COMPULSORY LICENCES

UNDER

THE PATENTS ACTS.

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BY

J. W. GORDON,

OF THE MIDDLE TEMPLE, BARRISTER-AT-LAW.

Jubemus ne quis cujuscunque vestis vel piscis . . . vel cujuslibet alterius ad victum vel ad quemcunque usum pertinentis speciei vel cujuslibet materiæ pro sua auctoritate vel sacro jam elicito aut in posterum eliciendo rescripto aut pragmatica sanctione vel sacra nostræ pietatis adnotatione monopolium audeat exercere.—4 *Codex Tit.* 59. (*Rescript of the Emperor Zeno.*)

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PREFACE.

THIS volume represents an attempt to elucidate the two-and-twentieth section of the Patents Act of 1883 by a collection of authorities and other materials for its discussion. Recent events have illustrated in a very striking manner the great importance for the industrial community of this enactment and the experience gained in dealing with some half dozen petitions under the Act has shown that the necessary inquiries at the Board of Trade are of a magnitude fully proportionate to the importance of the interests involved. It seems not unreasonable to suppose that in these circumstances the public concerned with this subject, whether as practitioners assisting, as parties litigating or as persons interested in a vaguer sense in the expression and administration of the law, will find it convenient to have the available information presented in the compass of a book.

In point of fact although the present publication is thus suggested by the circumstances of the hour there is more of coincidence than of causal connection in that fact. The volume now before the reader is in truth a supplement to a treatise upon Monopolies by Patents which was published two years ago. It was my intention when that earlier book was put in hand to deal exhaustively with the remedies provided by statute for the mischief of monopolies arising out of patents for inventions. But I found, having completed my task so far as the remedy provided by the Act of 1623 was concerned, when I turned to the Act of 1883 that so large a research was necessitated by the very singular form of the new enactment that I was fain to publish what results I had secured and to take time to work up the remaining branch of the subject. That decision proved to be a fortunate one for it has happened that the bringing of several petitions under the

Act to a hearing within the past six months has greatly facilitated my work and enabled me to add to my book a set of reports which give to it a value such as entirely to exonerate me from the task of writing an apology for its appearance.

This reference to the connexion between the present volume and the earlier one just referred to is not wholly gratuitous. It serves to explain,—what no doubt require explanation,—the frequent references occurring in the following pages to my book upon Monopolies. It will, I hope, be found that whatever is necessary to the practical ends, to subserve which this volume has been compiled, is here reproduced, but in reference to many points of collateral interest I have taken the liberty of referring to my own published work with the same freedom with which, under the like conditions, I have referred to the published work of others.

The materials here placed at the reader's service will be found to comprise in addition to a full account of the jurisdiction and practice of the Board of Trade, the complete set of reports already referred to of proceedings had under the section in the form of an Appendix (App. I.) and a discussion, illustrated by a pretty full collection of rules, of the very difficult questions which arise upon the clause prescribing mandamus as the remedy for enforcing the order of the Board.

For the practitioner's convenience who may have occasion to conduct proceedings in the nature of mandamus to compel obedience on the part of a patentee a selection has been made from the Rules of the Supreme Court and the Crown Office Rules of such as bear more directly upon this proceeding and they have been somewhat re-arranged and consolidated. It is hoped that in this way the intricacy of these two concurrent systems of rules has been somewhat diminished and that the plan of indexing adopted will have done something more to facilitate their use.

A point upon which especial attention has been bestowed in the following pages is the drafting of the licence, and with this view a collection of precedents has been made in the Appendix of Forms (App. IV.). The settling of the terms of the agreement between licensor and licensee is a matter which up to the present time has received very inadequate attention at the inquiries conducted by the Board of Trade, and it seems probable that an explanation of this somewhat singular fact may be found in the difficulty which all concerned have so far encountered in the search for precedents. Bearing this in mind I have borrowed freely from the most approved sources, supplementing the authority of the conveyancers whenever possible from the reports. One cannot often in a matter of this kind, where numerous writers have drawn upon a common fund, discern the original sources of the accepted texts, but those of my readers who may desire to verify the formulas here given will find no difficulty in tracing them to the books from which I have derived them and in identifying such as, failing authoritative texts, I have ventured to supply. It is hoped that in this way the draughtsman will be furnished not only with texts but also with the criteria by which to judge when he may place implicit reliance and when only a more discriminating confidence upon the materials with which he is supplied.

In the preparation of the Appendix of Reports a question has arisen as to the mode of entitling the various cases in which respect I have been compelled to depart from the mode at present employed in the Patent Office Reports. The title there adopted makes mention only of the petitioner's name without alluding to the patent in respect of which the petition is lodged. As the present collection of reports contains two petitions by Levinstein Limited this was clearly an inconvenient way of referring to them and I have reason to think that the inconvenience is felt at the office from which the official reports emanate. How it will be corrected in the official publications in future I do not

know but being obliged to make choice for present purposes of a new formula I have with the advice of some of my friends, whose judgment I much rely upon, adopted the formula which here appears, in which the name of the patentee stands first and that of the petitioner follows. This formula is an abridgment of the title of the cause as it appears upon the papers and has that at least to recommend it, while it promises to suffice for the purpose of distinguishing the various matters.

In the collection of materials for this book I have become indebted to many friends to whom my very sincere thanks are tendered with great respect. I pay this tribute in particular to Mr. Ivan Levinstein and Messrs. Heys & Son of Manchester, to Messrs. W. J. and E. H. Tremellen of London, to the Solicitor of the Board of Trade and to Mr. Edwin Gillett of the Solicitor's Department. My acknowledgments to the Editor of the Patent Office Reports and to the Comptroller-General are reserved for another context and the recurrence to mind of the name of my learned friend Mr. R. J. Drake makes me aware that I have drawn upon the good offices of many personal friends whose assistance has been of a character to call for my more private thanks.

The writer whom they have aided is not unaware that his work is marred by imperfections due in part to the insufficiency of his leisure for a task of the magnitude of the present one but *he has the satisfaction of reflecting that* even imperfect work is useful work in an uncultivated field and that much will be forgiven to the writer of a law book who does the pioneer work upon a subject of such vast public importance as that of the compulsory licensing of patent rights.

J. W. GORDON.

11, KING'S BENCH WALK,
20th June, 1899.

LIST OF ABBREVIATIONS.

A. C. .....Law Reports—Appeal Cases.
A. & E. } .....Adolphus and Ellis.
Ad. & E. }
Archæologia .....Archæologia of the Archæological Society.
B. & Ad. .....Barnewall and Adolphus.
B. & Ald. .....Barnewall and Alderson.
B. & C. .....Barnewall and Cresswell.
B. & S. .....Best and Smith.
Ba. Ab. .....Bacon's Abridgment.
Beav. .....Beavan.
Bing. .....Bingham.
Bl. .....Blackstone.
Burr. .....Burrows.
Car. & P. .....Carrington and Payne.
Carth. .....Carthew.
C. B. .....Common Bench.
C. B. N. S. ..... Ditto New Series.
Ch. .....Law Reports—Chancery Appeal Cases.
Ch. Div. } .....Law Reports—Ch. Div.
C. D. }
C. M. & R. .....Crompton, Meeson and Roscoe.
Comm. .....Blackstone's Commentaries.
Co. Lit. .....Coke on Littleton.
Co. Rep. .....Coke's Reports.
C. O. R. .....Crown Office Rules.
Cowp. .....Cowper.
C. P. .....Law Reports—Common Pleas Cases.
Cr. & J. .....Crompton and Jervis.
De G. M. & G. .....De Gex, Macnaghten and Gordon.
De G. J. & S. .....De Gex, Jones and Smith.
Doug. .....Douglas.
Dow .....Dow's Reports.
D. P. C. .....Dowling's Practice Cases.
E. & B. .....Ellis and Blackburn.
Esp. .....Espinasse.
G. & D. .....Gale and Davison.
Goodeve .....Goodeve's Patent Cases.
Hare .....Hare's Reports.
H. L. Cas. .....House of Lords Cases.
H. & M. .....Hemming and Miller.
H. & N. .....Hurlstone and Norman.
H. & W. .....Harrison and Wollaston.
Inst. .....Coke's Institutes.
Jur. .....Jurist Reports.

K. & J. .....Kay and Johnson.
L.J.(Ch.) (K.B.) &c..Law Journal Reports—(Chancery) (King's B.) &c.
Ld. Raym. .....Lord Raymond.
L. R. .....Law Reports.
L. R. (H. L.) .....Law Reports, English and Irish Appeals.
L. T. .....Law Times Reports.
Lee t. Hard. .....Lee's Rep. of Ca. in the time of Lord Hardwicke.
M. & Cr. .....Mylne and Craig.
M. & G. .....Manning and Granger.
M. & W. .....Meeson and Welsby.
Mod. .....Modern Reports.
Moore (B.) .....Moore's Reports, King's Bench.
Morris .....Morris' Patents Conveyancing.
Mur. & H. .....Murphy and Hurlstone.
N. & M. .....Neville and Manning.
Noy .....Noy's Reports.
P. R. .....Patents Rules, 1890 and 1892.
P. Wms. .....Peere Williams.
Q. B. .....Queen's Bench Reports (Adolphus and Ellis N. S.).
Q. B. D. .....Law Reports—Queen's Bench Division.
Remembrancia .....Remembrancia of the City of London—Overall's Analytical Index to.
Rep. .....Coke's Reports.
R. P. C. .....Official Reports of Patent Cases.
R. R. .....Revised Reports.
R. S. C. .....Rules of the Supreme Court.
Ry. } .....Rymer's Fœdera.
Ry. Fœd. }
Salk. .....Salkeld.
Sav. .....Savile's Reports.
Scott N. R. .....Scott's New Reports.
Sid. .....Siderfin's Reports.
Sim. .....Simons.
Sm. L. C. .....Smith's Leading Cases.
Str. .....Strange.
T. R. .....Term Reports.
Touchstone .....Shepherd's Touchstone.
V. & B. .....Vesey and Beames.
Vent. .....Ventris.
Ves. .....Vesey.
Vin. Ab. .....Viner's Abridgment.
W. Bl. .....Sir Wm. Blackstone's Reports.
W. N. .....Weekly Notes.
W. P. C. .....Webster's Patent Cases.
W. R. .....Weekly Reporter.
Y. & C. C. C. .....Younge and Collyer's Chancery Cases.
Y. & J. .....Younge and Jervis.

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COMPULSORY LICENCES.

CHAPTER I.

INTRODUCTORY.

Dormancy of the enactment—Commercial value of patent rights—The High Court superseded—Will the experiment succeed?—Abandonment of jurisdiction by the High Court—Innovations—The rights of patentees—The consideration for the patent grant—Scope of a patentee's rights—The penalty of default—The old law and the new—The interests of patentees and the new jurisdiction—Expense of proceeding at the Board of Trade—Oppressive inquiries at the Board of Trade—Practical effect of the new remedy.

It is only within the past twelve months that the public have become at all aware of the importance attaching to the provisions introduced into the Patents Act of 1883 concerning the compulsory licensing of patents under the authority of the Board of Trade. The fact that for upwards of fifteen years the 22nd section of that Act, which gives this remedy against the misuse of patent rights, has remained a dead letter has been not a little used as a handle for criticism as if it afforded a demonstration of failure. That criticism, however, is vitiated by an oversight. It was provided by the 45th section of the Act that patents granted before the 1st January, 1884, should remain unaffected by its provisions relating to compulsory licences (*a*). There was consequently at the

Dormancy of the enactment.

(*a*) 46 & 47 Vict. c. 57, s. 45 (2).

time when the Act, and with it the clause, came into operation nothing upon which the new remedy could take effect. In fact it could hardly be the case for some years thereafter that any subsisting patent right should be of sufficient importance either to the public at large or to other inventors to call for the putting in operation of the new powers entrusted to the Board of Trade. Some considerable delay in bringing the experiment to bear was therefore to be expected and the fact that such has been the case affords no presumption of any kind against the utility of the enactment in question. It may indeed be said that the delay is longer than might have been expected: that five, six or perhaps ten years might have elapsed in that way without producing a single case in which it would be worth while for a petitioner to come forward and face the certain expense and doubtful issue of the new proceeding, but that a suspense of fifteen years points to some more radical defect in the law than mere defect of opportunity. That argument may be dealt with when it is put forward and it will not then be difficult to deal with it for the simple fact is that during the period of enforced suspense lawyers had lost sight of the dormant clauses of the Act. The operative clauses had come to be very familiar by reason of a large body of litigation which since 1883 had arisen about patent rights and in proportion as the effective clauses became matters of common legal knowledge the non-effective clauses dropped out of notice. Thus it was not until an agitation set on foot by the manufacturing community for some effective protection against the mischief of patents which had proved prejudicial to the State and generally inconvenient reached the Board of Trade that serious attention was directed to the provision against this evil which Parliament had newly made in 1883 and lawyers had newly forgotten ten years later. It is perhaps matter for congratulation from the point of view of the public that the period of suspended animation should have been terminated in this way. The

legislative experiment was a bold one and might easily have miscarried altogether if the authorities entrusted with carrying it out had taken an inadequate view of the importance of their duties. It may fairly be doubted whether the ministry and the Parliament which launched this experiment fully appreciated how very bold it was.

Commercial value and patent rights.

British patent rights have in recent years increased enormously in aggregate value and in popular estimation they have appreciated in a still greater degree. With the principal rights the subordinate privileges, such as licences under patents, have risen in value at least *pari passu*. Of the estimation in which they are at present held many striking instances might doubtless be collected with a little well-directed industry. One, which came recently unsought to the present writer's knowledge, is sufficiently striking. It is a case in which a premium of 70,000*l*. was paid for a licence to manufacture bicycle tyres at a heavy *pro rata* royalty, the licence not being a strictly exclusive one. Such an example will, no doubt, strike the imagination of those to whom the subject is unfamiliar but no one who has been much concerned in recent years with the business arrangements and litigation that have grown within that period out of patent rights can have any doubt that they represent a vast and rapidly increasing property.

The High Court superseded.

Now the boldness of the experiment of 1883 consists in this that the entire body of British patent rights, greatly augmented in number and value by that Act, has been withdrawn from the protection of the High Court and placed, so far as it is affected by licensing, in the hands of the Board of Trade. The wisdom of that course has still to be vindicated for we are as yet at the beginning of our experience of justice as administered by the department and the fact that a good beginning has been made must in large measure be ascribed to the great public interest which the launching of the new jurisdiction has awakened. The Board has acted under a keen sense of

responsibility and has made careful choice of its agents in performing its functions under the Act while the referees selected, upon whom has devolved the difficult duty of interpreting and administering a very imperfect enactment, have brought to their task a loyal and most resolute purpose to make the jurisdiction a success. No conditions could have been more propitious and the underlying condition, from which as from their source the rest can be traced, is a lively public interest in the securing of the relief aimed at by the Act. Had this been wanting to the first proceedings it is very conceivable that the new measure would have been stifled in its cradle.

Will the experiment succeed?

The wisdom of thus placing the administration of justice in the hands of the Board of Trade rather than of the Courts has still to be demonstrated as we have already pointed out and indications are not wanting that it will be seriously called in question. To discuss such questions is no part of the present undertaking but it has not been found possible wholly to avoid the topic in these pages. The chapters upon the Tribunal and Procedure, which form an integral part of the present book, though written with no polemical purpose, would have fallen short of a full and necessary exposition of the machinery available for carrying out the law if they had been framed in such a way as to conceal the obvious defects which that machinery exhibits. As they stand, however, they are liable to produce an impression which is no less unfair than unfavourable to the Board of Trade unless it is borne in mind that the High Court has in recent years proved itself to be a very unsatisfactory forum in which to defend the common law rights of unprivileged traders against the encroachment of patentees. This is a topic which does not fall within the compass of the present work and to which therefore it is impossible to do justice in this connection but it has been worked out in a recent treatise; and by way of warning to any who may be tempted to urge in a spirit of impatience that the High Court

should be invested with the jurisdiction created by the Act of 1883 it may be useful to enumerate here some of the positions which have been made good in the book referred to (*b*).

Abandonment of jurisdiction by the High Court.

In the first place, then, the High Court already has full authority—were it minded to exercise that authority—to impose terms such as are now imposed by the Board of Trade. The authority arises in this way. No patentee can assert his patent right against an infringer except by coming to the Court for relief and the relief most commonly sought is an injunction to restrain the infringement. Now the Court has a discretion to grant or to withhold the injunction and in a case in which it is manifest that the patentee is using his patent right unreasonably and to the prejudice of other persons the Court ought to refuse the injunction and even to dismiss the action. The ground for this conclusion is to be found in the Statute of Monopolies which declares all patents to be "void and of none effect and in nowise to be put in ure or execution" which are "mischievous to the State by raising prices of commodities at home or hurt of trade or which are generally inconvenient." It is to be found also in the patent itself which incorporates this provision of the Statute Law in a defeasance by the proviso that the grant shall "determine and be void to all intents and purposes" if it be made to appear to the Crown or to the Privy Council that it is "prejudicial or inconvenient to our subjects in general." Plainer or more stringent provisions for securing the public against the strained or unreasonable assertion of patent rights it would be difficult to devise but the High Court has wholly abandoned this branch of its jurisdiction. It has even formally declined to entertain any question of the public convenience as against the pretensions of a patentee and language stronger in this sense than the language of the judgment in *The Incandescent Gas Light*

(*b*) Monopolies by Patents.

Company, Ltd. v. *Cantelo* (*c*) it would be impossible to devise.

Innovations.

But it is not alone in respect of the somewhat vague interest represented by "prejudice to the public" and "general inconvenience" that the High Court has sacrificed to patentees of the Crown the common law rights of the "free" trader. It has equally and with the lightest of light hearts abandoned to the same fate the most definite and most explicitly guaranteed rights of ordinary property. No doctrine is more fundamental to our constitution than the doctrine asserted even when Tudor autocracy was at its height that "no forfeiture can grow by patent" (*d*). But the High Court, having acted consistently upon this principle from the dawn of legal history down to the last five-and-twenty years, has within that period abandoned the doctrine without so much as discussing it and now makes without hesitation the order for delivery up to the patentee of infringing goods (*e*). In fact its arbitrary exercise of authority has not even stopped at this point. Within the past three years a further and most dangerous novelty has been introduced and carried through in the privacy of judges' chambers of dealing with small infringers by committing them to prison upon the thin pretext of contempt of court for breach of injunctions against infringement couched in the most general terms. Such are some of the shortcomings of the High Court in reference to the administration of the law of patents and they may well give pause to those who advocate the transfer to that jurisdiction of the discretion now vested in the Board of Trade.

(*c*) 12 R. P. C. 264, 266; and see below, p. 22. Even in a case in which the public inconvenience caused by enforcing the injunction is so serious as to induce an enlightened plaintiff to waive some part of his claim to it, the Court will grant the injunction without imposing conditions for the protection of the public: *Hopkinson* v. *St. James*, 10 R. P. C. 62.

(*d*) *Waltham* v. *Austin*, cited in the *City of London's case*, 8 Co. Rep. 125a, 127b; 2 Inst. 47; *Horne* v. *Ivy*, 1 Sid. 441; 1 Vent. 47; *Hastings' Patent*, Noy, 183.

(*e*) This subject is discussed in Monopolies by Patents, pp. 45—50.

The rights of patentees.

These considerations lead naturally to the discussion of a question; namely, what is the precise nature of a patentee's rights in respect of the patented invention? the determination of which is a necessary preliminary to the exercise of the discretion vested in the Board of Trade. The question is by no means easy to answer for although it has been much considered in the Courts the views of the judges have varied considerably from time to time. It is not easy, not even possible, to reconcile the earlier utterances with the later and from what has been already noted it results that the latest utterances are by no means the most convincing. Even if there were not this conflict of authorities in the reported decisions it would by no means follow that the Board of Trade would for the purposes of its new jurisdiction be bound by the definitions which, for wholly different purposes, have been adopted by the Courts. As matters stand the investigation of this point is certainly incumbent upon the Board and its advisers.

See below, p. 51.

As with most other British institutions, so with patents, the easiest way of arriving at an understanding of their nature is to inquire into their history and in this case the teachings of history will be found to be instructive in an unusual degree. Our patents for inventions date for practical purposes from the reign of Queen Elizabeth for although some instances—like the patent for the philosopher's stone—can be adduced from an earlier age these are rather forerunners than beginnings of our present system. But the most modern patent grant bears the stamp of Elizabethan draughtsmanship and can only be expounded by reference to the state of industry in this realm in that monarch's time. The main substance of the patent is a grant of power, liberty and licence to carry on a new trade. That is to say it was in its origin an enabling grant which authorized the grantee to carry on a trade to which he had never been apprenticed and in towns where he was not free of the guild merchant; all statutes, franchises and trade privileges to the contrary notwithstanding. With the gradual decay of the old guilds this grant of privi-

See below, p. 31.

lege lost *pari passu* its importance and with the abolition of the corporations and the setting free of all trades in all parts of the realm in the year 1835 it ceased to be of any importance at all (*f*). But to this day the Crown confers, for whatever it is worth, "especial licence, full power, sole privilege and authority . . . to make, use, exercise, and vend the invention." The law officers of the Crown when they were called upon in the sixteenth century to frame a deed which would confer such rights upon the inventor of a new manufacture turned most naturally for a precedent to the trade charters by which the Crown had been accustomed time out of mind to erect local guilds for the regulation of trades and industries. The analogy was obvious. The manufacture, being a new one, could not be covered by any of the existing trade charters. The inventor, as being the only craftsman of that trade, was to be invested with powers corresponding to those of a brotherhood. He was to take apprentices and by himself and his servants (including apprentices) and no others he was to have power to set up and carry on the new manufacture. So strictly was the idea of a trade charter carried out that Sir Edward Coke, who must himself as a law officer of the Crown have settled many of these grants, tells us that a scruple was entertained in his time as to whether a grant could be valid that allowed the inventor to exclude his apprentices from the free pursuit of the trade as brother craftsmen when the term of their apprenticeship was over (*g*). In accordance with this idea the patent was drawn up as nearly as possible in the words of a trade charter the points of difference being almost entirely such as resulted of necessity from the fact that in this case the freedom of the trade was conferred as a sole privilege upon the inventor instead of being conferred as a joint privilege upon the fraternity (*h*). To this power

See below, p. 33.

(*f*) By 5 & 6 Will. 4, c. 76, s. 14. *Steers* v. *Rogers*, 10 R. P. C. 251.

(*g*) 3 Inst. 184.

(*h*) This exposition of the patent grant has been more fully worked out in Monopolies by Patents, pp. 116—122, and 249—262, to which work the reader interested in the investigation of the topic is referred. It is illustrated by

to engage in the new trade there was added—still upon the analogy of a trade charter—power to exclude strangers from engaging in it but in the case of an inventor, whose manufacture was "new within the realm," this power was naturally a greatly extended power in respect of its geographical limits. The trade corporations were established for the regulation of trades in particular townships —the inventor's township was the realm and he accordingly could not only go anywhere to set up his factory and vend his wares but he could also enforce the prohibition anywhere and everywhere and treat the craftsmen of London or Norwich or Lynn as "foreigners" in their own towns so far as his manufacture was concerned. The privilege was a large one but it was not exorbitant; it was justly and carefully admeasured to the public service which the inventor was expected to render (*i*).

The consideration for the patent grant.

This public service was, of course, the introduction and establishment within the realm of the new manufacture. The privileges conferred upon the patentee were strictly proportioned to this service. His independence of the trade guilds was conferred upon him in order that he might not be suppressed by the discipline of jealous trade rivals; his monopoly in order that he might be able to bear the "costs and charges" incidental to the establishment of the new industry. A little later, when experience had shown that upon misinformations and untrue pretences of public good many such grants had been unduly obtained and unlawfully put in execution, a defeasance was introduced providing that if the grant should prove prejudicial to the public it should thereupon determine and become void to all intents and purposes. Thus the benefit was

See below, p. 24.

an annotated reprint of Gilbert's Patent (A.D. 1618) which first appeared in the Appendix to that book and is for the convenience of the curious reader reprinted as Appendix VI. of the present volume. See below, p. 395.

(*i*) Of course I am aware that the judgment in *Caldwell* v. *Vanvlissingen*, 9 Hare, 427, affords from a certain point of view an answer to this argument and, equally of course, I am aware that that judgment has not yet been adopted by a Court of Appeal. *Steers* v. *Rogers*, 10 R. P. C. 251, is an authority upon the effect not upon the form of the grant.

strictly conditional and even at the earliest date, before the introduction of the express defeasance, it was usual to introduce a recital of the public utility of the invention into the deed. Such a recital in a royal grant had by virtue of the doctrine of the effect of the king's having been deceived (*j*), the same result as a defeasance so that from the very first the conditional tenure upon which the patentee held his privileges was clearly expressed in his grant.

This condition has never been released. It is true that dicta may be found from which it is possible to argue that when a patentee has lodged a proper specification he has fulfilled his whole duty with regard to the public. But the language of the statute and of the grant is clear and cannot be overruled by dicta even if the conclusion now supposed to be deducible from them had been present to the minds of the judges, as probably it was not. It would be a highly scandalous proposition to allege that the Crown had conferred upon any grantee the privilege of putting the public to an inconvenience, and the ministers of the Crown—whether ministers of justice or others—are bound no less in duty than in reason to put such an interpretation on the grant as will render it consistent with the common weal.

Scope of a patentee's rights.

The true view of a patentee's rights seems then to be deducible by considering him in the light of a public officer charged with the promotion of a particular manufacture within the realm. If he performs this duty successfully he is entitled, as to his fee, to the profit which he can make out of that manufacture. But he must not stint its use. That would be the plainest violation of his duty, a violation as plain as if a judge should refuse to administer justice or a soldier to proceed to battle. In the one case as well as in the other the default, if wilful, merits the dismissal of the officer from his post and the resumption of his grant of privilege. And in accordance with this view the Statute of Monopolies and the patent

(*j*) 4 Ba. Ab. 210 (orig. Ed.); 6 Ba. Ab. 514 in the 7th Ed.; and see below, p. 38.

grant both denounce the penalty of forfeiture in such a case. The Act of 1883 has introduced a milder remedy and empowered the Board of Trade to proceed by way of correction and to guide the patentee into the proper discharge of his functions without exacting the extreme penalty of his offence.

The Patents Act of 1883 mitigates the penalty of default. See p. 26.

A phrase in the Act which, considered from this point of view, is most felicitous confers jurisdiction on the Board of Trade in case "by reason of the default of the patentee to grant licences" certain consequences are proved to have ensued. The word "default" has given occasion to much discussion though happily, as yet, to no difficulty (*k*). If the patentee were really under no duty towards the public it might be difficult in any case to convict him of a default but if his duty be to make the best of his invention in the interest equally of the public and of himself then he commits a default whenever he misses an opportunity of extending its use and nothing could more happily than the word "default" in this sense express what was manifestly the intention in the draughtsman's mind when clause 22 was drawn up. See below, p. 37.

Coincidence between the old law and the new.

