaid to retain in his name not less than of the fully paid shares to be allotted as aforesaid.

7. Any notice to the inventor hereunder may be served by delivering or sending the same by prepaid letter addressed to him at and in the case of service by post shall be deemed to have been received on the day following that on which it has been posted.

8. If any difference shall arise between the parties hereto touching these presents or the construction hereof or any clause or thing herein contained or any matter in any way connected with these presents or the operation thereof or the rights duties or liabilities of either party hereto in connection with the premises then and in every such case the matter in difference shall be referred to the arbitration of whose decision shall be final.

In witness etc.

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