It is curious and interesting to note how under the teaching of experience the law of England circles about certain fixed points. In the beginning of the seventeenth century the pretensions of patentees grew insufferable and were retrenched by a stringent Act of Parliament and a lofty doctrine of the duty which privileged persons owe to the Commonwealth. For something like two hundred and fifty years the law as so settled served to determine the rights of patentees and to guide the judgment of the Courts. But during the past twenty or five-and-twenty years; a period within which learning has languished and adroitness has largely replaced it in the administration of justice; the lesson of Coke's times has lain forgotten and patentees have procured in their own interest a revival of the doctrines which

(*k*) *Meister Lucius Patents—Levinstein's Petition*, 15 R. P. C. 739, and below, p. 230; *Dunlop Patent—Gormully & Jeffery's Petition*, below, p. 259; *Dunlop Patents—Wolverhampton Petition*, below, p. 267.

in the autocratic period of English history were the speciality of the Star Chamber and the Council Board. Smarting under the new oppression the manufacturers of this country have procured from Parliament a new remedy for the new mischief and this, when closely scrutinised, turns out to be a reproduction, though clearly undesigned, in slightly altered form of the old doctrine. The new remedy is not so stringent and the new doctrine not so clear and explicit as the old but that might be expected having regard to the interval of time and to the fact, which may be remembered without disparagement to the framers of the Patents Act of 1883, that the Statute of Monopolies was in a large measure the work of Sir Edward Coke.

The interests of patentees as affected by the new jurisdiction.

This view of patent right and of the province of the Board of Trade in administering the 22nd section of the Patents Act suggests an observation which it is worth while to make concerning the interest of patentees. It is perhaps too easily assumed that the section and the jurisdiction which it has created are in the nature of an attack upon patent rights and of necessity therefore adverse, even if not distinctly hostile, to patentees. Now it is obvious to remark that this view depends entirely upon what is probably an erroneous conception of patent rights and that in truth the enactment should be regarded rather as a mitigation of the old strictness than as a diminution of any well-founded claims of right. To that remark, however, the apologist of the patentees would reply with undeniable force that the old strictness has long been practically obsolete and that, whatever the theoretical limits of patent right, the Courts have in fact extended to patentees facilities for enforcing claims upon which the new procedure makes a serious encroachment. So much must be admitted. But a further consideration still remains. The practical outcome of the intervention of the Board of Trade in these matters will depend mainly upon the temper in which it intervenes. That it will intervene in the public interest goes without saying. There can be no

See below, p. 21.

other inducement to the department to intervene at all. But if the view here taken be correct it will intervene for the purpose not of curtailing the patent but for the purpose of giving it effect. It may be taken for the purposes of the argument that in every case in which a default is proved to the satisfaction of the Board the patentee will have been insisting not wisely but too well upon his patent rights. He may have been too grasping in his demand of royalty, too exigent in his proposal of conditions, too exclusive in his scheme of exercising the invention, too modest in his estimate of the public demand for it or otherwise blind to some branch either of his interest or of the duty with which his interest is inseparably bound up. There is the history of the trade guilds to prove, if proof were needed, that privileged persons are sometimes capable of greatly mistaking the best way of bringing privileges to bear fruit. What, in such a case, does the power of correction now vested in the Board of Trade imply? Does it imply a wish or even a tendency to visit the defaulter with penalties? By no means. The penalty, as we have seen, is forfeiture of the patent. That penalty the Board of Trade is not authorized to exact. Its province is to find out what in the given circumstances a wise and upright patentee would do and then to prescribe that course of action to the patentee within its jurisdiction. Its functions are not punitive nor should its administration be vindictive. It is there to reconcile the public interest with the private interest of the patentee, to find out the golden mean in which the patentee's interest and his duty meet. In this respect it occupies a position analogous to that of the old Court of King's Bench—a jurisdiction now vested in the High Court of Justice—when issuing mandamus and prohibition to subordinate tribunals. The jurisdiction is corrective purely and though it is exercised upon the footing of a proved default it is exercised not by way of punishment, not even by way of censure, but purely by way of instruction and correction, setting aside

See below p. 83.

what has been done amiss and providing an opportunity for that to be done at last which should have been done at first. It will be found upon an examination of the decisions already taken by the Board that it is quite in this temper that the administration of the new law has been approached. There has not been the least disposition to curtail the profits of patentees or to limit unnecessarily their exclusive rights of user (*k*). If the department by a fuller publicity in the actual drawing up of its decisions and by investing with full judicial authority the officer who hears the arguments would assimilate its procedure to that of the Courts of Law so as to give the public an assurance of continuity in its practice; above all, if by a well-devised system of appeals it would provide for the formulating and maintenance of a body of doctrine there would be no reason whatever for patentees as a body to view this tribunal with any distrust. Indeed in these days of sentimental legislation it is no small advantage to a body of persons so very assailable as the owners of patent rights to be protected against the public displeasure which the extravagant claims and reckless self-seeking of the baser sort in their own ranks is ever tending to arouse.

Expense of proceedings at the Board of Trade.

From this point another reflection forces itself into notice. The uncertainty naturally and inevitably incidental to the exercise of a new jurisdiction have caused the litigation which has so far arisen at the Board of Trade to be extremely hard fought. Applicants for licences have been in "dead" earnest in their applications and patentees have been in tremulous fear for their privileges with the result that the proceedings up to the present time have been attended by inordinate expense. Now expense though not, in questions of such great consequence as have hitherto come under consideration, a matter of life and death importance is a matter the significance of which

(*k*) See *Dunlop Patent—Gormully & Jeffery's Petition*, below, p. 261; *Dunlop Patents—Wolverhampton Petition*, below, p. 279.

cannot be overstated with reference to the extended application of the new remedy. The principal cause of this great expense so far has, as above intimated, been uncertainty. Nobody knew how the Board would interpret "default" as applied to a patentee and what therefore would be the range of its jurisdiction. Nobody could tell what principles it would act upon in fixing royalty rates and so with other matters. Every party was therefore desirous to present as strong a front as possible and to be furnished with overwhelming evidence on every debatable point and preparations had to be made upon a commensurate scale with but little regard to the expense of making them. The same influences have caused the inquiries to be very protracted. No better informed than other people the referees, to begin with, have felt compelled to make exhaustive inquiries and full reports. Incidentally this condition of things has given rise to another inconvenience severely felt and deeply resented by litigants, namely this, that they have been exposed, both applicants and patentees, to harassing cross-examination in reference to the conduct of their business. For this vexation no blame can be attached to the referees who have presided on these occasions or indeed to any other person. It is an inconvenience inseparable from the proceedings of a tribunal where one person takes the evidence and another decides upon it. If the officer who can give effect to his views were present to say when cross-examination had gone far enough, "I want to hear no more on that subject"—the annoyance might be reduced to a minimum although perhaps where questions of manufacturing cost come in it cannot be wholly avoided. But a referee whose duty is to report the evidence as well as his conclusions from it is helpless. If it is relevant it can hardly be immaterial and although he may see how, if he could act upon his own responsibility, he might cut the Gordian knot he cannot be sure that his discretion would be approved by the Board. Under these conditions the tribunal cannot be really efficient and inefficiency

Oppressive inquiries at the Board of Trade.

Costs.

means to all parties concerned causeless annoyance and unnecessary expense. It was my intention when first this book was put in hand to give some practical hints and useful information upon this subject of costs and by the kindness of some of my friends I was able to procure some extremely valuable materials for the purpose. But further consideration has convinced me that it is better to omit that topic at the present time. The cost as exhibited in my materials is so clearly due in a large measure to circumstances such as are above alluded to; circumstances which must be looked upon as serious blots upon the present administration of the law which will no doubt be cured—indeed which must be cured at an early date unless the whole enterprise is to miscarry—that no useful end would be served by discussing this phase of the procedure in the light of present information. In fact such a discussion would be apt to deviate into criticism of the Board—a reproach from which I feel that the last few sentences are not wholly free (*l*).

Practical effect of the new remedy.

It will not, of course, be supposed that the utility of the new jurisdiction can be measured by merely summing up the instances in which the Board actually makes an order against a patentee. The knowledge that such a remedy is open, when it comes to be generally diffused, will prevent the rise of the mischief which the remedy is designed to cure. This is constantly the case with all successful jurisdictions. They accomplish more indirectly than directly towards attaining the practical ends of good government. In the present case the indirect benefits which may be reasonably looked for are of the most far-reaching and important character. Not only may patentees be expected to bestir themselves with fresh energy in order to secure the full benefit of their own inventions but a very serious obstacle will be removed from the path of those leaders of industrial enterprise whose merit lies not in the direction

(*l*) I do not see how to mend the passage in question if it stands and think upon the whole that it ought to stand.

of inventive ingenuity but in that of organising faculty. Many a man is highly qualified to exploit an invention who is wholly incapable of originating it. Wealth, business connections and *savoir faire* count for much in this direction and they are not in any marked degree characteristic of the species, inventor. To men who have these facilities for turning useful inventions to account the danger of a patent action is a very serious concern. The expense of putting down a large plant, for example, is not a thing to be lightly incurred if there is any chance that the operation of the plant, when erected, will be stopped by injunction. It is commonly enough said that as compared with Americans the British manufacturers are slow to appreciate the merits of an invention and stupidly given to continuing in the old grooves. There may be truth in the accusation but at least those who make it seldom take into account how seriously the British manufacturer is handicapped by the doctrine which the Courts have adopted of British patent rights. Divorced from the duty of pushing the invention the privilege of exclusive rights in it has become an economic beast of prey, and it is nowise surprising that the industrial shepherd should be timid of exposing his property to its attack. It is quite true that in theory British patent rights, even as expounded by the Courts of law, are not more absolute than the rights of American patentees. But the British rights are incomparably more available. An action which in the United States would be protracted for several years can be disposed of in this country in a quarter of the time and at much less expense. Hence it is much easier, even after action brought, to make terms with an American than with a British patentee and the man who is deliberating as to whether he shall spend money in taking up and working a new invention pays heed naturally and properly enough to considerations of that kind (*m*). Let it once be

British and American patent rights.

(*m*) See the case of *Badische Anilin* v. *Levinstein*, cited below, p. 21.

generally understood that a just royalty is all that the patentee can claim in any case and that the danger to any new enterprise from latent patent rights is bounded by that not very formidable risk and it will then appear that British capitalists and British manufacturers are not so inferior as is now commonly supposed to their transatlantic competitors. It is not a little to their credit that they have maintained a high standard of efficiency in a very competitive age under the hard conditions created by recent developments in the doctrines of patent law and if the Board of Trade succeeds in re-establishing the old principle that no patent right can be insisted on to the prejudice or inconvenience of the "subjects in general" it will give to British industrial enterprise a new start commensurable with the impetus which it has from time to time received from some great discovery or some invention of capital importance.

CHAPTER II.

THE MISCHIEF.

Classes of grievances—Destruction of British industries—Clause (a)—Dictum in Badische *v.* Levinstein—*Dictum in* Incandescent *v.* Cantelo—*The dicta considered—Mr. Moulton's argument—The condition of the patent grant—The patentee's duty—Clause (b)—Unsatisfied public demand—Lord Eldon's dictum—Clause (b) in old patents—Clause (c)—The oppression of a later inventor—Protection of "our subjects in general"—Licence to carry on a new manufacture—"Sole" privilege—The patentee's duty to later inventors—The Crown's intention in making successive grants—Not necessarily a patented invention—Possession of the invention—General view of a patentee's public duty—Section 22 deduced—What is default?—What is mandamus?—Recapitulation.*

The mischief against which section 22 was intended to provide may be shortly described as the obstructive maintenance of patent rights. The Act itself prescribes three conditions any one of which suffices to give jurisdiction to the Board of Trade. Two of these have reference to the public demand for the invented article, the third serves to protect the interests of another inventor. Thus, if the invention is (a) not being worked at all; or (b) not being worked on a sufficiently large scale, having regard to the public demand for it; or (c) if the patent right controls the use by another person of another invention; in any of these cases the Board of Trade may, upon proof of default by the patentee to grant licences upon reasonable terms,

order the granting of licences upon such terms as the Board may consider to be just (*a*).

Classes of grievances.

The classification here appears to have been well considered and the categories happily chosen. The first and second may seem at the first glance to have much in common but in truth they cover perfectly distinct cases even if it be a fact, as probably it is, that some instances that might be cited fall within both categories. But a case may arise in which the public demand is adequately supplied from a *foreign source* and in that case condition (a) would not be satisfied. One of the main objects of the legislature in this enactment was to provide against that very contingency and to secure the manufactures of this country against strangulation by foreign patentees who take British patents for the precise purpose of suppressing a British industry. This point may be illustrated by an extract from the speech of Mr. Joseph Chamberlain when moving the second reading of the Bill which subsequently became the Act of 1883. He said that the position of the government which promoted the Bill was that "while the "inventor was entitled to a reward he was not entitled to "anything in the nature of unreasonable monopoly; and "it had been pointed out especially in an interesting "memorial presented on behalf of the chemical industry "that under the present law it would have been possible, "for instance, for the German inventor of the hot blast "furnace, if he had chosen to refuse a licence in England, "to have destroyed almost the whole iron industry of this "country and to have carried the business bodily over to "Germany. Although that did not happen in the case of "the hot blast industry it had actually happened in the "manufacture of artificial colours connected with the coal "products and the whole of that had gone to Germany "because the patentees would not grant a licence in this "country. In this and similar matters the patentee was

Destruction of British industries.

(*a*) Pat. Act, 1883, s. 22.

"only the first discoverer. Others were working on the "same lines and it was only a question of time which "would arrive first at a satisfactory result. It was all "very well to reward the first inventor; but it was not "necessary or just to give to the first inventor an absolute "right of monopoly which might be used for purposes of "extortion or to the injury of the country which granted "these rewards for invention" (*b*). This was the view taken by the minister responsible for the Bill and although, of course, his opinion is not conclusive as to the object which the legislature may have had in mind the proposition embodied in this statement is one which is not at all likely to be called in question. The employment of patent rights to destroy British industries is manifestly a gross abuse of the privilege and one for which this remedy is provided.

Mr. Chamberlain was speaking in April 1883, and put his statement concerning the effect of the law as it then stood rather as matter of inference and conjecture than as an authoritative or authorised dictum. But in June of the same year this astounding proposition in its crudest form was laid down by Pearson, J., as being undoubted law in the case of *Badische Anilin* v. *Levinstein* (*c*).

There, the judge, after defining and considering the points in which it had been proved that Levinstein's process of manufacture differed from those which had been patented, continued thus:—

Dictum in *Badische* v. *Levinstein*.

"Then the result at which I arrive is this: the processes "employed by Mr. Levinstein are processes deserving of "great praise but they are simply processes which produce "exactly the same results from the same materials which "are produced by this patent. The same object is pursued, "the same materials are employed, the same result is "attained. I cannot do otherwise than come to the con-"clusion that those are merely processes, that they are not "a new invention differing from the patent, but are in

(*b*) Vol. 278, Hansard, 360.

(*c*) 24 Ch. D. 175.

" reality the manufacture of the sulpho acids of oxyazonaph-
" thylamine by a process differing in some respects from
" the process employed according to the patent.

" I cannot come to this conclusion, I must honestly say,
" without some regret. I think Mr. Levinstein has em-
" ployed great knowledge, great skill and great perseve-
" rance in finding out these processes but I am sorry to
" say that the law compels me to inform him that these
" processes cannot be used in the production of this colour-
" ing matter, seeing that the production of this colouring
" matter is protected by a patent."

Here then was Mr. Chamberlain's view of the law indorsed and enforced by all the emphasis derivable from the fact that the law resulted in an admitted hardship and a grievous wrong inflicted by the unwilling hand of a judge whose sympathies were avowedly with the defendant whom he restrained by injunction and visited with costs.

The concurrence of these two authorities is not perhaps entirely accidental. Mr. Chamberlain refers pointedly to a memorial submitted in behalf of the chemical industry. The draughtsman of that document is certain to have known of the Levinstein litigation and to have had it in mind so that in all probability Mr. Chamberlain, when he described the paralysing effect of the patent law upon the British chemical industry, was relying more or less consciously upon opinions expressed by Levinstein's legal advisers as to the probable outcome of his litigation. In any case these two utterances indicate with unmistakable clearness what was at that time generally supposed to be the extent of a valid patent right.

Dictum in *Incandescent, &c.* v. *Cantelo.*

Even more astonishing in its assertion of the unconditional nature of patent rights is the language of the learned judge who decided the more recent case of *The Incandescent Gas Light Co.* v. *Cantelo.* He says: "The
" patentee has the sole right of using and selling the
" articles and he may prevent anybody from dealing with
" them at all. Inasmuch as he has the right to prevent

" people from using them or dealing in them at all he has " the right to do the lesser thing, that is to say, to impose " his own conditions. It does not matter how unreasonable " or how absurd the conditions are. It does not matter " what they are if he says at the time when the purchaser " proposes to buy, or the person to take a licence 'Mind " 'I only give you this licence on this condition' and the " purchaser is free to take it or leave it as he likes. If he " takes it he must be bound by the condition" (*d*); and in a later passage in the same judgment—dealing with the question of costs—the same judge speaks of an attempt by the patentee to establish an exclusive trade in an unpatented article—the gas burner—by making the purchase of it from himself and at his own price a condition of the sale of his patented article—the mantle to be used with the burner—as "a reasonable attempt on the part of the " plaintiffs" and one by means of which, if they could carry it out successfully, to sell their burners (*e*).

The dicta considered.

This result, when it is borne in mind that patents are and always have been granted for the encouragement of British industry, is sufficiently startling and it is cause for hardly less surprise that somebody should not have felt prompted to inquire whether so strange a conclusion could be sound. Even at the present time that inquiry has its uses. The remedy given by the statute is strictly limited in scope and application. It cannot be administered by courts of law but only by the Board of Trade. It is available only to a litigant bold enough to launch a petition and carry on litigation in a region cut off from the ordinary course of law, where no appeal lies from a mistaken decision, and no authoritative dicta exist to guide the Court. If the remedy be nothing but an isolated and exceptional instance of relief capriciously granted in a case of exceptional hardship then its importance may be measured by the frequency of recourse to the Board of Trade. But if it be a new

(*d*) 12 R. P. C. 264.

(*e*) *Ibid.* p. 266.

remedy given in furtherance of an old right then the right itself may prove to be a matter of even greater importance than the remedy. It is therefore worth while to inquire how far the right in support of which this remedy is given can be traced in the common law.

See above, p. 9.

This is a point which was much discussed recently in connection with the Levinstein application for a compulsory licence (*f*). The petitioners' case, under this head, was that the patentees had made no attempt to introduce their patented industries within the realm. That on the contrary it was their settled commercial policy to prevent the introduction and use of their processes here, that they carried on their manufactures in Germany importing the manufactured goods into this country and taking advantage of their patent rights for no other purpose than to exclude other manufacturers from the British market and so to raise the price of their own products. Mr. J. Fletcher Moulton, Q.C., who argued on behalf of the petitioners, and whose authority when speaking upon such a point will be at once recognised, contended that clauses (a) and (b) of the 22nd section of the Patents Act of 1883 were not new law so far as the principles upon which they are based are concerned (*g*). "If you look"—said he—"at the "history of letters patent and consider how letters patent "came to be excepted from the general condemnation of "monopolies you will see what a comical inversion of the "fundamental principles of patent law is established by "the respondents in this case. When monopolies were "condemned by the whole of the English Courts in "Elizabeth's reign and in the reign of James the First, "the exception was made in favour of patents for new "inventions because the patentee had at his own trouble

Mr. Moulton's argument.

(*f*) *Re Meister Lucius (Imray's) Patents — Levinstein's Petition*, 15 R. P. C. 732, below, p. 230.

(*g*) Mr. Moulton's argument upon this point is taken with only so much modification as is necessary to free it from interspersed comments from the official shorthand note of the proceedings. The argument took place on the 28th February 1898.

" and cost introduced a new industry into England and it
" was in view of the benefits derived by the people of this
" realm from the introduction of new manufactures which
" would give employment to the labour in the kingdom
" that this form of reward to the inventor was approved.
" And from this history comes the peculiarity which reigns
" dominant in English law, namely, that you do not heed
" whether or not the man invented the invention himself
" or introduced it from abroad. The inventor and the
" importer are alike meritorious in the eyes of our Courts.
" Why? Because the merit consisted in the introduction
" of a new trade into England. The consideration of
" telling the public how they can work the invention after
" the expiry of the term, by means of the specification is
" a part, but a small part only, of the patentee's merit. So
" little was that thought of at the time of the great debate
" as to what should be the period of a patent that it was
" then contended that the period ought to be seven years
" because seven years was the period of apprenticeship and
" that it would be wrong to keep journeymen who had
" passed through their term of apprenticeship for seven
" years longer out of the exercise of their craft. Let me
" read in support of that position from a book not without
" authority—Coke's Institutes (*h*).

" 'The cause wherefore the privileges of new manufac-
" 'tures either before this Act granted, or which after this
" 'Act should be granted, having these seven properties
" 'were not declared to be good was for that the reason
" 'wherefore such a privilege is good in law is because the
" 'inventor bringeth to and for the commonwealth a new
" 'manufacture by his invention, costs and charges and
" 'therefore it is reason that he should have a privilege for
" 'his reward (and the encouragement of others in the
" 'like) for a convenient time: but it was thought that the
" 'times limited by this Act were too long for the private

(*h*) 3 Inst. 184.

"'before the commonwealth should be partaker thereof "'and such as served such privileged persons by the space "'of seven years in making or working of the new manu- "'facture (which is the time limited by law of apprentice- "'hood) must be apprentices or servants still during the "'residue of the privilege by means whereof such numbers "'of men would not apply themselves thereunto as should "'be requisite for the commonwealth after the privilege "'ended. And this was the true cause wherefore both "'for the time passed and for the time to come they were "'left of such force as they were before the making of this "'Act.'" Recapitulating, Mr. Moulton added "Now if I "am right the sanction for section 22 sub-section (a) rests "in the fundamentals of patent law although the particular "statutory remedy which has enabled us to take advantage "of a failure on the part of the patentee of the perform- "ance of the meritorious cause of the grant is novel." Then after discussing the application of this principle to the facts of the particular case he stated his point thus;— "I should put it in this way that sub-section (a) shows "that the patentee has forfeited the right—the absolute "right to his patent rights because he has kept this from "being worked in the United Kingdom whereas the very "reason why he got his patent granted was that it might "be worked and that it might give rise to a new manu- "facture."

The condition of the patent grant.

This argument may perhaps be considered conclusive on the point but it is nevertheless of interest to observe that it is strongly corroborated by the language of the patent grant itself. The last of the recitals in the deed is in these terms. "And whereas we being willing to en- "courage all inventions which may be for the public good "are graciously pleased, &c." (*i*). In strict conformity with this position the first of the provisoes reads "Provided "that these our letters patent are on this condition that if

(*i*) 46 & 47 Vict. c. 57, Sch., Form D. See below, p. 388.

"at any time during the said term it be made to appear "to us, our heirs or successors or any six or more of our "Privy Council that this our grant is contrary to law or "*prejudicial or inconvenient to our subjects in general* . . . . "these our letters patent shall forthwith determine and be "void to all intents and purposes notwithstanding any-"thing hereinbefore contained."

It would probably not be difficult to bring a case of such abuse of patent right as was imputed to the patentees by Mr. Moulton's argument within the terms of this proviso. That a patent right used by the patentee solely for the purpose of keeping an industry out of the realm and maintaining the price of products within the realm at an artificial figure is "prejudicial or inconvenient to our "subjects in general" is too plain for argument. The exact meaning of the proviso has been called in question and will be considered later on (*j*) but without doubt it covers this case and deals at least with the principal evil at which clause (a) was aimed. No doubt the clause goes in terms somewhat beyond the proviso for it applies in a case of simple non-user of the invention and there would seem to be no need to prove actual inconvenience or prejudice to the public. But this probably is a question rather of words than of substance for "default" must be brought home to the patentee in order to found the jurisdiction of the Board of Trade and it is not easy to imagine that a patentee could be shown to be in default in a case in which nobody had been inconvenienced or prejudiced by his not having granted licences. In substance therefore the doctrine of the common law, of the patent grant and of the Patents Act may perhaps be said to be identical. That doctrine is that no patentee is entitled to deny to the people of this kingdom the use of his invention. His privilege, although its limitations have been somewhat overlooked by the judicature in recent years, has always

See p. 11.

The patentee's duty.

See above, p. 9: below, p. 37.

(*j*) See below, p. 30.

been a limited privilege—limited by reference to the superior and unchartered right of the public and of every member of the public to follow any lawful trade. Fettered and regulated this common law right is by numerous privileges of one kind and another, privileges growing out of custom, statute and prerogative but no act of Crown or subject, however coloured with authority, can suffice in law to put a lawful trade into such restraint that no Englishman can lawfully use it (*k*).

Clause (b). Unsatisfied public demand.

Passing now to the second clause (b) we meet with a provision which is, in a sense, more novel since it never has been a doctrine of common law that a patent could be forfeited by reason only of the failure of the patentee to supply the reasonable requirements of the public with respect to the invention. The only reported decision in a court of law in which any such ground of invalidity has been recognised—so far as my reading goes—is the *Universities of Oxford and Cambridge* v. *Richardson* (*l*). That was an action upon a copyright patent to restrain the printing of bibles by unauthorised persons and Lord Eldon said that if an unreasonable price should be put upon the patented books the patents themselves would be put in considerable hazard. That dictum rested, however, on the view that the position of printer of bibles was in law a public office the duties of which the officer was bound to discharge for reasonable fees and it probably would not cover the case of a patent for a new manufacture granted by way of royal bounty to the true and first inventor.

Lord Eldon's dictum.

But although this form of mischief was overlooked by the common lawyers it has from the earliest times been present to the mind of the king within whose cognisance in his capacity of *parens patriæ* it peculiarly lies. This may be illustrated by the well-known case of the Smalt

Clause (b) in old patents.

(*k*) *Mitchel* v. *Reynolds*, 1 Sm. L. C. 391; *Maxim-Nordenfeldt* v. *Nordenfeldt*, (1894) A. C. 541.

(*l*) 6 Ves. 712.

Patent granted in 1609 to Abraham Baker. An abridged text of the patent is given by Webster (*m*) from which the following extract will serve our present purpose. It may be premised that the blue pigment known as smalt had apparently all been imported from abroad before the date of the original Smalt Patent in continuation of which the present grant was made but that as an article of commerce it was well-known within the realm at that time. "And whereas the said Abraham Baker hath . . . . pro-"mised and undertaken from time to time, during the "term hereafter mentioned, to make sufficient quantity "of the said smalt to serve for the use of this our Kingdom "and to serve the same with smalt as good and as cheap "as the like brought from beyond the seas within the space "of seven years next before the date of the said former "letters patent was usually sold for: Know ye now, that, "as well in consideration thereof as also" &c. Here we have the most specific reference to the reasonable requirements of the public in respect of quantity, quality and price. A still later grant, being the Smalt Patent which was expressly excepted from the operation of the Statute of Monopolies (*n*), provided for the same interests by taking a covenant from the patentee that he would every year produce and store smalt in sufficient quantities "as "good perfect and merchantable as the smalt heretofore "brought from beyond the seas hath usually been" and that he would sell it at as easy and reasonable prices as those at which the foreign manufactured smalt had usually been sold. In the same spirit the glass patent issued in a revised form to Sir Robert Maunsell in 1623 was saddled with an express proviso that it should not operate to restrain the importation of *foreign made* glass because such a restraint under an earlier glass patent had been found to occasion a raising of the price of glass ware (*o*).

(*m*) 1 W. P. C. 11.

(*n*) 21 Jac. 1, c. 3, s. 14.

(*o*) 1 W. P. C. 26.

Clause (c). The oppression of a later inventor.

The third case arises when any person is prevented from working or using to the best advantage an invention of which he is possessed. This provision is of great interest and importance for it accords recognition to private as distinct from public rights. In order to bring a case within this clause the petitioner does not need to show any public inconvenience or any manifest breach of duty on the part of the patentee. He shows only that the grant is injurious to himself—that it prevents his *working to the best advantage* an invention of which he is possessed. Here is a recognition of the individual's common law right to liberty of action in the pursuit of his trade which is quite in the spirit of Sir Edward Coke and stands almost alone among recent developments of the law relating to industry. It will be recognised at once as marking a revolutionary departure from the whole trend of judicial utterances in modern times upon the scope of patent rights and it is therefore doubly interesting to connect it with the doctrine of earlier jurists.

See above, p. 7.

Upon this point the most instructive authority is the form of the patent grant itself. This form in its main features has descended to us as above-mentioned from Elizabethan times and reflects the temper of the age which enacted the Statute of Monopolies. Particularly significant is the following defeasance contained in the patent grant. "Provided that these our letters patent are on this con-"dition, that, if at any time during the said term it be "made to appear to us, our heirs, or successors, or any six "or more of our Privy Council, that this our grant is ". . . . prejudicial or inconvenient to *our subjects in* "*general* . . . . these our letters patent shall forthwith "determine, and be void to all intents and purposes, not-"withstanding anything hereinbefore contained." Refer-

See above, p. 27.

ence has already been made to this clause and it has been taken for granted that it would apply in a case in which general and public inconvenience could be shown to result from the existence of the patent grant. But the words

"our subjects in general" are not necessarily to be understood in a collective sense and as equivalent to "the public." They may also be interpreted in a distributive sense and to mean exactly what they say *i.e.* "our subjects not specially privileged." The relevancy of this distinction between subjects in general and subjects specially privileged can only be fully appreciated upon considering the conditions under which industrial occupations were organized at the date—end of the 16th and beginning of the 17th centuries—when patents for inventions came into existence in this country. It will then be found that handicrafts in those days were carried on by fellowships and guilds having exclusive privileges which were jealously guarded and that the inventor of a new industry could only obtain the right to set it up and carry it on—if he happened not to be a member of the craft to which his invention had reference—by obtaining special licence from the Crown so to do. This point has been habitually overlooked in the discussion of patent rights both by the judges and text-book writers of recent years. The prevailing impression undoubtedly is that an English patent is, like any foreign patent, a mere grant of monopoly which binds the hands of other subjects in the interest of the patentee. In form and legal theory a patent grant is almost the exact reverse of this. It is a grant setting free the hands of the patentee from the restrictions imposed upon him by the privileges of guilds and trade fellowships. The language of the grant itself suggests this view. It is in terms a grant of "especial licence, full "power, sole privilege and authority . . . . to make, use, "exercise and vend the invention." These words were undoubtedly settled with great care and much circumspection. They are enabling words pure and simple. They comprise no prohibition disabling others from exercising the same invention. Such a prohibition there is in the patent but it is to be sought in a later clause. The expression "sole privilege" may perhaps be thought to point

Protection of "our subjects in general."

Licence to carry on the new manufacture.

See above, p. 7.

"Sole" privilege.

to an exclusive right but that may be a mistaken construction. The word "sole" in law does not mean "exclusive"; that is but a loose and colloquial employment of the word. It properly signifies unshared—not joint. A *sole* right is a right which a plaintiff can assert without joining any other person as co-plaintiff. A corporation *sole* is a corporation subsisting of one person. A *feme sole* is a woman who can at common law plead and be impleaded without the joinder of another (*i.e.* of a husband) as co-plaintiff or co-defendant, as the case may be. A *sole* owner is an owner who has an unshared interest in property, the subject-matter of his ownership and stands opposed to a co-owner. In the same way *sole* tenant and *joint* tenant are antithetic expressions. A property held in joint tenancy is not held by any less exclusive title than a property held in sole tenancy. The tenure may be exactly the same, the only difference being that in the one case the title is complete in one person,—the sole tenant; whereas in the other case it is complete in two or more persons,—the joint tenants. In both cases, and in both cases equally, the rights of property are absolutely exclusive rights.

The true meaning of this expression "sole privilege" becomes clear when we consider that in the 16th and 17th centuries the right to follow a handicraft in any given locality was a privilege conferred usually by charter and

See p. 8

conferred upon a fraternity of craftsmen. The privilege was held in common by the brotherhood or guild and was a joint not a sole privilege in any of its members. A patent granted for an invention conferred similar liberty to work at the handicraft to which the invention related but, unlike a trade charter, it did not create and was not intended to create a rival brotherhood or guild. It was intended that after the expiration of the patent the privilege of working the patented invention should enure for the benefit of existing craftsmen. Hence, as distinguished from the liberties conferred upon the trade fellowships by

trade charters, the privilege conferred by the patent grant upon an inventor was a *sole privilege*. The chartered rights were held in joint tenancy by all the freemen of the fraternity—the patent right was held in sole tenancy by the sole patentee or his assigns. In other respects the patent right bore a very close resemblance to the rights conferred by charter upon the trade fellowship (*p*) but in this respect the difference was sharply defined and fundamental and it was one which it was most fit and even most necessary to mark by words defining it as a *sole* and not a *joint* or *common* right.

New industries hampered by trade regulations.

Considered as a grant of authority to carry on a trade the grant is now indeed superfluous and hence the difficulty of construction which probably explains the notable absence of judicial comment in modern times upon the language of this passage in the patent. But it is only in very modern times that a royal licence has become unnecessary to the handicraftsman. At the time at which these words were first put into the patent such a protection to the patentee who proposed to work his invention was most necessary. Not only were the exclusive privileges of the trade guilds and fellowships in full force and jealously vindicated but unlicensed craftsmen were put down by Act of Parliament. A statute passed in 1562 (*q*) prohibited the use of any manual occupation except to persons who had undergone an apprenticeship to the craft which they proposed to follow. There is abundant evidence that in former times these trade privileges placed a serious obstacle in the way of inventors or others who proposed to introduce new manufactures. Thus the smalt patent granted in 1605 to Twynyhoe and others granted power, licence and authority to make smalt in "all and every county, city, town corporate and other

See above, p. 8.

(*p*) The analogy between a patent granted for an invention and a trade charter is really most striking. The subject demands too much discussion to be dealt with in this place and has been already worked out in Monopolies by Patents, pp. 249—259. See also below, App. VI., p. 395.

(*q*) 5 Eliz. c. 4, s. 24.

" towns, villages, hamlets and other places exempt as not " exempt . . . . any law, statute, Act of Parliament, " proclamation, restraint or any other matter cause or " thing whatsoever to the contrary notwithstanding" (*r*). An obvious reference this to the Elizabethan statute concerning apprenticeship and the numerous municipal and other privileges by which the manufacture and sale of pigments were in those days regulated. Even more explicit on the point are the following instances which are probably typical of an unlimited number of examples that might be discovered by an exhaustive search. In the year 1369 there is an entry on the Parliament roll of a complaint by the citizens of London that aliens are enabled by virtue of the King's charter to carry on trade within the city and elsewhere notwithstanding the ancient franchises of London and other boroughs (*s*).

Merchants privileged under the *Carta Mercatoria*.

There is preserved in the library of the corporation of London a complaint by the Stationers' Company of the patent granted to Richard Woodde for printing on parchment, the gravamen of which complaint is that the patent enabled the patentee to set at naught the company's charter and encroach upon its privileges (*t*).

Woodde's patent.

Rymer has preserved a patent of the year 1631 granted to Thos. Buckell who had succeeded to the business of a draper in Cambridge and was carrying it on in defiance of the Statute of Elizabeth without having served any apprenticeship to the trade (*u*).

Buckell's patent.

This subject has been curiously neglected by writers upon patent law and it is consequently impossible to marshal any large body of precedents. The foregoing gleanings of a very partial investigation of the available materials will serve to make it plain that at least there was in Elizabethan and Stewart times abundant reason for the inventor of a new manufacture to seek " especial licence, " full power, sole privilege and authority " to embark upon

(*r*) 1 W. P. C. 10.

(*s*) Vin. Ab. tit. Prerogative of the King (U.c) 5. See also Monopolies by Patents, p. 252.

(*t*) Remembrancia, 101. See also Monopolies by Patents, 122.

(*u*) XIX. Ry. Fœd. p. 304.

the working of his invention even apart from any idea that he may have had of obtaining an exclusive privilege.

If this view of the essential nature of English patent right be correct it is granted in aid of the inventor's common law rights and not primarily at all in derogation of the common law rights of the public. If it works out to the detriment of other people that must be regarded as a mischance and if the detriment be so serious that the grant becomes "inconvenient or prejudicial to our subjects "in general" then the grant itself must fall.

The patentee's duty to later inventors.

It is eminently consistent with this theory of patent right that the patentee should be expected to give his licence to any person who is in possession of another invention and prevented by his grant from using it to the best advantage. The whole object of the Crown in granting patents is to promote industry by the aid of invention and it would be an extremely curious result of the policy adopted with this object if it enabled one inventor to paralyse another. It is quite true that in *Badische* v. *Levinstein* (*x*)—already referred to above—a Court of first instance came to the conclusion that such was the outcome of the patent law. But it may be pointed out that that case was argued and decided without reference to the history of patents and without any critical discussion of the terms of the patent grant. It went upon general impressions of the doctrine of patent right so vaguely put as to leave large room for error and that even if it were correct in its exposition of the then state of the law it shows only that the law had been corrupted in recent years and has no bearing upon the authorities above cited or the earlier state of the law which for the purpose of that decision it was not thought necessary even to investigate.

See above, p. 21.

There is another line of argument which may be relied upon to show that this third case under the section involves no real departure from the traditions of English patent law. The Crown has from the very first acted upon the

The Crown's intention in

(*x*) 24 Ch. D. 175.

making successive grants.

view that a subordinate invention was good subject-matter for a patent grant. If it be answered that the Crown, which makes grants at the patentee's risk, gives itself little or no concern as to the validity of its grants when made then it may be pointed out that the Courts have unequivocally decided in favour of the validity of such a grant (*y*). Except, therefore, upon the assumption that the Crown is ready to make ineffective grants and makes them with frivolous facility one is driven to the conclusion that it always has been the theory of the advisers of the Crown that it was the duty of an earlier patentee, if need were, to licence a later. Indeed there is some ground for saying that it was at first held that a later grant would overrule an earlier and enable the later patentee to set the earlier at defiance. The cases above cited in which patents were taken to set aside privileges conferred by charter are manifestly in point (*z*), and early patents can be adduced into which an express proviso was introduced in order to save still earlier grants from being abrogated in this way (*a*). It must on the other hand be admitted that so great a lawyer as Lord Eldon was quite prepared to treat the earlier patentee as enjoying a paramount right and entitled to prohibit the use of his own invention absolutely during the term of his patent (*b*). The Act of 1883 has fortunately reduced the question as to which of these two views is sound law to the level of an academic discussion. There is no doubt that a later inventor is now entitled to work his own invention upon reasonable terms of arrangement with the earlier patentee and it may at least be argued with some force that the principle which this regulation embodies is fundamental in our patent law.

See above, p. 31.

Not necessarily a

In the course of the preceding discussion the aggrieved

(*y*) *Crane* v. *Price*, 1 W. P. C. 412; *Lister* v. *Leather*, 8 El. & B. 1017; *Ralston* v. *Smith*, 11 H. L. Cas. 246.

(*z*) *Carta Mercatoria*. *Woodde's Patent*, Remembrancia, 101; *Buckell's Patent*, XIX. Ry. Fœd. 304.

(*a*) *Dudley's Patent* (1622), 1 W. P. C. 15; *Gilbert's Patent* (1618), XVII. Ry. Fœd. 102, and below, p. 405.

(*b*) *Ex parte Fox*, 1 W. P. C. 431.

person of this last case has in one or two places been spoken of as a later patentee. It is to be observed that the statute does not require the invention in respect of which he qualifies to be a *patented* invention. It ought perhaps to be a *patentable* invention for the word *invention* is so defined in the 46th section of the Act, and this must no doubt be accounted a slip in drafting for it is eminently undesirable that any question as to the patentability of the petitioner's invention should be imported into the discussion before the Board of Trade. But on the other hand it may in a rough and inaccurate sense be said that the case of a patentable,—*i.e.* a new,—invention is the only one that needs to be provided for inasmuch as an old invention if covered by the patent would render the patent itself invalid for want of novelty. This however is a superficial and wholly insufficient answer. Moreover it may be contended that the petitioner could not be "in possession of" an invention that had been already published to the world. This however does not seem quite conclusive. The expression is a figurative one and borrowed from the first recital in the patent (*c*). In the recital it seems to signify that the patentee had such control of the invention that he could bind or loose it. Probably the exact interpretation intended was given to the phrase by Mr. Bousfield when he said "I think I must take this on the footing that "unless these people" (the petitioners) "succeed this par-"ticular tyre, with a chain in the edge, will not be made "and sold" (*d*).

patented invention.

Possession of the invention.

It will be convenient at this point to make a slight digression for the purpose of observing that a patentee occupies to some extent, indeed occupies in a very real sense, the position of a public officer. Reference has been already made to the language of the recital in the patent in which the encouragement of inventions for the public good is set out as an inducement for the making of the grant. This formula is itself unmistakable but in some of

General view of a patentee's public duty.

See above, pp. 27, 28.

(*c*) Below, p. 388.
(*d*) See *Dunlop Patents—Wolverhampton, &c. Petition*, below, p. 277.

the earlier grants it was expanded in a fuller form of words. Thus in Gilbert's patent, (anno 1618) drawn up at a time when the grievance of monopoly patents was being very hotly discussed, it appears in the following terms "And whereas it is supposed that the said several engines "... *are likely* to provo of good and necessary use for "the service and benefit of this our realm; Know ye "therefore that we, tendering the common good and "benefit that may redound hereby to our said realm and "subjects &c." (*c*). To the like intent Dudley's patent (anno 1622) recites "We .... finding that the working "and making of the said iron, by the means aforesaid, "within this kingdom will not only in itself tend to "the public good thereof but also thereby the great "expense and waste of timber and wood converted into "charcoal and consumed upon ironworks will be much "abated and the remnant of wood and timber within this "land will be much preserved and increased; of the want "whereof not only ourself, in respect of provision for our "shipping and otherwise, but also our subjects for many "necessary uses are very sensible" &c. (*d*). Examples might easily be multiplied but their multiplication would serve little purpose since it is undeniable and never has been doubted that the public good is the final cause of the grant of patent rights in respect of new manufactures. The only importance to the present argument of pointing out that this consideration is clearly stated in the deed itself arises from the fact that according to the accepted rules of construction applicable to grants from the Crown the recital is equivalent to a condition and is binding as such on the patentee. That is to say if the Crown is deceived in the consideration of the grant the grant itself is void (*e*).

Now what are the responsibilities of a patentee who has taken from the Crown a grant made for the encouragement

(*c*) See App. VI., below, p. 396.
(*d*) 1 W. P. C. 14.
(*e*) *Gledstanes* v. *Sandwich*, 5 Scott, N. R. 719. See also *Morgan* v. *Seaward*, 1 W. P. C. 196, and above, p. 10.

of "an invention that may be for the public good"? (*f*) Clearly to see that the invention does in fact yield fruit of the public good. Otherwise the object of the grant fails and the Crown is shown to have been deceived in the consideration for the grant. Hence the patentee is in the position of a person invested with authority in respect of the patented manufacture which authority he is in duty bound to exercise for the public good as well as for his own private advantage. This is precisely the position of an officer who is entitled to demand fees for the discharge of his duties—of a registrar of births for instance. It was at one time the position of almost every officer in the kingdom when even the judges were paid from the fees of their courts and the King himself received the profits of wardship. It is surely no extravagance to speak of a patentee as owing in this sense a public duty and no more than an allowable figure of speech to call him a public officer.

Sect. 22 based on a public duty.

Another line of argument which leads to the same conclusion arises from the consideration that there is no privity between the parties to a petition to the Board of Trade. This is a self-evident proposition. The petitioner does not and cannot allege as any part of his case a private obligation subsisting between himself and the patentee. He has given the patentee no consideration, nothing in the nature of a *quid pro quo*. He has received from the patentee no promise, he relies upon no representation made by the patentee. His claims upon the patentee are grounded, so far as they are grounded in principle and not merely in the arbitrary provisions of the Act of Parliament, solely in the fact that the patentee is a grantee from the Crown and that certain duties having respect to his, the petitioner's, interest only in the same way as to the interest of every other member of the commonwealth are annexed to the enjoyment of the grant. Thus the only ground of principle

(*f*) See form of patent below, p. 388.

which it is possible to assign to the private claim is a public right.

What is default? See below, p. 171.
What is mandamus? See below, pp. 141, 147.

This point has its importance, in two respects, for the ensuing discussion. In the first place it must largely colour the interpretation to be put upon the reference in the enactment to the patentee's "default" and in the second place it has a curious bearing upon the obscure question as to what is meant by "mandamus" in the clause relating to the enforcement of the Order of the Board of Trade when made.

Recapitulation.

To recapitulate. It is and always has been the law of this country that a patentee is bound to introduce his invention within the realm. An obstructive patent which causes inconvenience or prejudice to the public is by its terms void but this provision has in recent years been lost sight of and by reason of long disuse has become so uncertain and difficult of application as to be practically inoperative. To remedy the inconvenience thence arising; —since patentees, relieved of any real danger of forfeiture, grew unreasonable and oppressive in the assertion of their patent rights;—a further remedy has been provided and lodged in the hands of the Board of Trade which in a proper case may order the patentee to grant licences. The following positions must be established in order to bring a case within the jurisdiction of the Board of Trade:—

(1) The interest of the petitioner in the relief sought.
(2) A default on the part of the patentee to grant licences on reasonable terms.
(3) As a consequence of that default one or more of the following inconveniences:—
   (a) That the patent is not being worked in the United Kingdom.
   (b) That the reasonable requirements of the public with respect to the invention cannot be supplied.

(c) That some person is prevented from working or using to the best advantage an invention of which he is possessed.

The proof of (2) and (3) must be "to the Board of "Trade" an expression which probably imports to the satisfaction of the Board of Trade. But the first position must be absolutely made out and presumably therefore it must be established by admission or by such evidence as would satisfy a Court of Law. Assuming the three positions to be duly established the mischief is proved and the Board of Trade, upon being satisfied as to the terms which the justice of the case demands, can act.

CHAPTER III.

THE TRIBUNAL.

Theoretical constitution of the Board of Trade—The effective Board of Trade—Tendency of the Privy Council to split up into committees—Jurisdiction of the High Court over administrative departments—Over the Board of Trade—Board of Trade; how far bound by case law—Reasons for following—Subordination—Solidarity—Custom—Deference—Position of the Board of Trade—Bound by cases as to jurisdiction—Secus ultra—*Principle of solidarity does not apply—Custom does not bind in this case—Principle of deference applied.*

The nature of the relief granted by this enactment is so exceptional that doubts are sure to arise as to the limits within which the jurisdiction is to be exercised and these doubts will probably have to be resolved upon the authority of very general principles and somewhat far-fetched analogies. Into such a discussion the character of the tribunal which is invested with the jurisdiction must of necessity enter as a fact of no small significance and hence a very practical interest attaches to the subject of the present Chapter.

Theoretical constitution of the Board of Trade.

The name Board of Trade is a parliamentary title for a committee of the Privy Council constituted under the style of A Committee of Privy Council appointed for the Consideration of Matters relating to Trade and Foreign Plantations (*a*). This committee was appointed by an

(*a*) 24 & 25 Vict. c. 47, s. 65; 52 & 53 Vict. c. 63, s. 12 (8).

Order in Council in the year 1786 the date commonly assigned to the order being 23rd August in that year (*b*). It appears however from the London Gazette of the 9th September in that year that the order was made at St. James' on the 6th September (*c*). The order was made by virtue of powers conferred upon the Crown in that behalf by an Act of Parliament of the year 1782 (*d*) under a proviso that no salaries should be paid to the members of the committee in respect of their offices as such members. This arrangement probably did not work very well for in 1817 Parliament made provision for the payment of a salary to the Vice President of the Committee (*e*) and nine years later a salary was attached also to the office of President of the Committee (*f*). The consequence was that these two members of the Board of Trade became the only effective members of the Board,—which has long discontinued the practice of meeting in conclave,—and so continued until the abolition of the office of Vice President in 1868. Since that time the President has discharged upon his own responsibility all the functions of the committee except indeed those of which he has been relieved by the Colonial Secretary and perhaps by some other *ex officio* member of the Board whose official duties compel him to share the functions of the Board of Trade. In these cases, however, the President escapes altogether from the delegated duty so that the one function which the Board of Trade has now wholly ceased to discharge is that of deliberating in conference. Sometimes one member, sometimes another, usually the President, fulfils the duties assigned to the Board while the Board itself has for the purposes of consultation practically ceased to exist.

The effective "Board of Trade."

(*b*) Thomas—Notes of Materials for the History of the Public Departments, p. 79.

(*c*) As this authority is now somewhat difficult of access the passage in question has been extracted from the London Gazette and is reprinted as Appendix V. to this volume. See p. 392.

(*d*) 22 Geo. 3, c. 82, s. 15.

(*e*) 57 Geo. 3, c. 66.

(*f*) 7 Geo. 4, c. 32.

This disintegration of the committee is an exceedingly anomalous circumstance for its functions have always been of great importance and it is in one of the principal departments of the public service the representative of the Privy Council or rather it is the Privy Council itself. It is a well known and highly characteristic feature of the Privy Council that it invariably acts by committees, never as a whole. Its most important functions are of course entrusted to the Cabinet; a committee reflecting the prevailing political complexion of the House of Commons for the time being. But the Cabinet is only one of a number of committees into which the Privy Council is split up. Thus, to say nothing of the obsolete Council Board, Star Chamber and Court of Requests or even of the Exchequer and Chancery which equally took their rise by a fissiparous process in the Council, there are at the present time the following committees in addition to the Board of Trade which divide the duties of the Privy Council between them; The Judicial Committee, The Committee of Public Health, The Education Board, The Scotch Education Board, The University Committee and the Board of Agriculture.

Tendency of the Privy Council to split up into committees.

This tendency to split up into committees is not of recent development in the Privy Council. So early as the year 1390 there are to be found in a set of regulations drawn up for the conduct of business at the Council Board provisions that all matters brought before the Council which touch the common law shall be sent to be determined before the justices; that all matters touching the office of the Chancellor shall be sent to be determined before him in the Chancery and similarly that matters within the province of the Treasurer should go before him in the Exchequer while the Dukes of Guyene and Deverwyk of Gloucester together with the Chancellor are constituted a special committee of three with a quorum of two to consider all questions of royal gifts or grants that may turn to the disadvantage of the King. One hundred years later (in 1487) the Chancellor, the Treasurer and the

Keeper of the Privy Seal were by Act of Parliament constituted a Judicial Committee of the Privy Council with power to summon certain other privy councillors and judges to their assistance and adjudicate upon certain crimes and misdemeanours (*g*) a jurisdiction which under the title of the Court of Star Chamber they exercised for nearly two hundred years. In the year 1553 King Edward VI. drew up a series of regulations for the despatch of business in the Council and divided it up for the purpose into five committees which are termed "councils" and ordered to sit apart (*h*). The arrangements made by Edward VI. were probably soon obsolete since great changes in the Council marked the accession of his sister Mary to the throne but nearly a hundred years later Sir Edward Coke is able to assign to the principle of distribution among committees the rank of a recognised method of conducting business at the Council Board for he says "Some rules of the Council, which in Council we "have observed we will add . . . . fifthly it is a mean of "prosperous success when the question is debated with a "few, not that he should rely upon them but that thereby "the state of the question may be well understood to the "end the same may be plenarily and fully propounded to "the whole Board" (*i*).

Again after a further interval of little more than a hundred years Sir Wm. Blackstone, summarising the history of the Privy Council and noting the fact that in his time its numbers were greatly increased as compared with earlier times remarks "No inconvenience arises from "the extension of the numbers of the Privy Council, as "those only attend who are specially summoned for the "particular occasion upon which their advice and assistance "are required" (*k*). What Blackstone described in 1765

(*g*) 3 Hen. 7, c. 1 (c. 10 in Statutes of the Realm, 1816).

(*h*) Burnet, Hist. of Refm., vol. ii., part 2. King Edward's Remains, No. 6. These committees are enumerated by Prof. Dicey in "The Privy Council," p. 81.

(*i*) 4 Inst. 57.

(*k*) 1 Comm. 230.

has continued to be the course of procedure in the Privy Council down to the present time so that it is manifest that the Legislature when in 1782 it authorized the appointment of a committee of the Privy Council for the consideration of matters relating to trade must have been well aware that it was conferring jurisdiction upon the Privy Council itself and authorizing that body to act in the only way in which it ever does act in its collective capacity.

Jurisdiction of the Courts over administrative departments.

These considerations are of importance when the relations between the Board of Trade and the Law Courts come to be considered. If the Board of Trade were, like the Treasury Board, merely a body of officials acting under the authority of a Royal Commission there can be no doubt that the High Court would in a proper case exercise jurisdiction over such a body and control its action. Thus in *The King* v. *The Lords of The Treasury* (*l*) a mandamus actually issued to compel the payment of appropriated money and in *The Queen* v. *The Lords of the Treasury* (1851) Lord Campbell gave unhesitating expression to the opinion that the Court of Queen's Bench had jurisdiction to issue a mandamus against the Treasury in a proper case (*m*). It is true that the decision in *The King* v. *The Lords of the Treasury* was disapproved in *The Queen* v. *The Lords Commissioners of the Treasury* (1872) but in the course of a judgment disapproving of that decision Blackburn, J., said "The question remains whether there "is any statutable obligation cast upon the Lords of the "Treasury to do what we are asked to compel them to do "by mandamus namely to issue a minute to pay that "money, because it seems to me clear that we ought to "grant a mandamus if there is such a statutory obliga-"tion" (*n*). The case of the Lords of the Treasury is a particularly strong case from the circumstance that they have been repeatedly sheltered from the jurisdiction of the

(*l*) 4 A. & E. 286.

(*m*) 16 Q. B. 360, 361.

(*n*) L. R. 7 Q. B. 397. See also the observations of the M. R. in *In re Nathan*, 12 Q. B. D. 475.

Courts upon the doctrine that they were mere servants of the Crown having no duty save towards the Crown. If in their case a duty towards a third party as soon as it can be detected brings them within the jurisdiction of the Supreme Court there can be no doubt that any other department of the public service would in like manner be held responsible to the Court for the discharge of its duty towards individual members of the public. If the Board of Trade is to escape from such responsibility it can only be because the Board of Trade is the Privy Council and as Sir Edward Coke says "a most noble, honourable and "reverend assembly." The difficulty sufficiently appears in the case of *Ex parte W. H. C. Smyth* (*o*). There an attempt was made by a litigant dissatisfied with a decision of the Judicial Committee to compel the committee by mandamus to receive his petition for a rehearing. In that case the rule *nisi* was refused upon the express ground of want of jurisdiction in the King's Bench. It is quite true that the circumstances were special inasmuch as the Court was asked to require the committee to rehear a question already heard and decided and the decision seems to have proceeded partly at least upon the ground that it could not be reasonable to call upon a tribunal to embark upon a second examination of a matter already fully considered. But the Court evidently felt a difficulty about entertaining the application at all. Counsel applying for the rule was pressed by the Court to show jurisdiction and did not succeed in discharging himself of that obligation and the opening words of Denman, C.J., in giving judgment are highly suggestive of an opinion that the application was ill-conceived in respect of much more than the merits shown for he says "Upon the statement of the learned "counsel himself, it is perfectly clear that we have no "power to do what is prayed. Here is a Court of the "highest authority at all events of competent jurisdiction

(*o*) 4 N. & M. 584.

" to decide. They have decided and it is not for us to " call upon them to rehear and to redecide."

In the report of what is apparently the same application given in 3 A. & E. there is indeed a hint that the Court would in a proper case grant a mandamus to the Judicial Committee. Thus Patteson, J., says "This Court will " undoubtedly take care that other Courts shall do justice " but " &c. (*p*). These words can hardly signify less than that if the Judicial Committee were to refuse to receive a petition properly presented to them the King's Bench would grant a mandamus to compel them so to do. But the dictum is obiter and expressed in general terms.

The applicant in the case just cited was very persistent in his endeavour to induce the Common Law Courts to interfere for his protection in the litigation pending before the Judicial Committee in which he was interested and having failed to obtain his mandamus he applied for prohibition first (apparently) to the King's Bench afterwards to the Court of Exchequer. In both Courts his application was entertained but dismissed upon the merits so that both Courts must be taken to have considered that there was power to prohibit the Judicial Committee if they exceeded their jurisdiction, and in the Court of Exchequer Parke B. appears not only to have taken it for clear law that the Common Law Courts could prohibit the Judicial Committee but also to have reached this conclusion by classing the Judicial Committee among inferior Courts (*q*). These decisions although they strongly favour the view that the Common Law Courts can entertain a question as to whether the Judicial Committee has exceeded its jurisdiction are perhaps not quite conclusive upon the point. That some difficulty was felt about asserting such an authority against the Privy Council is abundantly clear from the course of the reported argument in the Court of Exchequer. It was there contended that because the Court had and had

(*p*) 3 A. & E. 722.
(*q*) 2 C. M. & R. 754. For the prohibition proceedings in the K. B. see 3 A. & E. 723.

exercised a power of issuing prohibition to the Court of Delegates—which was not a committee of the Privy Council but a specially constituted Court of Chancery—and because the Judicial Committee had been substituted by Act of Parliament (*r*) for the Court of Delegates and because that Act had not in express terms ousted the jurisdiction of the Common Law Courts till then exercised in ecclesiastical causes—therefore the Court had the same authority in this case, which was an ecclesiastical matter, to prohibit the Judicial Committee as formerly to prohibit the Court of Delegates. The judgments given upon Mr. Smyth's various applications are not explicit upon the extent and nature of the jurisdiction in terms asserted but not exercised by the Common Law Courts and it cannot be affirmed that they amount to more than the assertion that in the special circumstances of the case the Court was entitled to exercise against the new tribunal the same controlling authority which it had exercised against the old. If so the decision may be regarded as establishing an exception from the rule and as pointing to a general conclusion that the Courts of Common Law cannot upon a point of jurisdiction any more than upon a point of practice overrule the decision of the Privy Council (*rr*).

Jurisdiction over the Board of Trade.

But this conclusion, if it be doubtful when the Judicial Committee is in question, can hardly be less than very doubtful when the Privy Council is embodied in the Board of Trade. For practical purposes the Board of Trade has long been indistinguishable in point of organisation from the other departments of the Civil Service. The language used by Sir Edward Coke, and already quoted, about the Privy Council sounds strangely overstrained when applied to the Board of Trade. A "most "noble honourable and reverent assembly" is language which no serious person would apply to any "President" of the Board and if attention be directed to the effective

See above, p. 47.

(*r*) 2 & 3 Will. 4, c. 92.

(*rr*) See *Martin* v. *Mackonochie* and *Mackonochie* v. *Lord Penzance*, cited below, p. 211.

tribunal, that is to say, to the referee who hears and reports upon the evidence and to the "secretary or assistant secre-"tary" who actually wields the authority of the "Board" (*s*) the anomaly becomes an absurdity. In the choice of referees the Department has manifested the clearest determination to secure the assistance of persons highly qualified by special experience and ability but it would seem preposterous to contend that the High Court cannot presume to pass in review the conclusion upon a question of jurisdiction or the rights of parties which a practising barrister may take however eminent in his profession and however specially conversant with the branch of law involved that barrister may be. It may be probably taken for granted that the Court in dealing with a jurisdiction which, whatever the theory may be, is in fact exercised in this way will be strongly influenced by the considerations advanced by James, L.J., in *Att.-Gen.* v. *The Great Western Railway* (*t*) as to the importance of keeping special jurisdictions within their statutable limits.

Another consideration points to the same conclusion if the question of jurisdiction be raised upon an application for mandamus to enforce an Order made by the Board. In the cases above cited the proposition before the Court has always been that the Court should in some way interfere *pendente lite* with the action of the Judicial Committee. Whether the interference took the form of mandamus or prohibition, in either case it would be a control exercised by the Court which would of necessity be brought to the notice of the other tribunal and, unless the jurisdiction were repudiated by the Privy Council, would affect the conduct of the Council in reference to the matter in question. This is a very different case from that which arises under the provision in the present statute for enforcing an Order of the Board.

(*s*) 51 & 52 Vict. c. 50, s. 25.
(*t*) 4 Ch. D. 743, quoted below, p. 54. See also *Reg.* v. *Loc. Gov. Board*, 10 Q. B. D. 321.

The Board at that stage is *functus officio* and the Court is asked to set in motion its own machinery of compelling compliance. Even if doubt be entertained as to the propriety of its setting limits to the jurisdiction of the Board in a pending matter that doubt can hardly be pressed so far that the Court must refuse to investigate the grounds upon which it is to act of its own initiative. It may well be that the Court will enter for the purpose of controlling its own proceedings upon an enquiry which would lie outside its competence if the question were of controlling the proceedings of another tribunal. The granting of *habeas corpus* supplies a familiar illustration of the distinction. No judge would entertain for a moment the suggestion that he should prohibit another judge of co-ordinate jurisdiction from entertaining and dealing with an application for the writ but if, after its refusal by a brother judge, the application is renewed to himself he does not and must not refuse to consider the application upon its merits for his own guidance and if he is satisfied that a proper case is made he must order the writ to go notwithstanding that it may have been refused by any number of judges having jurisdiction to grant it.

It seems probable therefore that the Court will assert a discretion to grant the mandamus under this enactment and will require to be satisfied *inter alia* that the order sought to be enforced was properly made. How much this enquiry involves is a question which falls to be considered in the chapter upon the enforcement of the Order (*u*).

See below, p. 151.

There is another way in which the character of the tribunal affects the proceedings under this enactment, that is to say a question of great practical importance arises if it be asked to what extent and on what principle, if at all, is the Board of Trade bound by decisions in the High Court upon points of law?

Board of Trade, how far bound by case law.

(*u*) Below, pp. 135 *et seq.*

The grounds upon which the decisions of the Courts acquire legislative authority so as to constitute a body of case law are not very well understood and the want of recognised authorities dealing with the subject in an exhaustive manner makes it difficult to apply the established practice to new cases. But it is not difficult to discover the main grounds of the English doctrine.

Reasons for following. Subordination.

1. In the first place all Courts which are subject to have their decisions reviewed upon appeal are bound to take account of the law as laid down in the Courts of Appeal because otherwise their judgments would be set aside with wholly unnecessary expense to litigants.

Solidarity.

2. All Courts which administer one body of law are bound to aim at uniformity in the interpretation of the law and for that purpose to consider *inter alia* precedents established in other Courts of co-ordinate jurisdiction.

Custom.

3. When a decision has been sanctioned by extensive recognition and has become an accepted authority upon the faith of which people have acted and interests have been built up it assumes a position analogous to that of a custom with reference to which parties will be presumed to have acted and in this way the decision of an inferior tribunal may come to have binding force even for a Court having jurisdiction to review the decision itself had it come up for review in the way of appeal.

These three grounds suffice perhaps as foundations for the authority attributed in English law to reasons upon which a Court has actually based the decision of a disputed case—the *ratio decidendi.* And the rule itself is sometimes stated in such a way as to import that such utterances alone have binding force. But it is very clear that *obiter dicta* sometimes have weight scarcely if at all less than that attaching to the most formal decisions.

Deference.

In such a case the real ground of submission is respect

for the learning and reputation of the author of the dictum relied upon. In a case covered by one or another of the more explicit forms of authority already considered there is no occasion and indeed no room to have recourse to this less peremptory form of authority. But where the law is left in doubt by want of decisions precisely in point the defect may be supplied in this way.

We thus obtain four distinct grounds upon which the authority attributed to decisions can be rested. These may be conveniently recapitulated thus :—

1. Subordination.
2. Solidarity.
3. Custom.
4. Deference.

To develope and discuss these various heads would involve too wide a survey of the law and constitution for our present limits and we shall therefore take this result for granted without attempting to establish it and proceed at once to the enquiry : How far do these principles bind the Board of Trade to observe the decisions of the Courts of Law ?

Position of Board of Trade.

The first head—that of subordination—presents great difficulty. There is no doubt that the Board of Trade is not in any proper sense of the word a tribunal subordinate to the High Court. From its decision no appeal lies to the Court and over the exercise of its discretion the Court cannot and will not exercise any control. This point was decided in *Att.-Gen.* v. *Great Western Railway* where an order having been made by the Board of Trade under the Railways Regulation Act (5 & 6 Vict. c. 55, s. 6) the Court granted an injunction in furtherance of the order. The M.R. (Jessel) after considering what were the matters which by the Act the Board was required to take into account in arriving at a decision, observed "It is not "intended that a judge should decide judicially upon "these matters; it is left to the Board of Trade, they "having the means of informing themselves and means of

"inquiry which are not at the disposal of the Judicature "and it was assumed that the Board of Trade would "exercise it in a reasonable manner and that was no "doubt the ground on which the jurisdiction was con- "ferred upon them. Being of opinion that that juris- "diction has been conferred upon them and that the pre- "liminaries required by the Legislature are complied with "I think it is beyond my functions to inquire whether "the Board of Trade have or have not properly exercised "their discretion which discretion, as I understand, has "been vested in them by the Acts of Parliament and there- "fore I shall grant the injunction" (*x*).

In dismissing an appeal from this decision James, L.J., said "It is very important, no doubt, that all these special "jurisdictions and powers which are given to departments "of the government and other similar bodies should not "be exceeded and that such bodies should keep themselves "within the jurisdiction which is given to them. But, as "it appears to me, it is no less important that we should set "them the example of keeping ourselves within our proper "jurisdiction and I am of opinion that we have no juris- "diction to sit as judges on appeal from a finding of "the Board of Trade on the facts properly brought before "them in this matter and that we ought not to try to "find reasons for substituting our judgment and decision "for theirs" (*y*). So again Baggallay, L.J., concludes an elaborate examination of the nature of the proceedings leading up to the decision of the Board of Trade thus "and, therefore, though with much doubt and hesitation, "I have arrived at the conclusion that we must consider "the report as one made within the provisions of the "6th section of the Act of Parliament and if it is a "report so made the jurisdiction of the Board of Trade "arises and over that jurisdiction we have no control" (*z*). Even more striking as an assertion of the doctrine that the

(*x*) 4 Ch. D. 740. (*y*) *Ibid.* 743. (*z*) *Ibid.* 747.

Court has in such a case no appellate jurisdiction is the concurring judgment of Bramwell, L.J., for he declared himself sorry for the conclusion to which he came because he thought that the officer upon whose report the order of the Board had been made had "misconstrued the Act of "Parliament and found that which the facts did not "justify him in finding" (*a*). The same doctrine had been laid down as being the rule of the Court of Chancery in *Att.-Gen.* v. *Oxford, Worcester and Wolverhampton Rail. Co.* (*b*) but in that case the Master of the Rolls (Romilly) thought that the Court of Queen's Bench would have jurisdiction to consider upon an examination of the inspector's certificate whether the Board of Trade had properly made the order and to direct it by mandamus to do whatever it would be right to do. The later case shows that no such power of review belongs even to the Queen's Bench Division of the High Court and that in the exercise of the jurisdiction conferred by Parliament the Board is a supreme and uncontrollable tribunal. Indeed it is no new doctrine but a well-established principle that although the Court of King's Bench—and now the High Court of Justice—has a duty to correct the errors of inferior tribunals yet it cannot interfere in a case in which exclusive jurisdiction is given to a particular tribunal. The visitatorial jurisdiction is a case in point (*c*). The power to elect to the fellowship of a college is another (*d*). The discretion of the justices to regulate the supply of food to prisoners in a gaol is another (*e*) and many other examples might be cited (*f*) but the rule cannot be stated in clearer or more general terms than by Lord Tenterden in *R.* v. *Mayor of London* when he says "if a matter is "left to the discretion of any individual or body of men "who are to decide according to their own conscience and

(*a*) 4 Ch. D. 748.
(*b*) 2 W. R. 330.
(*c*) *R.* v. *Ely*, 2 T. R. 336; *R.* v. *Cambridge*, 6 T. R. 104.
(*d*) *Reg.* v. *Hertford College*, 3 Q. B. D. 698.
(*e*) *R.* v. *N. Riding*, 2 B. & C. 290.
(*f*) See Shortt, Inf. Mand. & Proh. pp. 260 *et seq.*

"judgment it would be absurd to say that any other "tribunal is to inquire into the grounds and reasons on "which they have decided and whether they have exercised "their discretion properly or not" (*g*).

It may be taken then that in respect of matters falling within the discretion of the Board of Trade it is not subject to any review of its decisions by the Courts of law and to that extent is free from the obligation which lies upon a subordinate tribunal to observe the decisions of the appellate Court to which its own jurisdiction is subordinate. But the principle of subordination must be understood in a larger sense than this. The ground of the obligation lies in the power of the unsuccessful litigant in the inferior Court to procure elsewhere a reversal of its decision. When this can be done it is manifestly improper for the Court to compel parties to incur the expense of an appeal. So in the present case it would manifestly be improper for the Board of Trade to make an order which the Courts of law would not enforce unless indeed there were some reason—and nobody would suggest any such reason in the present case—for precipitating a conflict of authorities. If therefore the Court will enquire when an application for a mandamus is made into the jurisdiction of the Board to make the order which it is sought to enforce then the clear logic of circumstances shows that upon the principle of subordination, broadly understood, the Board is bound to consider and respect the rules as to its jurisdiction laid down by the High Court. But so far as this ground of authority is concerned there is no obligation on the part of the Board to consider the decisions of the Court on any point except jurisdiction for all other matters are left to its discretion to be decided according to the "judgment and conscience" of the Lords of the Committee or, as the case may be, of the assistant secretary of the Board.

Board of Trade bound by cases as to jurisdiction.

Secus ultra.

(*g*) 3 B. & Ad. 271.

Principle of solidarity does not apply.

The remaining heads may be disposed of in a more summary way. The question of solidarity can hardly arise for the jurisdiction by the present section conferred upon the Board of Trade is manifestly given to cure defects which the practice of the Courts has introduced into the administration of the law. It has been already pointed out that patent right has in this country always been subject to the condition that any grant shall be accounted void which is prejudicial to the state or generally inconvenient. If Courts of law had held this fundamental principle in view they would never have assigned to patent rights the exaggerated value which has enabled patentees of *late* to treat the *public* as if *grantees* of the Crown were entitled to prevent people from using their inventions and by necessary consequence were entitled to fetter the use with any conditions they might choose to impose how unreasonable or how absurd soever those conditions might be. But the Courts of law, losing sight of the public rights secured by common law and exaggerating the privileges conferred by royal grant, have fostered a species of oppression by patentees which it is the specific aim of this enactment to correct and it would be a fantastic error to assume that in applying the remedy the new tribunal was bound by those lines of misguided authority which have issued in the mischief to be cured. Clearly the doctrine of solidarity does not apply in a case like this.

See above, p. 26.

Custom does not bind in this case.

The same considerations apply to the doctrine of custom. No doubt patentees have come to look upon their privileges as unconditioned rights, granted for their own exclusive benefit and paramount to all rights of unprivileged persons founded only in the common law. Nor can there be any doubt that this view has been largely acted upon in recent years. Licences have been granted and accepted on the faith of it and interests have been created upon which the reassertion of public right must have a very mischievous effect. If the consideration of such matters were allowed to fetter the Board of Trade its powers would forthwith

Exclusive licences.

become a dead letter. The Legislature has treated this whole excrescent growth of monopoly interests as a mischief to be pruned away by the discriminating action of the Board of Trade and hence, although it is impossible to say that the existence of interests of this kind is not a fact to be weighed and considered in any given case when the Board is arriving at its decision, it is at least clear that any matters of that kind are to be dealt with as matters of fact not as matter of law—that is to say: the Board may consider what is a fair way of dealing with this or that particular interest in this or that given case but it must not treat these interests, considered as a class, as interests entitled to respect or cut down its conception of the public and common right for the purpose of making room for the growth of such private interests. Hence it seems correct to say that as a matter of law the Board is bound to treat as unreasonable custom any practices which have grown up upon a view of patent right different from that which the Board adopts for its own guidance and that it is no more bound upon this principle than upon that of solidarity to follow decisions in the Courts of law (*h*).

Principle of deference applied.

The principle of deference presents no difficulty. The advised utterances of a person who speaks with the personal authority due to learning and judgment will always carry weight and help to shape the opinion of any tribunal in dealing with controversies to which they may apply. Upon this point it is unnecessary to enlarge and impossible to enlarge to any purpose. But one remark may be hazarded. Deference, as such, is due to the individual, not to the office. Judges sometimes act as skilled expositors of the law and in this capacity their opinions are sought, for example, in cases of great difficulty by the House of Lords. In America the right of exposition, so

(*h*) See further on this point *Taylor's Patent—Hulton & Bleakley's Petition*, 15 R. P. C. 749, and below, p. 246; *Dunlop Patent—Gormully & Jeffery's Petition*, below, p. 256; *Dunlop Patents—Wolverhampton Petition*, below, p. 268.

far at least as the constitution is concerned, is admittedly a part of the supreme judicial office (*i*) and in our own country the power of the House of Lords as final Court of Appeal to declare the law has been laid down in terms which challenge a degree of deference hardly distinguishable from plain submission (*j*). But in this case the meaning is that subordinate Courts, and individuals in respect of matters which may be adjudicated upon by a subordinate Court are bound to submit to the decisions of the House of Lords. It is a case therefore of the authority attaching upon the principle of subordination not on the principle of deference to decisions of the House of Lords. Indeed if this were not so it would follow that *obiter dicta* in that House had the coercive force of law—a proposition which is manifestly absurd and excluded by the language of Lord Campbell's dictum above referred to. For the principle of deference operates in precisely the same way upon a mere *dictum* and upon a *ratio decidendi*, allowance being of course made for the greater precision of one utterance as compared with the other.

But apart from the duty which lies upon a judge to ascertain the law which he is called upon to administer it is no part of the judicial office in this country to expound the law. Even Courts of final appeal with us do not, strictly speaking, expound the law although exposition forms in fact a large part of the judgment actually delivered. The capital distinction of which the English Courts never lose sight between *obiter dictum* and *ratio decidendi* shows that even the highest Court of Appeal is *ascertaining* rather than *expounding* the law in stating reasons for a judgment given. For if exposition were the function of the Court then abstract propositions of law, in other words, the *obiter dicta* would be authoritative but if the function of the Court is to ascertain the law then only those propositions

(*i*) 1 Kent's Commentaries, 296.
(*j*) See *Beamish* v. *Beamish*, 9 H. L. C. 339.

which are adopted as certain grounds for its own decision will be authoritative in the full sense and this is precisely the view of all English Courts.

The deference due to a judicial decision is to be proportioned therefore to the learning of the judge, his familiarity with his subject and the care bestowed upon the discussion of his point; in a word, to precisely the same matters which determine the weight of authority attaching to the opinion of any other lawyer; and has no relation to his judicial office for the judicial office does not endue him with infallibility nor, with the possible exception of the Courts of final appeal, does it invest his errors with the force of law.

Upon the whole, then, it seems that the Board of Trade is not bound by precedents created in the Courts of law except in so far as these serve to define the jurisdiction of the Board. The exception will demand consideration in another Chapter (*k*).

(*k*) See Enforcement of the Order, below, p. 135.

CHAPTER IV.

PARTIES.

Person interested—Who may be made respondent—Mortgagee — Interveners — Licensees — Joinder of parties — Recapitulation—Terms to be imposed on parties intervening.

THE remedy provided by the Act of Parliament is in the nature of a contract and accordingly the parties to the proceedings for obtaining the remedy must be qualified in respect of the contract contemplated. The petitioner must be a "person interested" and the respondent must be the patentee. We will deal with these qualifications separately.

any person interested.

Person interested. See below, pp. 164, 166.

The ellipse here may be supplied by a reference to the relief, that is to say, any "person interested" signifies "any person interested in the relief sought." The alternative construction, "any person interested in respect of "the mischief complained of," is plainly untenable. For one thing it would be nonsensical in the first of the three cases for which the section expressly provides. If the mischief complained of were that the invention was not being worked within the realm, it would be difficult to say that any one person was interested rather than any other. The plantation of the patented industry is a matter of policy—of common concern—in which we are all and every one interested and interested equally in proportion to our joint interest in the prosperity of the realm. Judged by this test therefore everybody would be an interested person

See below, p. 167.

and the qualification plainly superfluous. But if some representative capacity be required and a person be sought in whom the public interest is, so to speak, embodied then by a clear analogy we must fall back upon the Attorney-General and say that he is a necessary party in any proceedings under this clause.

Either of these conclusions is a *reductio ad absurdum* and any intermediate position between the two extremes which would recognise a special interest in special classes of petitioners upon the analogy of the rule that a private person who personally suffers can abate a public nuisance—any such position will be found upon examination to yield the same result as the mode of interpretation here proposed; namely that the person interested must be interested in the relief sought and that is probably the more convenient way of expressing it.

But subject to this qualification, that the interest relied upon must be an interest in the relief sought, it would seem that any interest will do. There is no limitation in respect either of kind or degree of interest and the weight of authority favours a liberal construction of these words. Thus the Regulation of Railways Act 1873 provides that the Railway Commissioners may make certain orders concerning the keeping of traffic rate books by the companies and the exhibition therein of the tabulated rates in dissected form "on the application of any person "interested" (*a*). In the case of *Pelsall* v. *London and North Western Rail. Co.* it was held by the Commissioners (Wills, J.) that these words must be construed in a large sense in order to give full effect to the provisions of the Act. The decision on this point runs as follows "The "London and North Western Company contend that "no one is 'interested' within the meaning of the "section, except the person who has to pay the rate in "respect of which the order is sought. There was a good

(*a*) 36 & 37 Vict. c. 48, s. 14.

"deal of verbal criticism on both sides as to the meaning "of this word and reference was made to other sections "and to other Acts in which the expression has been used. "To my mind it seems much more satisfactory to say that "the expression used in sect. 14 occurs in one of a series "of Acts of which one of the main purposes (if not the "most important purpose of the first of them . . . .) was "to put a stop to undue preferences and that the useful-"ness of this section would be destroyed and its aim "paralysed by putting upon it any such narrow construc-"tion. In my opinion any person who makes out by "proper evidence that the rates which he seeks to have "dissected are really and substantially competitive rates "with his own is a 'person interested' within the meaning "of the section" (*b*).

Similarly in *Carr* v. *The Metropolitan Board of Works* the meaning of similar words came under discussion in the interpretation of the Artisans' and Labourers' Dwellings Improvement Act 1875 (*c*). The schedule of that Act contains a provision that an arbitrator shall hold a certain meeting "and thereat hear and determine any objections "which may then and there be made to such provisional "award by any person interested therein." Sir George Jessel M.R. held that any person was "interested therein" who was "interested in seeing that the award is right" (*d*).

In accordance with this principle the Board of Trade has already entertained petitions from interested persons of the following classes:—

1. Later inventors (*e*).
2. A proposing employer of the patented inven-tion (*f*).

(*b*) 23 Q. B. D. 545.

(*c*) 38 & 39 Vict. c. 36, Sch., sub-s. 11.

(*d*) 14 Ch. D. 815. See also *Tomlinson* v. *L. & N. W. Rail. Co.*, 63 L. T. 89, and below, p. 164.

(*e*) *Re Meister Lucius (Imray's) Patents—Levinstein's Petition*, 15 R. P. C. 732, below, p. 219; *Re Casella's Patents—Levinstein's Petition*, below, p. 234; *Re Dunlop Co.'s (Bartlett's) Patent—Gormully's Petition*, below, p. 249; *Re Incandescent Gas Co.'s (Thompson's) Patent—Continental Gluhlicht Petition*, 15 R. P. C. 727, below, p. 214.

(*f*) *Re Taylor's (Buxton's) Patent*

The rules made under the Act provide that the nature of the petitioner's interest shall be clearly shown in the petition (*g*) and it is also necessary that the interest should be proved or admitted and be substantial. On the hearing of the petition of the Continental Gas Gluhlicht Co. and another against the Incandescent Gas Light Co. Limited one of the petitioners withdrew from the application, the discontinuing petitioner being the company which had proposed to undertake the manufacture under the licence. Leave to amend the petition in a sense that would have placed the continuing petitioner in the shoes of the one retired was refused whereupon the application lapsed apparently upon the ground that there was no party before the Board who could take up the licence if granted (*h*).

the Board may order the patentee.

Who may be made respondent.

From this it follows that the patentee must be made a party respondent. By the interpretation clause of the Act "patentee" is defined to mean "the person for the time "being entitled to the benefit of a patent" (*i*) and by the terms of the patent grant itself the patentee is not only the original grantee of the patent but also his executors administrators or assigns or any of them (*j*). These two definitions appear to be not exactly coincident. In the case, for example, of a mortgage by assignment there can be no doubt that the mortgagee is an assign and therefore a patentee according to the tenour of the grant. But he is not "the person entitled to the benefit of the patent" within the 46th section of the Act. Such at least appears to have been the view of the Court of Appeal in *Van Gelder* v. *Sowerby* (*k*) for in that case it was held not only that a mortgagor was, notwithstanding the mortgage,

Mortgagee.

See below, p. 68.

—*Hulton & Bleakley's Petition*, 15 R. P. C. 749, below, p. 242; *Re Dunlop (Bartlett & Welch) Patents—Wolverhampton Co.'s Petition*, below, p. 262.

(*g*) Pat. Rules, 1890, r. 60, below, p. 345.

(*h*) 15 R. P. C. 731, and below, p. 219.

(*i*) 46 & 47 Vict. c. 57, s. 46.

(*j*) *Ibid.* Sch., Form D.

(*k*) 7 R. P. C. 211.

"the person for the time being entitled to the benefit of "the patent" within this section but also that it was a sound practice at the Patent Office to refuse to register the mortgagee *as patentee*. The language of Lord Justice Cotton's judgment at this point may be usefully quoted. He says; speaking of the Register of Patents; "on the "register, copies of which are given to us the plaintiff is "mentioned as assignee. . . . Then we find on the same "date there was a registration of the mortgage which was "granted to the Banking Company . . . and we hear "from the officer . . . that that was an intentional differ- "ence of language, that they did not register a mortgagee, "even though he took by assignment, as assignee of the "patent and I think that is right . . . . as I understand "the officers do not register an assignee if he is only "assignee by way of mortgage—as proprietor in any way "—and I think that is right because, ... we should "not consider here, knowing what we do of equity, that "the mortgagee was to be considered as the proprietor of "that which is comprised in his mortgage" (*l*).

The distinction thus drawn between an assignee of the patent and the patentee can probably not be maintained with reference to the language of the patent grant itself. It is to be observed that the grant is made to the assigns no less than to the inventor himself. The word "patentee" having been defined as follows; "the said inventor . . . . "(hereinafter together with his executors administrators and "assigns or any of them referred to as the said patentee)" the grant is in terms made to "the said patentee" and the inventor as distinct from the other grantees disappears entirely from the language of the patent. The assigns therefore take from the Crown as directly and immediately as does the inventor. It would probably be found impossible to apply to the patent the same line of argument by which the distinction has been drawn as above stated between the mortgagee and the patentee. In the case

(*l*) See also *Heap* v. *Hartley*, 42 Ch. D. 468; 6 R. P. C. 500.

just cited the question arose simply upon the right of a mortgagor to maintain an action upon the patent against an infringer and it was disposed of by the Court of Appeal apparently without regard to any other consequences than those which the actual dispute between the parties brought into view. But in any discussion of the meaning of the word "patentee" in the grant itself it would hardly be possible for the Court to lose sight of the very different question "Who is privileged under the grant?" For instance if the case should arise of a mortgagor who should seek to restrain his mortgagee by way of assignment from infringing the patent it is hardly conceivable that the Court would in that case hold that the assignee was not a "patentee" and entitled from that point of view to the benefit of the patent *i.e.* to the licence to work the patented invention (*m*).

If this view be correct a doubt may very well arise whether the word "patentee" in the 22nd section of the Act ought not to be understood in a larger sense than that of the interpretation clause as construed in *Van Gelder* v. *Sowerby* (*n*).

See below, pp. 163 and 179.

It is elementary justice that every person whose rights are liable to be affected by the decision of the Board of Trade should be warned of the hearing and admitted to attend the proceedings. If there be mortgagees whose security is liable to be diminished in value or even an exclusive licensee whose monopoly is liable to be cut down or destroyed in the course of these proceedings it is plainly right and even necessary that they should have a *locus standi* to oppose (*o*).

Their interests cannot properly be left in the enforced custody of the "proprietor of the patent" because his interests may very well in such a controversy be wholly divergent from theirs. If therefore it is to be assumed

(*m*) This decision is further discussed from a slightly different point of view below at p. 76.

(*n*) Above, p. 64, and below, p. 76.

(*o*) *Capel* v. *Child*, 2 Cr. & J. 579, quoted below, p. 195; *Reg.* v. *JJ. of West Riding*, 7 Ad. & E. 592.

that the parties appearing before the Board of Trade are to be the parties mentioned in this section and no others then it will be a matter of some practical importance that the word "patentee" should receive the widest possible construction in order to secure as nearly as possible the presence of all necessary parties before the tribunal. It may in this connection become important to consider the question above discussed as to the freedom of the Board of Trade to consider *de novo* a point which has been decided in a Court of law.

See above, p. 53.

But is the assumption justified that none but "patentees," whatever the definition of that word may be, can be respondents? There is something to be said for that view since the jurisdiction is limited to the making of orders against "patentees," and it may be contended that a person against whom no order can be made ought not to be admitted as a party to the proceedings. But this objection cannot go the length of shutting out a willing respondent who consents to abide by the decision. A question thus arises as to whether in addition to parties strictly speaking respondent there may not be others to whom the Board ought to require notice of the petition to be given. The question is one of great importance and will be considered more in detail in another chapter (*p*). It must suffice here to say that it appears to have been overlooked as yet for no provisions dealing with it are to be found either in the Act of Parliament or in the Patents Rules.

Interveners.

The question has arisen as a practical question in two instances while this book has been going through the press. In the *Wolverhampton Petition* and the *Gormully & Jeffery Petition* exclusive licensees were admitted to oppose the petitions. In the latter case two companies appeared in this capacity a certain number of licences, limited by contract to three, having been issued to independent licensees. In these cases, however, the licensees

(*p*) See Chapter on Procedure, below, pp. 163, 179.

were admitted unconditionally to intervene and some difficulty consequently arose as to the exact position in which they stood before the tribunal, one of them claiming to take part "without prejudice," that is to say after having submitted evidence, cross-examined and argued against the petition, raising the objection that there was no jurisdiction in the tribunal to make an order binding upon the licensee. Mr. W. R. Bousfield intimated that if an application were made to amend the petition by adding the exclusive licensee as a party he would advise the Board of Trade that it would be proper to allow such an amendment to be made. Nothing, however, came of this suggestion for the petition was in the end dismissed. But it is submitted that the word "patentee" cannot possibly include a licensee as such. It is clear, for example, that a judgment invalidating the patent cannot be obtained against an exclusive licensee (*q*) and in *Heap* v. *Hartley* it was expressly held that an exclusive licence does not any more than a concurrent licence confer an interest in the patent upon the licensee (*r*). It seems therefore difficult to suppose that the Courts will recognise in the Board of Trade any statutable jurisdiction over persons whose position is only that of licensees and of course the special jurisdiction will not be extended beyond the language of the statute. The language of James L. J. in *Att.-Gen.* v. *Great Western Railway* is very significant upon this point. "It is very "important no doubt" said the learned judge "that all "these special jurisdictions and powers which are given to "departments of the government and other similar bodies "should not be exceeded and that such bodies should "keep themselves within the jurisdiction which is given "them" (*s*).

See p. 255.

Licensee.

See p. 54.

A question of joinder of some practical importance may arise in the case in which it may be necessary to obtain

Joinder of parties.

(*q*) *Per* Cotton, L. J., in *Heap* v. *Hartley*, 6 R. P. C. 498.

(*r*) *Ibid.* p. 500. See also *Van Gelder* v. *Sowerby*, 7 R. P. C. 211.

(*s*) 4 Ch. D. 743.

licences under two or more patents as to whether the two or more patentees can be made respondents to the one petition in respect of their separate patent rights. There are no rules bearing upon this point and it has not yet arisen in practice. It is discussed on the ground of principle below and reason is there shown for the conclusion that a petitioner may join as many parties in his petition as are necessary to enable him to state a complete case to the Board of Trade.

See below, p. 161.

Another way in which a question of joinder may arise is when the petitioner desires that the licence to manufacture may be granted to some third person. Thus in *Meister Lucius Patents—Lerinstein's Petition* a puisne patentee and a manufacturer were joined as co-petitioners the manufacturer being already licensed by the puisne patentee (*t*) and in *Incandescent Patent — Continental Gluhlicht's Petition* the petition failed as a consequence of the withdrawal of the co-petitioner who was the intending manufacturer under the licence and the petition came to nothing (*u*).

See below, p. 166.

The principles upon which joinder of parties should be required and allowed and upon which notice should be given to parties not joined are well understood in the practice of the High Court and it may be conjectured that the Board of Trade will ultimately adopt the principles of the High Court practice or perhaps the practice itself in its own proceedings. But at present there are no rules bearing on this point and therefore no doctrine can be delivered. What it has seemed becoming for the present writer to advance by way of suggestion on these points has been incorporated in the Chapter on Procedure (*x*). Here it may suffice to draw the reader's attention to the Rules of the Supreme Court and especially to Orders 16 and 52.

See below, pp. 322, 333.

To recapitulate;—the necessary parties to a proceeding

Recapitulation.

(*t*) 15 R. P. C. 732, and below, p. 219.
(*u*) 15 R. P. C. 731, and below, p. 219.
(*x*) See below, p. 161.

Petitioner's interest.

at the Board of Trade are, as petitioner, some person interested in the relief sought and, as respondent, the patentee *i.e.* the person for the time being entitled to the benefit of the patent. With regard to the petitioner it would seem not possible either to define the nature of the interest required or to state any minimum value for the interest. But it must be substantial in this sense that the petitioner must be in a position to utilise the licence if he gets it. The Board may in its discretion refuse to make an order in favour of a petitioner who desires it merely for promotion or other speculative purposes. No rule to that effect has as yet been formulated but the discretion of the Board was exercised in this way in *Continental Gas Gluhlicht Case* (*y*). The following interests have proved sufficient to sustain petitions.

Of a manufacturer having a puisne patent right the exercise of which is admittedly covered by the patent in question (*z*).

Of a manufacturer having a puisne patent right which he is restrained from exercising by injunction in favour of "the patentee" (*a*).

Of a newspaper proprietor who desires to use the patented invention to facilitate the production of his paper (*b*).

Parties respondent.

With regard to the party respondent the law is not so clear. It is plain upon the statute that the patentee, being the person for the time being entitled to the benefit of the patent and registered as its proprietor, must be made respondent.

Mortgagee.

It is open to question whether a mortgagee or other person holding in trust and so registered must be made a party and it is doubtful whether persons; however substantial their interests, as for example exclusive licensees;

Licensee.

(*y*) Below, p. 219. But see the observations of the referee in *Dunlop Patents — Wolverhampton Petition*, below, p. 271.

(*z*) *Re Meister Lucius, Levinstein's Petition*, 15 R. P. C. 732, and below, p. 220.

(*a*) *Re Dunlop Tyre Co.'s Patent, Gormully & Jeffery's Petition*, below, p. 250.

(*b*) *Re Taylor's (Buxton's) Patent, Hulton & Bleakley's Petition*, 15 R. P. C. 760, and below, p. 243.

who are not patentees can be joined although they can be allowed to intervene in the proceedings and have actually been so allowed to intervene even without first submitting to the jurisdiction.

It may be considered not only sound in principle but now a recognized practice that as far as possible all persons interested as patentees, whether in the narrower or the more extended meaning of that word, should be made respondents and that all others who have interests in the patent right liable to be adversely affected by the order if made should have notice of the petition and leave to attend and take part in the proceedings. It is submitted however that parties so admitted by leave of the Board should be required as a condition of such leave to submit to the jurisdiction and to undertake to abide by the order when made. Moreover it would seem that in such a case it would be proper to place the intervener under terms as to any additional costs thereby occasioned.

Terms to be imposed on parties intervening.

The discretion vested in the Board of Trade as to the making of an order upon such a petition enables the Board to deal effectively with any resistance that the petitioner may offer to the introduction of fresh parties whose presence before the tribunal may be necessary to enable the Board to do complete justice.

CHAPTER V.

THE RELIEF.

Form of the Order—The language of the Act—Who are persons benefitting by a patent?—The patent register not conclusive—Licensee—Date of licensing—Terms of licence—General considerations—What are just terms? —The Siddell *v.* Vickers *margin—Royalty not to be measured by damages in infringement—The analogy of voluntary licensing arrangements—The rule of divided profit—Applied to case (a)—The Levinstein royalty rate —Just royalty rate—The point of view defined—The case under clause (b)—Royalty rate in case (b)—The case under clause (c)—Merits of the invention—The criterion of comparative merits of inventions—The conclusion extended to new articles of manufacture—When should the presumption be in favour of the one party or of the other?*

Relief.

THE Board has authority in a proper case to order the patentee "to grant licences." The language of the Act is very vague. An order to grant licences might obviously be an order couched in general terms made once for all and prescribing the terms upon which any person qualifying under the order might obtain a licence. Or it might be an order directed to the special circumstances of a particular case and requiring the patentee to grant a specific licence to an individual applicant. An order in the first form would tend to minimise applications to the Board since when once made it would cover all cases falling under the patent affected but probably few applicants would come forward, at any rate under clauses (a) and (b) of the section, if they had to bear the burden of settling terms of

which other people equally with themselves could take advantage. An order in the second form is much more advantageous to the applicant because it can be drawn up so as to leave nothing except matters of pure form to be done in fact so as to be automatically operative and to render practically unnecessary the machinery of mandamus by which it is provided that the order may be enforced. It is in this second and, from the petitioner's point of view, more advantageous form that the Board has actually elected to draw up its orders and the decision is probably sound. Certainly it has made an enormous difference in the public interest to the value of the relief granted for, although according to this plan one order can only cover a single case, there can hardly be a doubt that where a patented invention is in such large request that a number of applications can be made for licences by different petitioners the patentee when he sees what terms the Board of Trade gives him will prefer to conduct his business by direct negociation. *C'est le premier pas qui coûte.*

Form of the order. See below, p. 110.

But this question of the form of the order is important under another point of view. Not only does it affect the practical value of the result reached it has an important bearing also upon the scope and nature of the enquiry. This will be considered in detail in another chapter. Here it may suffice to point out that an enquiry which is intended to eventuate not in a declaration of rights—not indeed in anything in the nature of a judgment—but in an actual contract between the parties ought to be conducted in a very special manner in many respects very unlike the proceedings of a Court of law.

See below, p. 132.

This last consideration leads naturally to the reflection that this question of the form of the order is one of really very great and far reaching importance and one which ought to be determined only after most careful deliberation. If the question be asked Has it been deliberated on? no perfectly satisfactory answer can be given. There is internal evidence that the order made in the *Meister Lucius* (*Levin-*

stein) *Case* had been very carefully thought out but it certainly was not at all adequately discussed before the referee and the form in which it was eventually drawn up was not so much as suggested by or in the presence of the parties. The question therefore should not perhaps be considered to have been as yet disposed of although the Levinstein Order undoubtedly creates a precedent and as is above suggested a precedent which is probably a very valuable one from the point of view of the public interest.

The language of the clause.

But, reverting to the question, What was the intention of the Legislature? the enquirer approaches a very difficult investigation. If it were possible to apply strict rules of textual criticism to the Act of Parliament the expression "on the petition of any person . . . . the Board may "order the patentee to grant *licences*" would seem to point to an order in general terms covering more than the particular case proved: for, otherwise, the singular number "the Board may order the patentee to grant a licence" would be more appropriate and if the limitation of the authority to a single licence seemed dangerous all necessary liberty of action could have been secured for the Board by phrasing the clause thus,—"to grant a licence or licences "to such person or persons on such terms" &c. The exclusive use of the plural form "licences" and the absence of any reference to the persons licensed among the particulars of the licences enumerated in the clause, if they were intentional, would import that orders in general terms were under contemplation. But the day has gone by when literary canons of interpretation could be applied to Acts of Parliament and if manifest inaccuracy can protect any statute from a severe rule of construction then the Act of 1883 will be entitled to the largest measure of liberal interpretation. On the other hand a practical consideration of great weight is that the order is to be drawn up with "regard to the nature of the invention and the *circumstances of the case.*" Now it probably is not too refined a criticism to suggest that the "circumstances of the case,"

being facts additional to the nature of the invention, are to be understood as including the facts disclosed by the petitioner and *inter alia* the facts which go to show what his position is and so to indicate the kind of security to be prescribed, also what his claims and abilities are and so to show what rate of royalty, terms of payment and covenants it would be proper to impose upon him individually. If that be so then the Legislature must of course have intended that the order should be special in its terms and application and the form adopted by the Board is not only the more useful but also the more regular under the provisions of the Act.

may order the patentee.

It has been already pointed out that the word "patentee" has two meanings, one derived from the statute by an interpretation adopted by the Patent Office and endorsed by the Court of Appeal the other derived from the patent itself (*b*). There can hardly be a doubt that the meaning to be assigned to the word in this place is that given in the definition clause (46) of the Patents Act. If therefore the interpretation, which excludes a mortgagee, be correct it would seem that there is no jurisdiction in the Board of Trade to make an order against a mortgagee who has not foreclosed. This would amount to a very serious limitation of the power of the Board of Trade for it is obvious that the Board could not make a proper order in the case of a mortgaged patent without taking the mortgagee's interest into account and if the Board were to adopt the rule that it would make no order in such a case unless with the consent of the mortgagee it would at once lose for practical purposes its entire jurisdiction, since nothing would be easier than to protect a valuable patent in that case by a fictitious mortgage. It is, therefore, not immaterial to point out that the dictum in *Van Gelder* v. *Sowerby* (*c*)

See above, p. 64.

(*b*) See above, p. 65. See also *Van Gelder* v. *Sowerby*, 7 R. P. C. 211; and *Heap* v. *Hartley*, 42 Ch. D. 468.
(*c*) 7 R. P. C. 212.

that an assignee by way of mortgage is not "a proprietor "in any way" is an *obiter dictum* and probably not very accurately expressed. The point actually decided was that the mortgagor did not lose "the benefit of the patent" by mortgaging. The question now in point, *i.e.* whether the mortgagee acquires the benefit of the patent before foreclosure, was not before the Court and one of the illustrations used by Cotton, L.J., to support his conclusion, namely the doctrine that the assignee of part of a patent can sue for infringement goes to show that the Court did not really intend to deny to the mortgagee the character of being a joint- or co-patentee.

It will probably then be considered that the question as to how far persons having an interest in the patent right as distinct from the patentee, *e.g.* mortgagees and licensees, can be bound by the order of the Board is an open question and in that case it will be material to consider *de novo* whether the definition of a patentee given in sect. 46 includes a mortgagee or part owner of a patent and an exclusive licensee. The question was mooted in the hearing of the application of Gormully & Jeffery for a licence from the Dunlop Co. and the referee—Mr. W. R. Bousfield, Q.C., said "It appears to me that, however "complicated the interests in a patent may be there is "ample power to deal with a matter of this sort having "regard to the fact that the patentee means, as defined in "sect. 46, a person for the time being entitled to the "benefit of a patent. It does not matter how complicated "that person is or what the interests may be. They "can all be brought before the Board of Trade and the "matter can be dealt with compendiously" (*d*).

It may with great submission be suggested that this conclusion is of very doubtful validity as regards licensees—even exclusive licensees—but would be clearly sound with respect to mortgagees or other persons interested in the patent.

(*d*) Below, p. 257. See also *Dunlop Patents—Wolverhampton Petition*, below, p. 268.

The words are "'Patentee' means the person for the time "being entitled to the benefit of a patent." The word "person" here of course includes "persons" by virtue of the Interpretation Act 1889 (*e*). Now the benefit of the patent is first the "especial licence, full power, sole privi- "lege and authority to make, use, exercise and vend the "invention" which is the principal subject of the grant (*f*). In the second place it includes the profit which the grantee can make by way of royalty or by the monopoly of manufacture which he can secure by enforcing against others the prohibition which occurs later in the deed and whereby the subjects of the Crown are strictly commanded not to "make use of or put in practice the said invention or any "part of the same." The Act says that those persons who are entitled for the time being to these benefits (and the number will of course include all who are jointly entitled or entitled in common to these benefits or who hold divided shares in them) are within the meaning of the word "patentee." The patent defines the word in exactly the same way for it confers the whole benefit of the patent upon "the patentee" *co nomine*. Upon this view therefore there is no discrepancy between Clause 46 and the patent grant and seeing that the patent grant is itself a part of the Act (Form D of the Schedule) it is clear that the meaning must be the same in both places. Upon these grounds then it is submitted that the "patentee" here includes all persons whether holding by a legal or equitable title and whether by a defeasible or indefeasible right who enjoy for the time being either the royal licence to carry on the manufacture or the practical commodity of

Who are persons benefitting by a patent.

(*e*) 52 & 53 Vict. c. 63, s. 1, sub-s. 1 (b).

(*f*) 46 & 47 Vict. c. 57, Sch., Form D. These words have now become obscure by reason of the change which has supervened in modern times upon the conditions under which handicrafts are carried on in this country. In legal theory the royal licence to carry on a manufacture is far from being a matter of small account and in the times from which our British system of patenting inventions dates the facts fitted precisely into the theory. This subject has been worked out in Monopolies by Patents. See pp. 121 and 251. See also below, App. VI. p. 395.

The Patent Register not conclusive on this point.

being able to restrain others by force of the patent in respect of their freedom of trade. If this view be correct then it would seem to follow that the class of patentees is not limited to proprietors registered as such in the Patent Register but comprises also mortgagees who are in that book distinguished and entered in a class apart (*g*).

Licensee.

See above, p. 68.

Below, p. 80.

It is worthy of note that the Board has no jurisdiction to deal with an exclusive licensee and it is quite possible that from this circumstance a difficulty may arise. It would clearly be a breach of contract for a patentee to grant a second licence in conflict with the licence once granted to an exclusive licensee. The question must sooner or later arise What is to be done with a patentee whose hands are fettered in this way?

The answer would seem to be that the action of the Board of Trade must depend upon the conduct of the exclusive licensee. If he submits to the jurisdiction and claims to be heard in opposition to the petition then it is clear that he must be admitted on proper terms to take part in the proceedings. He has substantial interests which may be prejudicially affected by the order. If on the contrary he refuses to submit to the jurisdiction his case may quite properly be ignored. The patentee cannot be allowed to escape from the jurisdiction of the Board by setting up his licensee—his own creature. And although the order made by the Board may oblige the patentee to commit a breach of contract neither party to that contract can complain as against the Board or the public. Every patent to which this clause applies has been granted su' ject to the condition that the patentee might be compelled to grant licences and if in contracts subsequently made the parties have chosen to ignore this feature of the patent grant they have only themselves to thank for the consequences of the oversight. An absolute covenant not to grant any other licences is a covenant which no patentee can properly give

(*g*) *Van Gelder* v. *Sowerby*, 7 R. P. C. 211.

and no licensee can properly rely upon. Both parties know that any such undertaking is liable in certain events to be brushed aside by an order of the Board of Trade. In this case therefore, as in the case of a mortgagee, the Board has, it is submitted, full power to act. Truly in this case it cannot, save with the licensee's consent, make an order which shall bind him (*h*) and therefore if he holds aloof it cannot afford any protection to the patentee from the consequences of his breach of contract. But, on the other hand, it can deal with the patent right in such a way that if the exclusive licensee's interests are substantial it will be better worth his while to intervene than to stand aloof. From this it seems to follow that the Board ought as a matter of policy to follow a very strict rule with regard to exclusive licensees. Obviously they should have notice of the proceedings. If then they do not submit to the jurisdiction all consideration of their interest should be rigidly excluded from the enquiry. That is to say the patentee should not be permitted on any pretext to argue the case of his exclusive licensee. If he is at liberty to do so it will plainly be his duty to do so and to minimise to the best of his ability the consequences of a breach of his own covenant for exclusive enjoyment. But the fact that he has done so will be no answer to an action founded on the breach unless his efforts are more or less successful, in which case they would *pro tanto* diminish the *quantum* of damages. In mercy therefore to patentees who may have placed themselves in this false position the Board should interpose its authority and by unswervingly refusing to consider the interest of any person not bound by its order it should put pressure on exclusive licensees to submit to its jurisdiction. Of course the submission upon which a licensee should be admitted to take part in the proceedings should be a full submission to be bound by the result

See below, p. 163.

(*h*) But a different opinion upon this point has been expressed by Mr. Bousfield sitting as referee since these words were written. See *Dunlop Patent—Gormully & Jeffery's Petition*, below, p. 256.

as between himself and his licensor. If a licence be granted to the petitioner the consent of the exclusive licensee can make no difference to the puisne licensee.

Since the foregoing paragraph was written the case contemplated has actually arisen in *Gormully & Jeffery's Petition* against the Dunlop Company (*i*). There unconditional leave was granted to the exclusive licensees—there were two—to oppose the order and at one stage of the proceedings great embarrassment was occasioned by the fact that although admitted to oppose, they had not submitted to the jurisdiction. It was proposed to solve the difficulty by adding them as parties and the discussion of this proposal made it very evident that there was no machinery for effecting such an amendment of the proceedings and grave doubt as to the jurisdiction to allow the proposed amendment. The discussion was not pressed to an issue and did not greatly elucidate the point. At a later stage the difficulty was again experienced and this time by the exclusive licensee himself who desired to put in an offer to manufacture and supply goods as an alternative to the proposed additional licence but was afraid that by so doing he would compromise his rights by a constructive submission to the jurisdiction. It seems a secure conclusion to deduce from this case that licensees should only be admitted to oppose upon the express condition above suggested of submission to the jurisdiction.

See below, p. 255.

See below, p. 258.

to grant licences.

It has been already pointed out that this expression has been so construed as to empower the Board to order the granting in a particular case of a particular licence in a prescribed form (*k*).

The terms of the licence form a part of the order made (*l*) and for the discussion of those terms the reader

(*i*) Below, p. 256. See also *Dunlop Patents—Wolverhampton Petition*, below, p. 268.

(*k*) See above, p. 73.

(*l*) *Meister Lucius Patents—Levinstein Petition*, 15 R. P. C. 742, and below, p. 110; *Taylor's Patent—Hulton & Bleakley's Petition*, 15 R.P. C. 753, and below, p. 248.

is referred to the Chapter upon the Order to be found below (*m*).

on such terms as to amount of royalties, security for payment or otherwise as the Board having regard to the nature of the invention and the circumstances of the case may deem just.

The enquiry which must be undertaken to enable the Board to discharge its duty under this part of the clause differs very widely, as has been pointed out in a previous chapter, from the enquiry necessary to satisfy the Board that a case for a licence has been made. See above, p. 56.

General consideration.

Here it is eminently necessary to fall back upon fundamental principles. No tribunal can properly assess the royalty to be paid or lay down the conditions to be imposed without having the clearest view as to the nature and extent of the privilege which forms the subject matter of the grant. An attempt has been made in the introductory chapter of this book to elucidate the principles upon which the Board of Trade proceeds and they will be assumed in the present commentary. In what follows points of detail only will be considered. See above, p. 13.

on such terms . . . . as the Board . . . . may deem just.

It has been assumed that these words give the Board authority to settle the terms of the licence and also to introduce additional terms into the order. Thus in the *Levinstein Case* a term as to the execution of the licence by the petitioners before a certain date was introduced into the order but not embodied in the deed itself (*n*). The words of the section are perfectly general and will no doubt, bear this construction. It is probably not possible to lay down limits to the jurisdiction of the Board in imposing terms. Some indication is given by the words which follow as to the nature of the terms to be settled by

(*m*) See below, pp. 116 *et seq.*
(*n*) 15 R. P. C. 742, and below, p. 362.

the Board but it cannot be supposed that these words define the full scope of such an order as the Board is empowered to make. The only express direction given to the Board is that the terms are to be such as it deems "just." This however is of considerable importance for obvious as it appears upon a casual reading it is by no means certain that the tendency of an arbitrator not specially selected and instructed would in a case like this be to consider what is *just*. He would tend rather to consider what was reasonable and reasonable as an act of grace to the licensee. Patent rights in recent years have been rated so high not only by patentees but also by Courts of Law and common trading rights have been so much overlooked that it is perfectly reasonable for a patentee at the present time to insist upon most unjust terms. The passage already quoted from judgment in the case of *The Incandescent Gas Light Co.* v. *Cantelo* affords a striking illustration of this point (*o*).

See above, p. 20.

Now if the Board were directed to make such terms as might be reasonable it would be very difficult to put limits to the pretensions of the patentee since it has been judicially declared that it is perfectly reasonable for him to push his claims to the limit of extravagance.

In place of this judicial doctrine the Act of Parliament substitutes the rule of justice between the parties. It recognises that the applicant for a licence is not a beggar destitute of claims except upon the compassion of the Crown in a spirit of improvident disregard of consequences and that, apart altogether from the terms of the grant, the prerogative of making the grant has been controlled by statutable provisions having regard to the good of the commonwealth. In directing the Board of Trade to settle terms between petitioner and patentee Parliament has; perhaps unwittingly but, if unwittingly, then by an

(*o*) 12 R. P. C. 264, and see above, p. 22.

instinct the more strikingly sure in its operation; recurred to the older and fundamental principles of patent law and laid upon the Board the duty of ascertaining just terms of arrangement between parties both of whom have rights, founded in the Common Law and in the Patent Grant respectively.

What is "just"?

That the word "just" here involves the consideration of what is just *inter partes* admits of no doubt. But a question may arise as to whether it also includes the administration of retributive justice to the patentee in default, in other words whether, having found the patentee to be in default, the Board should devise terms of licence to punish him for that default. The word "default" alone lends colour to this suggestion and it is submitted that even in dealing with a defaulter the Board ought not to inflict penalties. Two considerations afford strong support to this conclusion. (1) Another penalty, namely, forfeiture of the patent, is provided both by the Statute of Monopolies and in the patent grant itself in the like case *i.e.* if the patent proves to be prejudicial or generally inconvenient (*p*). (2) The tribunal, a Committee of the Privy Council, is not one that the Legislature can be readily supposed willing to entrust with the jurisdiction to inflict penalties having regard to the terms of the Act (*q*) still unrepealed upon the statute book, by which the jurisdictions of the Council Board and the Star Chamber were taken away. The suggestion that a defaulting patentee is a fit subject for disciplinary treatment has actually been introduced *arguendo* into these discussions at the Board of Trade but it is submitted that the proper position for the tribunal to take up is that default is only to be considered for the purpose of trying the question of jurisdiction and, that point once settled, the nature or magnitude of the fault are purely irrelevant considerations. If this principle

See above, p. 13.

(*p*) 21 Jac. 1, c. 3, ss. 1, 6; 46 & 47 Vict. c. 57, Sch., Form D.
(*q*) 16 Car. 1, c. 10.

were clearly laid down it would incidentally have the effect of materially facilitating and simplifying the enquiry. So long as a patentee thinks that the gravity of his fault may affect the terms which he will secure from the Board of Trade he feels compelled to deny it and as far as possible to explain it away. Time and money are thus wasted upon the discussion of an immaterial point whereas if the patentee could safely say I admit a default sufficient to found the jurisdiction and by that admission close his adversary's mouth upon the details of the default it may reasonably be supposed that in many cases—eventually in most cases that would be submitted to the Board—an admission of this sort would be made and the issues reduced proportionately. This line of argument leads up naturally to a practical suggestion as to the amendment of Rule No. 60 of the Patents Rules 1890. That rule prescribes the contents of the petition and *inter alia* that the petitioner shall show clearly the grounds upon which he claims to be entitled to relief. In the statement of these grounds the petitioner of course alludes to the default which he proposes to prove and if he thinks that a strong case and one tending to the prejudice of the patentee before the Court can be made under this head he puts it in the foreground and states it strongly. The Levinstein petition, in which the patentee's default is depicted in very vivid colours, affords a striking example. It is worth consideration whether it would not be an excellent plan to prohibit any such polemical statement in the petition of this point. Anything more than a bare statement, introduced for form's sake, that the patentee had committed a default by reason whereof &c.—should be disallowed in the petition as scandalous and allowed only in evidence if the patentee on his part denied the statement made in general terms. In any case this, it is submitted, represents the attitude which should be taken up by the Board when once the question of jurisdiction to deal with a given case is set at rest. From that point onward the Board should abso-

See below, p. 353.

lutely decline to hear anything more of the default or to consider it in any way (*r*).

When these points have been set at rest there is another consideration of a general character which will come into view in determining what is just; that is to say the question on what principle the shares are to be allotted to the patentee and licensee respectively in the profit which is available for division. The Act does not speak of any division of profit and it may perhaps seem to be a long step from the adjustment of rates of royalty to the sharing of profits. But the relation between the two things is perfectly well known and has been often recognised. It comes to the front in every case in which an account of profits is ordered instead of damages to a successful patentee in an infringement action. The leading case is *Siddell* v. *Vickers* (*s*) in which the Court of Appeal expressed an opinion that the true test of what profit is attributable to the use of a patented invention is to compare with the invention what the infringer would have been likely to use for the purpose if he had not used the invention. This therefore is the full amount which a patentee can recover by way of profits against a wrongdoer and this is therefore the extreme value which can be set upon the invention. The real question will be;—Should the Board assign the whole of this profit to the patentee in the shape of royalty or should the profit be divided between the patentee and the manufacturer?

The *Siddell* v. *Vickers* margin.

In behalf of the patentee it will, of course, be contended that the Board of Trade should extend to him the same measure of consideration as the Courts of Law and give him in account with his licensee;—the full inventor's profit as defined in *Siddell* v. *Vickers*. Indeed this position has already been taken up in more than one of the proceedings

(*r*) This of course does not mean that the Board should disregard evidence of animus in considering what terms if any are to be introduced into the licence for the protection of the licensee from disloyalty on the part of the patentee. See below, p. 130.

(*s*) 9 R. P. C. 162.

that have been taken at the Board of Trade. But the principle has not been acted upon and it is submitted that it does not apply in this case (*t*).

The difference between a petitioner to the Board of Trade and an infringer in a patent action should here be considered and it will be at once apparent that the same measure cannot be applied to both. The infringer is a tortfeasor (*u*) and therefore on the principle *omnia præsumuntur contra spoliatorem* the account is taken upon a view of the facts in all particulars most favourable to the patentee and indeed with exclusive regard to his interest. This is manifestly and admittedly so when a verdict goes for damages but it has been said that by taking an account of profits the patentee condones the infringement (*v*). This however is a very technical distinction and for present purposes quite meaningless. The successful patentee in a patent action has in every case his choice of damages or an account and if he choose the latter it is practically because he expects it to yield a larger sum than he could prove by way of damage. The account therefore is not taken in the interest of the infringer in any sense and if in a technical sense he escapes from the reproach of having committed a particular tort he is nothing bettered by that fact; on the contrary he is held to account as a defaulting trustee and made responsible in a larger sum than would be exigible as damages. Moreover the waiver of the tort is very partial or even imaginary for the patentee whether his relief in respect of the past takes the form of damages or the account is equally entitled to the relief of an injunction to prevent the continued use of the invention. This last point shows in an unmistakeable way the radical difference between the case of an infringer and that of an applicant to the Board. The Court acts to prevent the

Royalty rate not to be measured by rules of Court having reference to infringement.

(*t*) Royalty on a liberal scale was allowed to the patentees in the Hulton & Bleakley order. See below, pp. 247, 248.

(*u*) *Watson* v. *Holliday*, 20 Ch. D. 784.

(*v*) *Neilson* v. *Betts*, L. R. 5 H. L. 22.

continued use of the invention, the Board of Trade acts to promote it. To say that the Board should *promote* the use by the selfsame arrangement between the parties which the Court makes in order to *prevent* the use is a full blown absurdity. And that, put shortly, is the proposition against which we are here contending.

But the *Siddell* v. *Vickers* margin—if the expression may be allowed—although it does not afford a measure of the patentee's rights under a Board of Trade licence does afford a measure of the fund from which both inventor and manufacturer must in fact draw what profit they can in theory collectively get out of the patented invention. It may therefore in any case analogous to *Siddell* v. *Vickers*; that is to say, in any case where the patented invention is some advantageous alternative to an invention previously known;—be regarded as affording a measure of the benefit which it is the business of the Board to distribute in equitable proportions between these two collaborateurs and some gain in clearness of idea may be secured by regarding them as if they were partners and the *Siddell* v. *Vickers* margin the divisible profits of the partnership. This is the root idea upon which a voluntary arrangement between an inventor and a manufacturer is usually built up and for that reason if for no other it should be as far as possible adopted at these enquiries, the object of which is to accomplish what the parties would voluntarily arrange if they were perfectly reasonable and both adequately well informed. The Board of Trade comes in to supply defects of temper and understanding and the inference therefore is irresistible that it should be guided as far as possible by the principles which reasonable men act upon when they are negociating voluntarily. Hence the rule of damages or of a penal account may be confidently set aside and as the result of that conclusion and also by analogy to the ordinary course of voluntary licensing we arrive at an equitable division of the *Siddell* v. *Vickers* margin as being ideal justice. The analogy of partnership carries us one step farther and points to the conclusion that apart

The analogy of voluntary licensing arrangements.

See above, p. 13.

from special considerations the rule of division should be that of equal shares in the dividend sum (x). This however cannot amount to more than a very vague suggestion—a mere starting point for deliberation—for it is clear that the circumstances of different cases will vary very widely. The licensee in one case may be a rival who will cut into the trade of the patentee and press him hard by competition so that the licence can hardly be a source of profit to the patentee or, on the other hand, the applicant may be extending the use of the patented invention to an entirely new field of industry and cultivating in the interest of the patentee a region that the owner of the patent right could never have cultivated for himself.

We may now pass from these more general propositions to consider the modifications of the problem as it is presented under the three statutory cases (a) (b) and (c).

The rule of divided profit applied to Case (a).

(a) This is the simplest case. The patent has not been worked at all within the realm. It must therefore have proved for all legitimate purposes worthless to the patentee and, apart from considerations pointing to the conclusion that he will probably do better with it in the future than in the past, it would seem that no terms which could be proposed could injure him. In other words a case can be imagined in which any royalty at all would be something to the good for the patentee.

Such a case actually presented itself in *Re Meister Lucius (Imray's) Patents—Levinstein's Petition* (y). There the patentee had enjoyed his patent (z) for nine years but had never manufactured or attempted to manufacture the patented article—an improved dyestuff—within the realm. He not only had not licensed the manufacture in fact but he abstained from licensing it on principle for his factory being situated in Germany where the manufacture was carried on upon a large scale, he preferred to keep the

(x) *Robinson* v. *Anderson*, 7 De G. M. & G. 239; *Peacock* v. *Peacock*, 16 Ves. 56.

(y) 15 R. P. C. 732, and below, p. 225.

(z) There were in fact two patents in question in this petition but for the sake of simplicity one only is referred to in the text.

British market supplied from that source. His interest in the patent therefore was indirect. It served to enable him not to introduce the manufacture upon advantageous terms but to keep it entirely out of the country. This was to him even more advantageous than setting up a privileged manufacture within the realm since while it gave him the full control of the British market it enabled him at the same time to carry on his manufacturing operations with exclusive regard to his own convenience. This, however, was obviously an advantage of which the Board of Trade could take no account. It was not an advantage legitimately flowing from the patent grant but one derived from its oppressive use and therefore the patent, notwithstanding that it had been of great commercial value to the patentee, was deemed to be one from which no profit had been derived and from which no profit was likely to be derived and in the result the Board compelled the patentee to accept terms of royalty offered by the petitioner. It should, however, be added that the terms offered by the petitioner were not simply taken as such. On the contrary they were fully discussed in argument and no doubt carefully considered by the referee. They were adopted by the Board undoubtedly because they were considered to be fair terms. This case serves to show that the question of royalty terms may in certain cases be one of extraordinary simplicity.

See above, p. 24.

The Levinstein royalty rate.

But on the other hand it is quite obvious that the conditions of the problem might very easily have been much more difficult. The age of the patent and the period during which it had remained dormant might have been less; there might have been a story of ill health on the part of the patentee or of ill success with his efforts to bring the invention into use to excuse his delay; there might have been a prospect of his bringing the thing to bear at an early date with the prospect of larger profit to himself than the petitioner would be disposed to guarantee. In these and in many other ways that might be suggested the issues before the Board might have been complicated

and the difficulty of fixing fair terms of licence almost indefinitely augmented. And, worst of all, it might easily happen that both parties should urge impracticable proposals in opposite senses upon the Board and advocate them respectively with such intemperate partisanship that neither should in effect give the Board any real assistance in fixing terms. Upon these various complications it would be idle to expatiate. The last mentioned difficulty, —that arising from the impracticable temper of the parties in controversy,—may perhaps be to a considerable degree if not altogether obviated by a well devised system of procedure designed to drive the parties to narrow the issues and to compete for the advantage of appearing reasonable upon their pleadings.

But as to the remainder it would be hopeless to do justice to them within the limits of a treatise like the present. The most that can be done is perhaps to suggest that the solution of the problem, however complicated, may be approached along certain general lines and that the tribunal, having ascertained the facts of the case

Just royalty rate.

The point of view defined.

should seek first an answer to the question in the following form. Supposing the patentee to be a prudent man whose pecuniary interest is bound up with the successful working of this British patent what course in these circumstances would such a man voluntarily take? That course will be the right one under certain limitations for the Board to sanction. But the Board must ask in the next place, assuming that a licence to the petitioner would be the course so recommended, How ought the *Siddell* v. *Vickers* margin to be divided between patentee and petitioner? In other words, having by the first test decided the question of licence or no licence in favour of the petitioner the Board should settle the royalty rate upon the broad principles of industrial co-operation between the parties which have been above laid down not bending them in an individual case upon a vague idea of compounding for rigour at one stage of the discussion by laxity at the next. Justice in the broad sense and in the long run is only attainable by strict

adherence to intelligible and clearly enunciated principles. Lastly, there will probably remain outstanding when the soundest rules have been applied some small question which is involved in insoluble doubt. The benefit of such a doubt should unhesitatingly be given to the licensee and for this peremptory reason. A patentee who has licensed his patent is sure of some profit from it and probably in all the cases that will come before the Board of Trade he will be reasonably sure of a substantial and even an adequate profit. But not so the licensee. If the terms are put too high the result may be, not that his profit is merely reduced—as happens in the reverse case to the patentee—but that it disappears altogether and that in consequence he is unable to take advantage of the licence at all. In that case both parties lose their expected benefits and the work of the Board of Trade itself comes to naught. This is a much more serious consequence than the other. Some miscalculations and hard cases occur even under voluntary arrangements and it would be idle to expect the Board to attain to a nicer appreciation of conflicting interests than voluntary parties themselves can compass by direct negotiation. The idea therefore that justice in the sense of this section cannot be weighed out in golden scales need give no occasion for scandal. But it would indeed be a serious reproach if it could be laid at the door of the Board of Trade that it had "by deciding more embroiled the fray." In cases therefore under this clause of the section in which the parties cannot be coerced into agreement or driven into what is for present purposes the same thing, that is a position in which one party or the other has adopted a contention that is manifestly factious; the last step, which must be taken upon the responsibility of the Board alone, should be strongly biassed in favour of the licensee.

The case under Clause (b).

(b) The second case is one in which the patent is being worked but on an insufficient scale so that "the reasonable "requirements of the public with respect to the invention

"cannot be supplied." This ground was made the foundation of the petition in *Re Taylor's* (*Buxton's*) *Patent—Hulton & Bleakley's Petition* the facts of which case are highly instructive. There the patented invention related to an improved attachment to newspaper printing machines for facilitating the printing of late news and the use of this attachment was monopolised by a particular evening paper in the city of Manchester. The exclusive command of the invention was of course of great commercial importance to the conductors of the privileged paper since it enabled them to "cut out" their rivals. This, however, it was contended placed an undue restriction upon the public enjoyment of the benefits of the invention since the readers of other newspapers could get no advantage from the added facilities in the dissemination of news. The referee—Mr. W. R. Bousfield Q.C.—adopted this view and upon his report an order was made by the Board of Trade for the licence asked for (*a*).

The special interest of this case centres in the fact that the public interest was discerned in the results of using the invention and not directly in the use of the invention itself. The most obvious case falling into this category (b) would be one in which the public were actual consumers of a patented article and could not obtain it in sufficient quantities. A patented fuel, for example, might easily be supposed to be in great demand and supplied intermittently or in wholly insufficient quantity or of varying quality. To any such case the language of the clause would obviously apply and if by a narrow interpretation it had been confined to such cases the scope of the remedy would have been proportionately restricted. But the decision on Hulton's petition has put the law upon a different and much more satisfactory footing. If a patent right is used to bolster a monopoly it is plain that it is being abused and the Board is but following an excellent line of pre-

(*a*) 15 R. P. C. 753, and below, p. 217.

cedent in so construing the remedial statute as to make it cover the whole mischief which it was intended to cure (*b*).

Royalty rate in Case (b).

The question of terms of royalty in such a case as this will probably present no greater difficulty than in the first case but it wears a somewhat different aspect. On the one hand the patentee's demands will probably be to some extent defined and moderated by reason of the terms already conceded voluntarily by the patentee to his licensees (*c*) or of the profit with which he has been content if working the invention on his own account. On the other hand a new claim will certainly be put forward in his behalf, and probably with reason, for additional compensation on the ground that the new licensee will be a competitor or otherwise will injure his existing profits. In the case of a patent exclusively licensed the grant of a further licence in breach of the original covenant in that behalf might involve the patentee in a very serious liability for damages as has been pointed out above. As the Board has no power in these cases to compel the exclusive licensee to submit to a revision of his contract (*d*) it must evidently make it worth his while to do so and therefore must show a disposition to respect such arrangements as far as possible and to protect the interests of a licensee who will submit to the jurisdiction and defend them.

See above, p. 79.

Hence it will no doubt be proper to adopt a more liberal scale of remuneration to a patentee who has brought his invention into use, although on an insufficient scale, than to a patentee who has lain by and never brought his invention into use at all. Moreover in this case the actual employment of the invention is not bound up, as in the

(*b*) See *St. Peter's* v. *Middleborough*, 2 Y. & J. 215; *Johnes* v. *Johnes*, 3 Dow. 15; *Atcheson* v. *Everitt*, Cowp. 391.

(*c*) See *Dunlop Patents—Wolverhampton Petition*, below, p. 276.

(*d*) It must however be borne in mind that Mr. Bousfield, Q.C., sitting as referee appointed by the Board of Trade in the case of *The Dunlop Patents—Gormully & Jeffery Petition* expressed the opinion that the Board has jurisdiction to add a licensee (one of a limited number —three—of licensees) as a party to the proceedings. This opinion is considered above, p. 76.

first case, with the success of the licensee. It is as necessary to avoid injuring the existing trade as it is to promote the new industrial development and there is therefore no such underlying presumption in favour of the proposing licensee as when he is the only person engaged in exercising the invention. It is not possible therefore in this case to get rid of an insoluble doubt at the end of the enquiry by giving to the licensee the benefit of it. In fact a renewed attempt to solve it would seem to be more consistent in this case with the direction to settle such terms as shall be just. But if when enquiry has been carried as far as is at all practicable, there should still be an outstanding point which can only be disposed of by an exercise of discretion it would seem that the discretion should be biassed in favour rather of the voluntary than of the compulsory licensee if the former has done nothing to forfeit the claim upon consideration which he has earned by priority in bringing the invention to bear. Where the invention has been worked by the patentee himself the same considerations will apply and the bias should be in his favour rather than in that of the petitioner.

See above, pp. 88, 91.

Since the above passage was written a question of this kind has been actually decided at the Board of Trade upon the *Hulton & Bleakley Petition*. In that case—in which Mr. W. R. Bousfield, Q.C., acted as referee—the principle developed in the text appears to have been adopted. The royalty rate actually prescribed was 20*l.* per annum in respect of each machine. The highest rate of royalty that had been received by the patentees in respect of their voluntary licences was 15*l.* (*c*).

Thus it appears that although in the two cases (a) and (b) the same general principles will obtain there are clearly marked differences between them, differences of a kind to put the patentee in a markedly better position before the tribunal in the second case than in the first and

(*c*) 15 R. P. C. 753, and below, pp. 247, 248.

this not upon any vague doctrine of retribution but upon as precise an estimate of the material facts bearing upon the promotion by means of patents of industrial enterprise as the circumstances of the case allow.

The case under clause (c)

The third case provided for in the statute is that of a person who is unable without a licence to work or use to the best advantage an invention of which he is possessed. This probably will be by much the most prolific source of applications for compulsory licences. It has been illustrated by several of the cases which have already come before the Board of Trade. Thus it was the second ground alleged for the Levinstein application (*f*). And it was the substantial ground of the application made by Continental Gluhlicht against the Incandescent Gas Light Co., Ld. (*g*). So also in Wolverhampton petition against the Dunlop Co. and in the Gormully & Jeffery petition against the same respondents (*h*).

See above, p. 37.

The difficulty which arises in those cases of determining what is an invention within the meaning of the section has been discussed in an earlier chapter. For our present purpose it must be assumed that the "invention" is made out as such to the satisfaction of the Board.

Merits of the "invention."

It is very difficult even then to avoid a discussion of the merits of the petitioner's invention and of its comparative merits in relation to those of the patented invention for such a discussion appears to have a very direct bearing upon the question of royalty rate. Thus one of the Meister Lucius patents (*i*) was a patent for a sulpho acid having at the date of its invention, and for many years after, no known industrial application. At length the petitioner discovered a way of using it as the raw material of a new dyestuff of great commercial importance. Hence arose the application for the licence and in the discussion of terms a vast amount

(*f*) 15 R. P. C. 735, and below, p. 224.

(*g*) 15 R. P. C. 728, and below, p. 214.

(*h*) Below, pp. 263, 250.

(*i*) 15 R. P. C. 732, and below, p. 224.

of ingenuity was employed on both sides in belittling each invention in its turn. The value of the finished product could be pretty accurately ascertained and the available margin of profit upon its manufacture. The petitioner contended that there was but little merit in devising a new acid which nobody wanted to use and that the really valuable invention, which was entitled to liberal recognition by the Board, was made when the petitioner discovered how this new acid could be turned to industrial account by being worked up into an useful dye. The patentee on the other hand contended that there was but small merit in making the second half of the invention, that the pioneer was the man to whom society was chiefly indebted, that it was his work which had placed a new agent with previously unknown possibilities of use at the command of the manufacturer and that to him therefore was due the principal merit and the larger share of the pecuniary reward. Now all this is perfectly true except the conclusions and the reason why the conclusion arrived at on either side does not follow from the premisses stated is simply that the major premiss which warrants any such conclusion is that the reward should be proportioned to the comparative importance *for the end in view* of the two inventions which come into competition. Now this premiss may be accepted without reserve but it will not enable the tribunal to assign comparative importance to two steps *each of which is indispensable*. It is plain that upon these lines each party can triumph in his turn. That involves no contradiction of his adversary's case it involves only the power of ignoring it, a faculty seldom wanting to the forensic orator. However specious arguments of that class may be it is certain therefore that they are entirely inconclusive for the argument on one side does not weaken the argument on the other and the apparent preponderance of one or other at any moment is merely due to the advocate's art or artifice. It is not, therefore, by an investigation of that sort, however

laboriously conducted, that a satisfactory conclusion can be reached.

But if that be an unsatisfactory way of conducting the discussion it is nevertheless plain that there must be some sort of criterion by which to gauge the comparative merits of two constituent inventions in a new manufacture for it is quite incredible that all novelties which contribute to the result should be equally important even although each should be indispensable. A compass and a steam engine are equally indispensable to an ocean greyhound but nobody would suggest that each should therefore bear the same price. In the same way if both the compass and the engine were patented articles no one would suggest that both patentees should receive the same remuneration for it would be very surprising if the royalty upon the engine did not exceed the entire cost of the compass. And this remark suggests what will probably in the end prove to be the true solution in a case like this. The royalty must bear some relation to the value of the thing produced. Experience has shown that the most satisfactory way of settling the amount of an architect's remuneration is by paying him a percentage upon the cost of the building which he designs. It would be no very strained analogy to speak of a patentee as the architect of his invention and probably no more satisfactory way can be devised of settling his remuneration than by making it correspond more or less to a percentage of the value of the thing which he has invented. In that view the discussion of such abstruse questions as relative scientific importance or comparative ingenuity as between two inventions each of which is indispensable to the desired result, may be altogether dispensed with. The question will no longer be how ingenious; or how subtle; or how suggestive is the invention? The inventor will be paid on the same general principle upon which professional men are paid for their services. A large transaction carries a large fee, a small one, a modest fee and subject to modifications a proportion

The criterion of comparative merit of inventions.

can be stated between the one and the other. The rule will apply equally well to the determination of an inventor's royalty if it be only postulated that the cost of carrying out the process comprised in the invention or of producing the patented article is to be taken, subject to all proper allowances, to be a measure of the magnitude of the transaction.

See above, p. 87.

The rule just illustrated is intended to meet the difficulty of a case to which the rule of *Siddell* v. *Vickers* will not apply. It is not in any sense at variance with that rule although by force of circumstances it is incapable of being stated with the same precision. In the *Siddell* v. *Vickers* case you take for comparison another process which yields the same result as the patented process, you then compare the two processes in respect of cost of working and find what saving the patented process secures as against the unpatented and upon the amount of this margin you base the calculation of the patentee's remuneration. Now in this case a much more precise measure of the value of the invention is arrived at than any arbitrary percentage of the total cost of working the process can afford. But on the other hand it is quite clear that the *Siddell* v. *Vickers* margin will bear some relation in point of magnitude to the magnitude of the whole transaction. In the first place the margin cannot conceivably exceed the whole cost of the operation;—that is, in a mathematician's sense, its limiting value. In the second place in two transactions of the same kind differing from one another only in respect of magnitude the *Siddell* v. *Vickers* margin will vary strictly as the magnitudes of the whole transactions vary and will to that extent conform precisely to a percentage. In the last place even when the transactions differ not in magnitude alone but also in kind so that the margins will amount to different proportions of their respective transactions even so in the vast majority of cases the margins will range around an average figure. They cannot be very small percentages or they would not be worth fighting

for and they can seldom be very large percentages for inventions that revolutionise an industry are extremely rare. Progress by small but not inconsiderable stages is the recognizable law of industrial development and it obviously tends to assimilate the *Siddell* v. *Vickers* margin to an architect's fee or to an accountant's percentage.

The conclusion extended to new articles of manufacture.

In the foregoing discussion we have for simplicity's sake put forward the case of a patent for a process. It will be obvious that the principles discussed will apply equally in the case of a patent for an article, if the cost of producing the article be substituted for the cost of working the patented process. The substitution is in point of fact very easy to make but constant reference to the change, or to the additional step in the calculations which the change involves, would much have encumbered the enunciation of the rule.

When should the presumption be in favour of the one party or of the other?

It will, of course, be apparent that this third case introduces a new principle of classification. The second case (b) differs from the first case (a) in respect of the position of the patentee as well as in respect of the position of the public, indeed the difference in position of the patentee is the leading feature of difference between them. From this circumstance there arises a presumption in favour in the one case of the petitioner and in the other case of the patentee which has to be taken into account and serves to bias the tribunal when, having exhausted the process of enquiry, it is called upon to exercise a discretion. In this third case it is plain that the position of the patentee is equivocal and may correspond to that either of (a) or of (b).

The principle enunciated.

In this case therefore it cannot be laid down in general terms that in exercising discretion the Board should certainly lean either to the one party or to the other. But still the general principle will hold. The Board acts for the promotion of industry and the industry must be its first care. If the petitioner represents the industry and the patentee nothing but patent right then the Board must lean towards the petitioner. But if the patentee

represents a subsisting industry whereas the petitioner represents only a projected industry then the Board should clearly lean towards the patentee for fear of doing mischief in the attempt to do good. In the case of a small and languishing industry and of a project of great promise this presumption may not count for much but even so it will afford an useful starting point for discussion and tend to confine criticism to definite and profitable lines,—a service which the experience so far gained at the Board of Trade proves to be of great importance.

CHAPTER VI.

THE ORDER AND THE LICENCE.

*Terms of the licence—Date of execution—Preparation of the deed—Protection of the licensee—The official form of order—Recitals—of patent—of petition—Improved recital in Hulton & Bleakley licence—Discrepancy between recital and order—Recitals continued—of the action of the Board of Trade—The order made—on patentee—on licensee—Defeasance—The order, considered as a whole—Deposit of deeds with the Board of Trade—The patentee without remedy—Is the patentee's deed an escrow?—Is the petitioner's deed an escrow?—In what capacity does the Board of Trade receive the deposit of deeds?—Recapitulation—A practical conclusion—Signature of the order—The deed of license—Recitals—Licensor's title—The testatum—No implied warranty of title—Not assignable—Licence co-extensive with patent—*Secus *in Hulton & Bleakley licence—Consideration—Habendum—The term of the licence—Reddendum—Covenants—for royalty—an assignable covenant—Proviso for minimum royalty—Covenants continued—Accounts—Inspection—Power of revocation by licensor—Notice to repair breaches—Additional covenants for licensor's protection—Not to dispute validity—Power of revocation by licensee—"Declared by a Court of law"—Additional covenants for the licensee's protection—To grant most favourable terms—To defend patent rights—Mr. Morris' covenants—Mutual covenants—Improvements—Arbitration.*

It has been pointed out above that the Act of Parliament has been construed as authorising the Board of Trade to make an order prescribing the issue of a single licence

See above, p. 72.

upon terms intended to apply only to a particular case. Two such licences have so far been granted and in both cases the same formula has *mutatis mutandis* been employed. It is probably intended to adopt this or some modified formula as a type to which as far as possible all compulsory licences shall be assimilated. This formula is given below in connexion with the report of *Re Meister Lucius' Patents—Levinstein's Petition* (*a*). It is proposed in the present chapter to discuss it and to make use of the various clauses of the Levinstein licence as texts for the discussion.

Terms of the licence.

It will however be convenient first to draw attention to one or two points which derive especial significance from the fact that the licence is in this instance negociated between parties one of whom is or may be an unwilling participator in the transaction.

I. *The Dates of Commencement and Execution.*

Date of execution.

The importance of these dates arises from the fact that the licensor will probably be slow to perform his part of the arrangement and eager to fix the licensee with a default. Hence care should be taken to fix a limit of time within which each of the parties must execute the licence and a date from which the licence may begin to run.

See below, p. 111.

The importance of fixing a limit of time for execution by the patentee is that until such a limit has been passed the petitioner cannot obtain his mandamus to compel execution. There is, as will presently be shown, a certain advantage in ordering the patentee to execute the licence "forthwith." But it is doubtful whether the greater precision of a definite time limit is not preferable even to the direction that the licence shall be "forthwith" executed. In the case of the licensee the time limit must of necessity be placed after a reasonable interval because it is

(*a*) 15 R. P. C. 742, and below, pp. 361, 363.

a natural and proper proviso to add to the order that if the petitioner does not take it up and satisfy it within a reasonable time he shall lose the benefit of it altogether. It would manifestly be improper to direct him under such a penalty to execute the licence "forthwith."

The two events—commencement of the term of the licence and execution of the deed—should be separately provided for because if the term begins to run independently of the execution of the licence by the patentee, he (the patentee) will gain nothing by delaying or refusing to execute it. Thus the Board has in its own hands an instrument probably more effective and certainly cheaper and prompter than the remedy of mandamus for compelling an unwilling patentee to obey the order made.

In the Levinstein order which owes its form to the ingenuity of some gentleman in the office of the Board of Trade these matters are arranged as follows:— See below, p. 233.

1. The licence runs from the date of the order.
2. The execution by the patentee is to take place forthwith.
3. The execution by the licensee is to take place within a month.

The licence and counterpart, when executed, are to be severally lodged at the Board of Trade.

This extremely ingenious arrangement promises to be very efficient for its purpose and to add greatly to the practical value of an order made, as this one was, against a very unwilling patentee. It may nevertheless be submitted for consideration whether it would not be even more proper to make the commencement of the licensed term date from the day of lodgment by the licensee of the executed counterpart with the Board of Trade. A case can be imagined in which a licensee might take advantage of the period of grace given for the execution of the counterpart to act upon the licence and afterwards cheat the patentee by refusing to execute the licence at all. The Courts would probably know how to deal with such a

fraud if it occurred but there seems no reason for placing in the way of a petitioner any, even the smallest, temptation to commit it.

II. *The Duty of preparing the Formal Documents and the Obligation to Stamp them.*

Preparation of the deed.

This is of consequence for the same reason which points to the necessity of fixing a time at which default can be definitely made, namely, the importance of providing the aggrieved party with a clear ground of complaint in case of negligent or wilful omission on the part of the other party negociating to obey the order when made. The proper course no doubt would be to order the applicant to prepare the engrossment and defray the cost of stamping. It is, however, a very useful provision that the licence shall be drawn up in two parts one to be signed sealed and delivered by either party and to direct them both when so executed to be lodged with the Board of Trade. This expedient goes far to render the order automatic in its operation and to that extent independent of the not very satisfactory remedy by way of recurrence to the High Court to enforce obedience which is given by the Act.

See p. 135 *et seq.*

III. *Protection of the Licensee against unfair dealing by the Licensor.*

Protection of the licensee.

This is a point which does not often arise in the case of a voluntary contract for a licence unless the licence is to be exclusive. In such a case the licensee takes from the licensor a covenant not to exercise the invention and not to license its exercise to other persons. But it may be taken that the Board of Trade will never sanction an exclusive licence. To do so would be to cut down its own jurisdiction in a manner wholly unwarrantable for it is plain that the Board may later on be called upon to order additional licences to other applicants. A compulsory

licensee, especially if his ground of complaint has been that the invention has not been worked in the United Kingdom or that the reasonable requirements of the public with respect to the invention have not been supplied, will be placed in an entirely novel position. Such a licensee will have compelled the patentee to cultivate ground which he did not wish to cultivate, which probably he had a personal motive for keeping fallow. It will probably be an object with the patentee in pursuit both of his interest and of his resentment to render the licence worthless in the hands of the licensee. He will therefore be tempted to promote and to undertake damaging competition and it is most necessary that in such a case the licensee should be protected against unfair treatment on the part of the licensor. Of course there will be cases in which there will be no reason to apprehend any disposition on the part of the patentee to interfere with the working of the licence and in which therefore the ordinary precautions will be quite sufficient to meet the case. But, on the other hand, the circumstance that the parties are at arm's length in this negociation puts the transaction into a category apart and necessitates attention to the possibility of disloyalty in the carrying out of the enforced contract which the draughtsman in the case of a friendly negociation would not bestow upon that contingency.

See below, p. 130, and App. IV., pp. 376, 377.

Coming back to the official form, the licence constitutes a schedule to the order itself and this latter may be usefully considered by way of introduction to the discussion of the terms in which the licence is expressed.

The official form of order.

The order opens with a recital of the 22nd clause of the Patents Act 1883 of which the *ipsissima verba* are transcribed. The importance of this recital is that it shows precisely in what capacity the Board acts and to what jurisdiction it lays claim in making the order. This practical end might be served by a more compendious reference to the section and perhaps, from a conveyancer's point of view, a more compendious refereuce would be

better. Thus the words "and any such order may "be enforced by mandamus" at the end of the recital are pure surplusage. Yet there is a practical advantage in giving the whole clause since the provisions of the section in their entirety are thus brought to the knowledge of that section of the public which is most interested in these arrangements.

On the other hand, since it is quite possible that the law may be amended before the expiry of the licence it is perhaps not altogether desirable to recite the text of the Statute.

Recital of patent.

The next recital refers to and identifies the patent in respect of which the order is made and the third traces the devolution of the title by assignment to the respondents. Two more recitals deal in the same manner with the second patent, and its ownership, in respect of which the petition was presented. These last four recitals are for identification merely and call for no comment.

Recital of the petition.

The sixth recital relates to the presenting of the petition and is expressed in the following words: "And whereas "the petitioners presented a petition to the Board of "Trade for an order that the patentees, under the said "Letters Patent No. 9642 of the 11th June 1889 and "No. 15176 of the 26th of September 1889 should grant "to the petitioners a licence under or in respect of the "inventions described and claimed in and by the specifica-"tions of the said respective letters patent."

This recital is of importance because it discloses by reference to the clause and to the petition matters in which the jurisdiction of the Board is founded. It challenges therefore a somewhat precise scrutiny of its terms. So examined, it is manifestly inaccurate. In the first place it is even ungrammatical "a licence . . . . under the inven-"tions described" &c. is an expression without meaning. The intention obviously was to refer to a licence under the *patents* which would be the same thing as a licence in respect of the patented inventions. The draughtsman

evidently had these two forms of expression in his mind and by a slip of the pen combined them in the perplexed phrase "a licence under or in respect of the inventions "described" &c. But it is not simply in the form of words employed that the recital is inaccurate it is an imperfect as well as an incorrect statement of the prayer of the petition. The petitioners had desired "a licence under "the two patents mentioned" and "such other relief in "the premisses as the Board of Trade might deem just." Now, if the jurisdiction of the Board is circumscribed by the prayer of the petition, it is a matter of great consequence that the prayer should be correctly recited, and in any case it can hardly be good drafting to omit the petition for relief in general terms (*a*).

Improved recital in Hulton & Bleakley order.

The inaccuracy of the wording above noted would seem to have attracted the notice of the draughtsman to the Board of Trade, for in the *Hulton & Bleakley* order the recital runs as follows;—"And whereas on the 13th day "of November 1897 the petitioners presented a petition to "the Board of Trade under the said section for an order "that the patentees under the said letters patent No. 5470 "of April 20th 1886 and No. 5989 of 23rd April 1888 "should grant to the petitioners a licence to use the in-"ventions described and claimed in and by the specifica-"tions of the said respective letters patent" (*b*). This much improved form may probably be regarded as superseding the *Levinstein* form of the recital but it may be submitted that it might perhaps still be retrenched with advantage. The date of the petition seems to be superfluous and the repetition of the numbers and dates of the patents. It will be observed that in this instance the licence asked for is to *use* only. In the deed scheduled to the order the licence actually granted is licence to *make and use*, a discrepancy which marks

Discrepancy between recital and order.

(*a*) See *Dunlop Patents—Wolverhampton Petition*, below, p. 266.
(*b*) Below, p. 248.

the danger that lurks in these recitals. It appears from the order that the Board of Trade has jurisdiction under the petition to order a licence to *use*. It could certainly be argued and might probably be held that it had no jurisdiction to order a licence to *make*. When it is borne in mind, as has been pointed out above, that the actual order is drawn up in the office and on the responsibility if not actually by the hand of an officer who has not heard the parties, it will be seen that a discrepancy of this sort cannot be regarded as unimportant. If an application had been made, for example, for a mandamus to enforce this order how could it possibly have been granted when it appeared on the face of the order itself that the Board had of its own motion directed the patentees to grant a licence to *make* the patented appliance which the petitioner had not even asked for by his petition? It is obvious that in drawing up the order the greatest care will have to be taken to make it coherent as a whole and in particular to see that the relief granted falls within the prayer of the petition as stated in the recital.

Recital of the action of the Board of Trade.

The seventh, and last, recital shows the exercise by the Board of the jurisdiction conferred upon it by the Act and reads as follows:—"And whereas, on consideration of "the said petition and of the matters therein mentioned, "it has been proved to the Board of Trade that the said "petitioners are persons interested in the matter of the "said petition and that by reason of the default of the "patentees to grant licences on reasonable terms the said "patents are not being worked in the United Kingdom "and that by reason of the default aforesaid the said "petitioners are prevented from working and using to the "best advantage certain inventions of which they are "possessed."

Of patentee's default.

There is here obviously a very singular and serious omission, for there is no allegation that the parties have been heard. It does appear that the Board has taken into consideration the petition and the matters mentioned in

the petition but it does not appear that the Board has paid any attention to the evidence adduced before the referee nor does it appear that the parties have been heard by the Board. In point of fact the parties had not been so heard and this, as is pointed out elsewhere, is the most serious defect in the procedure which has been devised for carrying out the Act. It is not however with the merits of that discussion that we are now concerned. The recital is so faulty that it does not even give the Board credit for having taken the judicial course of receiving and considering the evidence. And it is to be observed that this omission seems to have escaped the notice of the draughtsman who corrected the last recital, for in the *Hulton & Bleakley* order this recital follows, *mutatis mutandis*, precisely the same form of words as in the *Levinstein* order. It is plain that until the procedure is amended it is not possible that this clause of the order should be brought into a satisfactory form for however it may be drawn up the fact must appear that there has been no such hearing of the parties as would satisfy the rule in *Re Brook & Delcomyn* that the tribunal which is to decide must hear both sides (*c*). This therefore touches a vital question but it is one which is more appropriately discussed in another connexion.

See below, p. 195.

Then comes the operative part of the order in the following terms:—

The order.

"Now therefore the Board of Trade, in exercise of the "power conferred upon them by section 22 of the Patents "Designs and Trade Marks Act 1883 and of all other

(*c*) 16 C. B. N. S. 417. It may perhaps be thought that this use of the dictum of Erle, C. J., in *Re Brook & Delcomyn* amounts to a misquotation since the point of the judge's criticism was that the umpire had heard the one party in the absence of the other and the emphatic word in the passage is consequently the word "both." And this may be enforced by the fact that the L. J. report does not contain the words "the tri- "bunal which is to decide"—so material for the present purpose. Nor shall I attempt to meet this comment save by adding that both points were probably in the judge's mind for both were suggested by the circumstances of the case and both are equally elementary principles of justice in the administration of the law.

"powers enabling them in this behalf do hereby order as "follows":—

The general reference to "all other powers" in this clause would no doubt cover the power given by sect. 25 of the Patents Act of 1888 to the President, Secretary or Assistant Secretary to act for and with the authority of the Board but it is a little curious that this last mentioned section should not be more pointedly referred to.

The order made is in two parts; the first, relating to the duty of the patentee, is in the following terms:—

Duty laid on patentee.

"(1.) That a licence, to take effect from the date of this "order and in the form set forth in the schedule hereto, "be forthwith granted by the patentees to the petitioners "to make, use, exercise and vend within the United "Kingdom the inventions described and claimed in and "by the specifications of the said letters patent Nos. 9642 "and 15176 of 1889 for the unexpired residues of the "respective terms of the said letters patent at a royalty of "one halfpenny for each pound weight avoirdupois of pro-"ducts made by the licensees under the said letters patent "or either of them but so that in each year a minimum "royalty of £250 per annum shall be paid by the licensees "and the patentees shall forthwith deposit such licence duly "executed by them with the Board of Trade."

The second part is as follows:—

Duty laid on licensee.

Defeasance.

"(2.) The said petitioners, before the 6th day of August "1898 shall execute and deposit with the Board of Trade "a *counterpart licence in the form aforesaid and in default* "of their so doing this order shall be of no effect."

The scheme of procedure here disclosed is manifestly intended to facilitate the formal execution of the licence and to remove as far as possible all temptation to delay or to refuse obstinately to execute the licence from the path of the patentee. It is useful to note that there are three provisions of the order directed to this end. First, the licence is to run from the date of the order and consequently the patentee cannot delay its operation by delaying the execution of the deed. Next, the deed is settled so that no controversy can arise as to the terms in which it is to be drawn up. In the third place, the patentee

The order considered as a whole.

is ordered to execute the licence forthwith so that he cannot protect himself by pleading the consequences of any, even the most venial, delay on his own part.

The correlative duty on the part of the petitioner is to execute and deposit with the Board of Trade his counterpart licence within a limited period—one month. This definite period of grace is necessary because failure on the petitioner's part to comply with the order strictly according to its exigency involves a defeasance of the order itself and a forfeiture of all his rights and immunities thereunder. The defeasance affords a complete protection to the patentee against a fraudulent refusal by the petitioner to take up the licence after having worked under it, since should he fail to take it up duly he can be attacked for infringement of the patent right inasmuch as the defeasance takes effect not by way of determination of the licence but by way of avoidance of the order. The delivery of the deed by each party to the Board of Trade completes the scheme and precludes all difficulty about the exchanging of the parts.

Deposit of deeds with the Board of Trade.

There is here a most carefully thought out and ingeniously devised procedure but the arrangement by which the deeds instead of being delivered to the parties are deposited with the Board of Trade is one the results of which are not easy to discern. The question naturally arises Are they to be deposited in escrow or as fully executed deeds? The order seems to contemplate the deposit of fully executed deeds. Thus, the patentee is to "grant forthwith" and forthwith to deposit a licence "duly executed." And the petitioner is to "execute and deposit" the counterpart; a description which suggests execution first and deposit afterwards. But the force of this argument from the language of the order is greatly weakened by the consideration that in the case at least of the patentee the requirement as to depositing is inconsistent with the absolute execution of the deed. For by virtue of the defeasance the petitioner has an option to take or to decline the licence and a month in which to exercise that

option. As has been pointed out if he fails to deposit his counterpart within the period of grace the order does not simply determine it becomes "of no effect." Consequently after the lapse of the month the patentee could not take advantage of the order and indeed an order in this form could not be at all enforced by the patentee. Until the expiration of the period of grace his application for a mandamus would be premature. After its expiration there would be no order to enforce.

The patentee without remedy.

Now in these circumstances it would be manifestly inequitable to require the patentee to execute the deed of licence otherwise than as an escrow and probably it would be held, in spite of the seemingly precise language used, that the meaning of the words "deposit such licence duly executed" means deposit it as an escrow. The rule laid down in *Bowker* v. *Burdekin* (*e*) that if from the circumstances attending the execution it can be inferred that the document delivered is not to take effect as a deed until a certain condition is performed the delivery will operate as a delivery as escrow only (*f*) would probably apply in these circumstances.

Is the patentee's deed an escrow?

In the case of the petitioner more complex considerations present themselves. It may of course be said that he too cannot be expected to execute the counterpart except upon the condition of getting a duly executed deed of licence in exchange and there is much ground for concluding that this is the real nature of the understanding in the apparent symmetry of the order. But the arrangement is symmetrical much rather in appearance than in effect. The deposit by the patentee of the executed deed of licence with the Board of Trade makes, as we have seen, in any case no difference whatever to the rights of either party. It is a mere security to the applicant for the carrying through of the whole transaction without trouble-

Is the petitioner's deed an escrow?

(*e*) 11 M. & W. 147.

(*f*) See also *Gudgeon* v. *Besset*, 6 E. & B. 986; *Millership* v. *Brookes*, 5 H. & N. 860; *Watkins* v. *Nash*, L. R. 20 Eq. 266.

some recourse to the Courts of law. But the deposit by the licensee of the counterpart makes all the difference in the world to the rights of both parties. It entitles him, the licensee, to call for the deed executed by the patentee and to have a mandamus to enforce the order. It entitles the patentee, upon satisfying the order on his own part, to enter upon his own rights under the order and enforce the licensee's covenants. This great discrepancy cannot be got rid of in any way and it serves to show that the apparent symmetry is not a matter of substance. In effect and legal consequences the deposit by the licensee is an act wholly unlike the deposit by the patentee. Probably therefore no reliance can be placed upon the analogy of delivery by the one party in discussing whether delivery by the other is full execution or mere delivery as escrow.

If then the case of the licensee be considered on its merits and apart it will be difficult to find any very cogent reason for treating his counterpart as an escrow. To test this let it be considered what consequences ensue from depositing the counterpart as an escrow. Clearly the effect upon the validity of the order is the same—it being of course assumed that deposit in that form is a compliance with the terms of the order. That is to say, the order at once becomes indefeasible and may be enforced by mandamus. The result, so far as the patentee is concerned, is that he cannot take the deed away from the Board of Trade without delivering his own deed in exchange. This circumstance may make a great practical difference if the patentee is disposed to be tricky and if the licensee is for any reason anxious to be put in actual possession of the formal deed. But in contemplation of law it makes no material difference whatever for if the licensor seeks to use or to rely upon the deed he will be estopped from denying his own execution of it or bound in equity to abide by the covenants as if he had executed it (*g*).

(*g*) *Rossiter* v. *Miller*, 3 A. C. 1137, 1149, 1151; *Filby* v. *Hounsell*, (1896) 2 Ch. 742. See also *Coke* v. *Brummell*, 2 B. Moore, 495; *Wilson*

Moreover as the licensee has a right to compel the patentee by mandamus to execute the deed he may well enough be supposed content to rest upon that right and this the more because his refusal to deliver the counterpart cannot serve to put any pressure upon the patentee. *Ex hypothesi* the patentee does not desire to conclude the contract and therefore he cannot, save for some improper purpose, desire to receive the counterpart. The only purpose therefore which the deposit of the counterpart by the licensee upon condition of its being delivered only in exchange for the deed executed by the patentee could serve would be to prevent its being dealt with fraudulently by the patentee and it may well be supposed that if a suspicion of that sort were present to the licensee's mind he would at the time of depositing the counterpart give to the Board of Trade express notice of his intention to insist upon the condition of exchange. In the absence of such express notice it is difficult to find any manifest reason for the presumption that a condition is attached to the delivery.

These abstract considerations are not however quite conclusive. The simple fact that the delivery is made not to the other party but to a stranger is itself an indication that the deed is delivered in escrow (*h*). It is indeed not quite certain that the Board of Trade is a stranger. It might well enough be held that the Board was the agent of the party to accept delivery and the fact that the party cannot deliver direct but is restricted to deliver in this way is a strong, perhaps conclusive, argument that the Board does occupy this position. Clearly if the Board is not the agent for this purpose of the party accepting delivery it must be the agent of the other party to effect delivery. Now this can hardly be so in the case of the patentee. For if the Board is an agent to effect delivery its authority

In what capacity does the Board of Trade receive the deeds?

v. *Leonard*, 3 Beav. 377; *Exchange Bank of Yarmouth* v. *Blethen*, 10 A. C. 299; *Witham* v. *Vane*, 32 W. R. 617.

(*h*) *Hudson* v. *Revett*, 5 Bing. 387.

can be revoked at any time until delivery has actually been effected. But it seems too strong a thing to say that the patentee, if he delivers his deed according to the exigency of the order "forthwith," can nevertheless take it back again at any time before its delivery over to the licensee. A similar difficulty arises in the case of the licensee if at the time when he deposits the counterpart the Board of Trade is already in possession of the deed executed by the patentee. Can he call one day at the Board, deposit his counterpart, take away the deed executed by the patentee and the next day revoke his authority and if the Board has actually not delivered the counterpart to the patentee get back the counterpart into his own possession? It seems impossible that the Board should consent to act as depositary of the deeds in any other capacity than as agent of each party in turn to take delivery from the other party.

If then the delivery be delivery to the agent of the patentee and if nothing be said about any condition the only ground that can be assigned for importing the condition of exchange of deeds is that delivery was made upon the faith that the other party would deliver in exchange. Execution in such circumstances that is to say in the expectation that another necessary party would execute seems to have been held in *Peto* v. *Peto* (*i*) to be equivalent to delivery in escrow. But in that case it was known to all the consenting parties that the absent party had not executed the deed at the time and could not execute it until subsequently whereas the licensee, unless he makes enquiry at the time of depositing his deed with the Board of Trade, will have no reason to suppose that the patentee, whose duty under the order to execute natures for performance more promptly than that of the licensee, has not already performed that duty.

Recapitulation.

These considerations serve to show that extremely diffi-

(*i*) 16 Sim. 610.

cult questions may arise as to the result of delivery in the mode prescribed by the order. To recapitulate:—In a normal case the patentee would first deposit the licence and his deposit would probably be held to be deposit in escrow. The licensee, depositing later, would without doubt make by so depositing an unconditional delivery of the counterpart and the order would there and then be satisfied and the contract embodied in regular form. But in an abnormal case, in which the licensee came first with the deposit of the counterpart, a very perplexing question might arise as to whether the licensee had deposited an escrow and left to the patentee the function of perfecting the transaction or whether, relying on his remedy of mandamus and the equitable rights accruing to him from his own execution of the deed, he had delivered it unreservedly.

A practical conclusion.

One conclusion of practical significance stands out however very clearly and that is that if the licensee desires to attach any condition to the delivery of the counterpart it will be expedient for him to signify his intention by clear words at the time of depositing it with the Board of Trade and to place no reliance for this purpose upon any supposed implication of law until such implication has been authoritatively declared by a Court of competent jurisdiction.

Signature to the order.

The order is signed by Sir Courtenay Boyle the permanent secretary to the Board. This is probably evidence that the matter has been dealt with by him personally under the provisions of sect. 102a of the Patents Act 1883 (*k*). By sub-sect. (2) of the same section the signature is to be judicially recognized.

See below, p. 309.

It is worthy of remark that the order makes no provision for the modification in so much as a single word of the scheduled form of licence.

The deed of licence.

The scheduled deed which, when executed by the parties, satisfies the order and becomes the contract between licensor and licensee is drawn up in the form of an indenture.

(*k*) Added by 49 & 50 Viet. c. 37, s. 25 (1).

This is necessary to satisfy the requirements of the patent (*l*) which prohibits all the Queen's subjects from using the invention "without the consent licence or "agreement of the said patentee in writing under his "hand and seal." It was held in *Chanter* v. *Dewhurst* that a valid licence might be granted without the formality of a deed but it was recognised in that decision that the licence in this form was irregular and it was only held to be effectual for the purposes then under consideration (*m*). For the same reason the deed in this case must be executed by signing as well as by delivering it. The proviso which comes later in the patent that nothing therein contained shall prevent the granting of licences "in such "manner as they may by law be granted" does not make the unsealed licence regular and perhaps does not make it more available than it was at the date of *Chanter* v. *Dewhurst*.

Recitals.

The deed contains two recitals, being a recital of the order in abstract form and a recital that the licensor is entitled to the benefit of the patent. A little reflection will show that serious questions arise concerning the form and effect of this second recital. Mr. Morris indeed expresses the opinion that a covenant in the sense of this recital is now practically of little value on account of the system of registration (*n*). That consideration is not however conclusive in a case such as the present where there may be a strenuous opposition on the part of one or other of the contracting parties to the performance of the order. For example there is no provision in the law as it stands to prevent a patentee against whom a petition has been lodged from selling his interest in the patent. It is probable that in some cases patentees will actually take this course for defeating the

See below, p. 363.

Licensor's title.

See below, p. 366.

(*l*) See below, p. 389.

(*m*) 12 M. & W. 825.

(*n*) Morris, 114. I may take this opportunity of saying that throughout the discussion of the form of licence I have relied almost entirely upon Mr. Morris' highly authoritative Patents Conveyancing for the groundwork of my observations.

Board of Trade procedure. A position will then arise in which such a recital would be of the greatest consequence. The patentee having, whether *bonâ fide* or *malâ fide;* in either case quite lawfully; divested himself of the power to grant a licence ought certainly not to execute the deed. It is due both to the intending licensee and to his assignee that he should refuse to do so and should refuse on the ground of his inability for want of interest in the patent. Now a recital that he is the owner of the patent brings this question forward. If the patentee executed the deed with such a recital he would be bound by it and it might be so moulded as to amount to a representation by the patentee that he was in full possession of the patent at the date of the licence and so to convict him of fraud if he executed the deed (*n*). For this reason it would seem eminently desirable to introduce the recital as a protection against bad faith or oversight. It may be said that oversight could hardly occur, that a patentee who had assigned pending the petition would be sure to be keenly alive to the fact and certain, unless acting in extreme bad faith, to disclose it. But this answer does not meet the real difficulty. The difficult case will arise when an alien resident abroad is the patentee and he refuses to accept service of any process of the English Courts. The only practicable way of enforcing the order in such a case will be for the Court to authorize some other person to execute the deed in the patentee's behalf; if indeed that be practicable. In that case the question whether the title to grant licences was still vested in the respondent to the petition might easily be overlooked unless it were brought prominently forward by the recital or by a covenant for title. In both cases therefore of voluntary and enforced performance of the order there is a distinct advantage in having in some form a warranty of the respondent's title to grant the licence at the time when it is actually granted.

See below, p. 343.

(*n*) See Form 11 in Appendix IV., below, p. 366.

But, on the other hand, would the Court grant a mandamus to compel the respondent to execute the licence if it contained such a recital and contrary to the fact (*o*)? Of course it may be said that the same difficulty would arise quite apart from the recital if the title had passed out of the respondent but there may be a difference here. An assignment to a trustee for the assignor might suffice to falsify the recital but it may be that the Court would have no difficulty in such a case in ordering the *cestui-que-trust* to execute the deed without the recital (*o*). The subject must not, however, be pursued farther in this place. It is clear that the question involved is one of importance and one which cannot easily be answered in general terms. It is probable that in some cases it would be desirable to introduce the recital and in others to omit it but that in any case the question of putting it in or leaving it out should be considered with a view to all the facts of a given case.

The testatum clause is couched in the following words:— The testatum. See below, p. 367.

"Now this indenture witnesseth that in pursuance of "the said order the patentees do hereby grant to the "licensees licence within the United Kingdom to make, use, "exercise, and vend the inventions described and claimed "in and by the specifications of letters patent Nos. 9642 "and 15176 of 1889 mentioned in the said order."

It is remarkable that in this clause there is no reference to any consideration beyond the order and it will be necessary to consider the effect of this omission.

See below, p. 121.

But it will be convenient first to consider the clause as it stands. The most material words evidently are the two words "grant licence." The scope of the grant is commonly expressed with more exuberance of language as, for example, by saying that the licensor grants "liberty, "right, licence, power and authority" (*p*). Whether these added words afford any additional security to the grantee may be doubted although it may be said that a grant of

(*o*) See *Hartley* v. *Burton*, L. R. 3 Ch. 368.
(*p*) See *e.g.* Morris, p. 254.

No implied warranty of title.

"right, power and authority" to do a thing implies on the part of the grantor the possession of a valid and uncontrolled patent right since no patentee could confer right power or authority to exercise an invention over which the patentee under an earlier grant had overriding rights. This point in the case of a patent for an improvement upon an invention itself the subject of an earlier patent might be a matter of importance. The answer probably would be that the patentee was making a contract with reference only to his own rights of interference with the licensee's trade and purporting only to grant a part of what he had himself received from the Crown. In that view the words referring to right and authority add nothing to the effect of the word "licence" and are better omitted. But on the other hand if they do add anything whatever over and above the effect of the word "licence" they ought to be omitted on the more peremptory ground that the Board of Trade has no jurisdiction to order anything but a licence to be granted. A strict adhesion to the language of the statute itself is clearly necessary in this place since otherwise the order would certainly not be enforceable against an unwilling party.

Not assignable.

The licence is not extended to the assigns of the licensees and therefore confers no power upon the licensees to transfer their rights or sub-licence the use of the invention (*r*).

Licence co-extensive with the patent.

The licence in this case is to "make use exercise and "vend the invention" being in this sense co-extensive with the patent itself. It will be borne in mind that the petition in this case was presented under Clause (a) and that a case of default on the part of the patentee to work the patent (*s*) within the United Kingdom was proved at the hearing. It was therefore proper in this case to give the licensee unrestricted power of introducing the manufacture and the licence is accordingly neither limited to specific claims under the patent nor to any particular use of the

(*r*) *Bower* v. *Hodges*, 22 L. J. C. P. 198; *Lawson* v. *Macpherson*, 14 R. P. C. 696.

(*s*) Such is the phraseology of the Act.

invention. This part of the deed must of course be moulded according to the circumstances of the particular case. In the *Hulton & Bleakley* licence, for example, the power is limited to making and using the patented invention (*t*) and in a proper case it would, no doubt, be restricted to particular parts of the invention, as for example to so much as might be covered by particular claims in the specification, or to user within particular geographical limits. The nature of these various limitations need not be examined here at large since they are familiar to all persons who have experience in the drafting of licences under patents.

Scope in Hulton & Bleakley licence.

One of the inconveniences resulting from the absence of any recital defining the patent in respect of which the licence is granted becomes apparent in this place, where the patents have to be identified by a reference to the order. In point of fact the recital of the order in the deed does not identify the patents save as the patents "hereinafter mentioned" so that the deed itself becomes involved in a kind of vicious circle from which escape is only possible by reference to the full text of the order. This importation of an extraneous document is manifestly an inconvenient and unnecessary complication of the contract.

Consideration.

We may now pass to note the effect of the omission to state in this clause what is the valuable consideration in respect of which the contract is made. The omission is highly unusual and although it would not preclude a Court from ascertaining what the consideration really was (*u*) it would certainly give rise to conjecture as to possible reasons for the absence of the customary statement. The usual form is "in consideration of the royalties "hereinafter reserved and of the covenants on the part of "the licensee hereinafter contained" and it is difficult to see why such a clause should not be introduced into this

See below, p. 367.

(*t*) See below, p. 365.

(*u*) *Hartopp* v. *Hartopp*, 17 Ves. 192; 11 R. R. 48. See also *Clifford* v. *Turrell*, 14 L. J. Ch. 390; *Rex* v. *Scammonden*, 3 T. R. 474.

deed. It may be that as there is no reddendum clause it would not be strictly correct to speak of the royalties as *reserved* and perhaps if they are not reserved but are only secured by covenant it would not be correct to speak of them,—being *in futuro*—as forming a part of the consideration, apart from the covenant. But the licensee's covenants are certainly a part, and a principal part, of the consideration to the licensor for the grant of the licence and should, presumably, be mentioned as such. There is even a very special reason for saying so in this case. It has been pointed out above that the patentee is called upon by the order to deposit his deed at the Board of Trade, in advance of the deposit by the licensee of the counterpart and from this circumstance an inference has been drawn that the patentee's deed should until the delivery of the counterpart be looked upon as an escrow. But this question of escrow is beset with difficulty and what is at least certain is that the patentee who has executed his deed in obedience to the order of the Board ought to be able to claim rescission if the contemplated licensee fails to make due delivery of the counterpart and ought for this purpose to have the benefit of a clear statement in the deed itself that the covenants which *ex hypothesi* the licensee refuses to give were the consideration for the grant.

See above, p. 111.

The habendum clause next claims attention; expressed in the following words:—

Habendum.

"To hold, exercise and enjoy the said licence for and "during all the residues now to come and unexpired of "the respective terms of the said letters patent and during "any further term for which the said letters patent or "either of them may be extended."

See below, p. 369.

The term of the licence.

It is noteworthy that in this clause the licensee is protected not only for the unexpired residue of the original terms of the patents but also for the period of any extended terms if they or either of them should be prolonged. It might be supposed that here, as in the testatum clause, the Board had resolved to give the licensee every possible facility for carrying out the new manufacture

because of the nature of the default established against the patentee. This however does not seem to be the true reason, for the same extended term is conceded in the Hulton & Bleakley order (*u*) in which no gross default was established, or even alleged, against the patentee. The concession is the more remarkable because in neither case was the extended term asked for by the applicants and in the *Lerinstein Case* the prayer of the petition was rendered very precise by a schedule appended to the petition which set out the heads of the proposed agreement. In that schedule the period was precisely defined to be the unexpired terms of the patents so that the licensee got more than he had asked for (*v*). Now, quite apart from the question whether the Board has power to order a patentee to grant more than the petitioner asks for (*w*), there is a serious question to be considered whether it is just to impose these terms upon the parties. The licensee may very probably consider that it will better suit his purpose to be released from his covenants at the end of the term of the patent than to be held for the whole extended term. If he is working under a licence at the time when any application is made for an extension he will be allowed to attend the hearing and oppose the application, if so disposed, and can negociate with the patentee on very advantageous terms for a renewal of the licence. The Privy Council would, no doubt, protect him in case the patentee were unreasonable and he may very reasonably choose to rely upon that protection and to reserve his liberty to renew or resign the licence when that time comes. This is especially worthy of note in a case in which a minimum royalty is covenanted to be paid since such a covenant may in certain circumstances become very onerous for the licensee. Probably therefore it must not be assumed that a licence to include an extended term is a matter of course in these cases.

(*u*) See below, p. 365.

(*v*) Nor is this all, for in both cases the *habendum* is at variance with the order itself which limits the term of the licence to the unexpired residue of the term of the patent. See above, p. 110.

(*w*) See *Dunlop Patents—Wolverhampton Petition*, below, p. 266.

Reddendum.

See above, p. 122; below, p. 370.

The deed next proceeds to the covenants, there being no reddendum clause. It has been pointed out above that the absence of this clause affects the nature of the consideration at least in theory, but this probably is not a matter of great consequence. In any case a reddendum clause seems more appropriate to a case in which, as in a lease, there is privity of estate between the parties than to a case, like the present, where there is only privity of contract. It is certain that whatever words be used the grantor could not secure payment of his royalty either by any proceeding in the nature of distress or by the appointment of a receiver and in such a case it can hardly be apposite to aver that anything whatever is "reserved out of "the grant." It would seem therefore to be good draughtsmanship to omit this quaint and probably inappropriate clause (*x*).

Covenant for royalty.

See below, p. 370.

We come now to the covenants, the first being the licensee's covenant for the payment of royalty in the following terms "and the licensees hereby covenant with "the patentees that the licensees will during the continu-"ance of the licence pay to the patentees half-yearly on "every 6th day of January and 6th day of July royalties "at the rate of a half-penny for each pound weight "avoirdupois of product made by the licensees under the "said letters patent or either of them in the half-years "then ending respectively Provided always that if the "royalties payable in any year ending on the 6th day of "July shall not have amounted to the sum of 250*l.* the "licensees shall on such 6th day of July pay to the "patentees such further sum as with the said royalties "shall amount to the said sum of 250*l.* hereinafter called "the yearly rent."

An assignable covenant.

It is to be observed that this covenant is not expressed to be made with the assigns of the licensor but, that notwithstanding, it is conceived that the benefit of the covenant would be assignable by virtue of the Judicature Act

(*x*) See further as to this point, Morris, p. 194.

1873 (*y*). But it does not follow that the benefit of the licence would be so assignable. For example it might well be held that the third covenant; which gives a very formidable right of inspection to the licensor; not being expressly made with the licensor's assigns, was not transferable but a right conferred only on the assignor personally for the protection of a right of which he was personally enjoying the benefit. The proviso as to a minimum royalty of 250*l.* would probably be construed as a further covenant to the effect of the proviso and indeed there seems to be no doubt that this is the intention although that intention might perhaps have been more aptly expressed in the direct form of a covenant than in the indirect form of a proviso. It is a very common thing when a minimum royalty is provided for to introduce an average clause allowing the licensee to set off excess royalties above the minimum in one period against short royalties in another period. As the proviso does not occur in this model form it may be presumed that it must be specially stipulated for at the hearing by an applicant who desires to get the benefit of it in his licence (*z*).

Is the licence assignable?

Proviso for minimum royalty.

See below, p. 382.

The next covenant relates to the keeping and rendering of accounts and calls for no comment except that it gives a somewhat large power of inspection to the patentee who is to be at liberty to call for production of the books "at any time" without limitation to business hours or other reasonable limits. In other respects it follows the usual form for such a covenant and is in fact somewhat more accurate than that given in Mr. Morris' book (*a*).

Covenant as to accounts.

See below, p. 372.

The third covenant—if covenant it be—provides for the inspection by the licensor of the factory in which the licensee carries on the licensed manufacture. It is remarkable in more respects than one and must be quoted *in extenso*. It reads as follows:—

"And it is hereby agreed and declared that the patentees

Declaration as

(*y*) 36 & 37 Vict. c. 66, s. 25 (6).
(*z*) See Morris, pp. 193 and 230, and below, p. 382.
(*a*) Morris, p. 246.

to inspection of factory.
See below, p. 374.

" shall be at liberty at any time during the continuance " of this licence to enter upon any factory or place of " business of the licensees in which the manufacture of " the said products shall be carried on at any reasonable " hour with a view of obtaining all such information as " may be material for the purpose of ascertaining the " amount of royalty payable to them under this licence."

This clause shows manifest signs of having been written *currente calamo* as for example in the curious displacement of the words " at any reasonable hour " from their natural context into a connection where they suggest an attempt at dry humour. But what is much more puzzling is to ascertain the effect of the sudden transition here made from the form " doth hereby covenant " to the use of the words " it is hereby agreed and declared." The compact established in these words is no less a covenant than if the express word " covenant " were used (*b*).

It would be a declared agreement in any case and it is difficult to imagine that any change in its effect is brought about by the changed words in which it is embodied. Possibly the alteration is the result of mere inadvertence.

Coming now to the substance of the declaration, the power given by the clause to a licensor to enter and inspect is one which, although in many cases it would give rise to no difficulty, cannot be regarded as a matter of course since in other cases there would be the strongest possible objection on the part of the licensee to such supervision. This is one of the points in the drafting of the licence which should be thought out from the first and as to which the Board should be fully informed concerning the views of the parties.

Power of revocation by licensor.
See below, p. 380.

Then follows a power to the licensor to revoke the licence upon notice and with the consent of the Board of Trade for a breach of covenant not made good after fourteen days from written notice to make it good or for default

(*b*) Touchstone, 162.

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

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

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

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

(*c*) See above, p. 42.

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

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

Additional covenants for licensor's protection.

See below, p. 374.

Covenant not to dispute patent at any time.

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

Power of revocation by licensee.

See below, p. 381.

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

See above, p. 127.

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

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

"Declared by a Court of Law."

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

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

Additional covenants for the licensee's protection.

See below, pp. 376 to 379.

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

To grant most favourable terms.

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

To defend patent rights.

See above, p. 104; below, p. 378.

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

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

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

Mr. Morris' covenants.

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

(*g*) *Mills* v. *Carson*, 10 R. P. C. 16, 18, 20. (*h*) 14 R. P. C. 209.

5. To give the licensee the benefit of all improvements.
6. In case of an exclusive licence not to licence others.
7. In the like case not to use the invention within the geographical limits for which the licence is granted.
8. Power to licensee to determine licence for breach of any (or as the case may be of certain) covenants by the licensor.
9. To keep the patent safely and produce it when required (*i*).

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

See above, pp. 73, 74.

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

(*i*) Morris, p. 199.

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

See below, p. 208.

Mutual covenants.

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

Improvements.

See below, p. 379.

Arbitration clause.

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

See below, p. 379.

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

See below, p. 365.

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

CHAPTER VII.

THE ENFORCEMENT OF THE ORDER.

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

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

and any such order may be enforced by mandamus.

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

What is "mandamus"?

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

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

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

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

See below, p. 145.

Repugnancy between the writ and the action.

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

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

(*e*) 63 L. T. 771.

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

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

The statute considered.

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

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

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

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

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

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

The writ of mandamus.

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

Jurisdiction.

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

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

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

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

(*o*) Page 11.

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

Mr. Shortt's rules.

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

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

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

Blackstone on the jurisdiction.

"A writ of mandamus is, in general, a command issuing "in the King's name from the Court of King's Bench "and directed to any person, corporation or inferior Court

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

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

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

Bowen, L. J., on the jurisdiction.

Discretion.

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

See above, p. 139.

(*r*) 3 Commentaries, 110.

(*s*) 12 Q. B. D. 478. It is curious to compare with these observations the remarks of Bailey, J., and Lord Hardwicke, quoted on the next page.

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

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

See above, p. 39.

(*t*) 2 B. & Ald. 622.

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

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

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

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

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

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

Action of Mandamus. See below, p. 321.

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

(*a*) 12 Ch. D. 116.

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

(*c*) *The King* v. *Cambridge*, 1 W. Bl. 517; 3 Burr. 1647; *Gosling* v. *Veley*, 7 Q. B. 457; *R.* v. *Mayor of York*, 4 T. R. 699; Grant, Law of Corporations.

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

When it lies.

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

These were decisions under the Common Law Procedure

(*e*) 6 E. & B. 275. (*f*) 8 E. & B. 526.
(*g*) L. R. 2 C. P. 195.

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

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

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

Review of the authorities.

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

(*l*) 63 L. T. 771.

(*m*) 67 L. T. 414.

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

See above, p. 136.

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

Will the action lie in this case?

See above, p. 39.

(*n*) Anno 1879, 12 Ch. D. 116, 122.

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

Recapitulation.

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

The argument from convenience.

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

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

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

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

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

(*p*) C. O. R., r. 67. See below, p. 319.
(*q*) See below, p. 285.
(*r*) *R.* v. *Fox*, 2 Q. B. 246.
(*s*) *In the matter of John Long*, 14 L. J. (N. S.) Q. B. 23.
(*t*) 1 H. & W. 463.

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

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

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

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

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

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

See p. 318.

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

See above, p. 51.

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

Convenience of the writ.

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

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

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

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

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

Difficulty in case of an alien resident abroad.

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

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

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

The proceeding by action.

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

Interlocutory mandamus.

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

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

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

Recapitulation.

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

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

(*b*) R. S. C., O. 52, r. 9, below, p. 334. The application being made in the Queen's Bench Division may be made in Chambers.

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

It seems idle, until the fundamental question has been

(*c*) I observe that in more than one recent text-book, *e.g.*, Lawson, 2nd ed., Frost, 2nd ed., the learned authors identify the mandamus with the writ. But it does not appear what is their reason for preferring the writ to the action. Possibly they have relied upon the analogy of *Re The Bristol & N. Somerset Rail. Co.*, 3 Q. B. D. 11, which case they cite to show that the Court will not as a mere matter of course grant mandamus to enforce an order made by the Board of Trade. But that case differs from a case under the present section in the important particular that under the Railway Clauses Act of 1863—under the provisions of which statute the order then in question was made—the Board of Trade acted not in a judicial but in an administrative capacity and itself applied to the Court for the mandamus. Considerations entirely different arise when the Board of Trade acts as a tribunal empowered to declare what is just between parties and itself wholly disinterested in the relief sought.

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

See below, p. 318.

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

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

(*d*) See next page.

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

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

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

See p. 156.

Specific performance.

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

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

Resistance to the order. By the patentee.

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

By the petitioner.

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

See above, p. 112.

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

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

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

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

CHAPTER VIII.

PROCEDURE.

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

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

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

(*b*) See above, p. 42.

The petition.

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

See below, pp. 180, 181.

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

i. The nature of the petitioner's interest.

ii. The ground or grounds upon which he claims to be entitled to relief.

iii. The circumstances of the case in detail.

iv. The terms upon which he asks that an order may be made; and

v. The purport of the proposed order (*e*).

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

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

Joinder of patents.

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

(*c*) See Form H, below, p. 351.
(*d*) See Form H1, below, p. 351.
(*e*) Patent Rules, 1890, r. 60, below, p. 345.
(*f*) Below, p. 352.

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

Joinder of patentees, see above, p. 69.

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

Consolidating petitions.

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

Joinder of parties.

See above, p. 69.

(*g*) See R. S. C., O. 18, below, p. 323.
(*h*) See R. S. C., O. 16, below, p. 322.

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

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

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

Adducing the register.

Notice of proceedings.

See p. 179.

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

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

The invention to be licensed.

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

4. The nature of the petitioner's interest.

Petitioner's interest.

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

See above, p. 61.

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

(*g*) See, for example, the Hulton and Bleakley licence, p. 365.
(*h*) Conf. Pat. R. 3, below, p. 344.

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

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

(*i*) 63 L. T. 89.

(*k*) See also *Carr* v. *Met. B. W.*, 14 C. D. 815; *Pelsall* v. *L. & N. W. Rail. Co.*, 23 Q. B. D. 545; *In re Lord Haldon's Estate*, W. N. (1889) 96.

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

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

See above, pp. 69 and 162.

Accounting party a necessary party.

Petitioner's interest must be fully stated.

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

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

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

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

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

(*n*) Co. Litt. 56 *a*.

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

Petitioner's interest under Clause (c).

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

See p. 162.

Recapitulation.

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

The petitioner must disclose substantial interest.

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

(*o*) As to the doctrine of special damage in an action upon a nuisance, see *Soltau* v. *De Held*, 2 Sim. N. S. 145; *Williams' Case*, 5 Rep. 73; *Payne* v. *Patrick*, Carth. 194; *Hubert* v. *Groves*, 1 Esp. 148; *Greasley* v. *Codling*, 2 Bing. 263; *Winterbottom* v. *Lord Derby*, L. R. 2 Ex. 320; *Benjamin* v. *Storr*, 9 C. P. 407; *Fritz* v. *Hobson*, 14 C. D. 555; *Iveson* v. *Moore*, 1 Ld. Raym. 486.

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

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

Grounds of relief.

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

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

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

6. The patentee's default.

The patentee's default.

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

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

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

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

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

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

(*p*) See the official form of petition H[1], par. 3, below, p. 352.

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

The petitioner's ability.

See below, p. 257.

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

8. The circumstances of the case in detail.

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

Royalty rate.

Course of business, &c.

(*q*) See below, p. 345.

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

What facts should be set out.

(*r*) Below, p. 353.

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

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

The schedule. **10. The purport of such order.**

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

See p. 363.

11. The prayer.

The prayer. The rules do not require a petition to end with a prayer but this is obviously indispensable. In the *Levinstein Petition* the prayer was twofold and demanded (1) an order for a licence (2) such other relief in the premises as

Alternative relief. the Board might deem just. The second alternative was strictly correct in form because the first alternative referred in terms to a licence upon the terms set out in the heads of agreement scheduled to the petition. It was not, of course, intended to insist upon every detail of those suggested heads of agreement and it was therefore proper to open the door by means of an alternative prayer to modifications such as might result from the discussion. The alternative derives additional appropriateness from the circumstance that it also gives the respondent notice that the petitioner does not consider himself tied to the

(*r*) See below, p. 345.

(*s*) See above, pp. 116—134.

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

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

Prayer for hearing.

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

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

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

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

Signature of the petition.

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

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

(*v*) P. R. 1890, r. 8.

(*x*) R. S. C., O. 19, r. 4, below, p. 324.

(*y*) *Boulton's Trust*, 30 W. R. 596.

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

Unsigned petitions.

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

"Your petitioner will ever pray."

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

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

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

Affidavit in support of petition.

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

Reference to "expert."

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

(*a*) See App. III., below, p. 349; also Lawson, p. 633. This rule however, like the other rules relating to this procedure has, so far, not been strictly enforced. Thus in the case of *Dunlop Patents—Wolverhampton Petition*, the petitioners' documentary evidence was given in the form not of affidavit but of statutory declaration. The irregularity passed without criticism. See below, p. 264.

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

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

Service of the petition.

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

See above, p. 64.

Public notice.

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

(*c*) *Dunlop Patents — Chisholm's Petition*, below, p. 280.
(*d*) Pat. Act, 1883, s. 46, below, p. 303.
(*e*) Patent Rules, r. 16 A.; below, p. 345.

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

Patentee's affidavits.

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

Notice of opposition.

Patentee's answer.

Notice of opposition by strangers.

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

See p. 66.

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

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

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

(*gg*) But it is noteworthy that the official Scale of Fees makes no provision for the payment of a fee upon the lodging of such a notice by any person other than a patentee. See below, p. 348.

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

To be delivered at the Patent Office.

The one step necessary to be taken by the intending intervener is clearly provided for if not by the rules at least by the officially published forms. He must procure and fill up a notice in tho terms of Form I. and must deliver this notice to the comptroller at the Patent Office.

See below, p. 357.

Affidavits in reply.

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

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

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

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

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

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

Referee's further report.

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

Notice of hearing.

The hearing.

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

The right to begin.

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

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

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

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

(*m*) Pages 359, 360.

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

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

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

(*n*) This very extraordinary fact is wholly unexplained and so far as I can learn inexplicable. It has been ascertained by examination of the Patent Rolls.

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

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

The result then of this experiment is hardly such as to

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

(*q*) 14 R. P. C. 28.

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

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

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

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

The right of general reply.

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

(*r*) See on this subject *Homan* v. *Thompson*, 6 Car. & P. 717; *Kino* v. *Rudkin*, 6 C. D. 163; 3 Chitty, Gen. Practice, 3rd ed. 744; Starkie on Evidence, 4th ed. 595; R. S. C., O. 36, rr. 31—39, below, p. 336.

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

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

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

Reading the affidavits.

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

Cross-examination to affidavits.

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

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

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

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

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

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

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

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

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

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

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

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

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

The procedure discussed.

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

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

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

Enforcement of the order.

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

See above, p. 135.

Is the procedure regular?

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

(*t*) *Capel* v. *Child*, 2 Cr. & J. 579. See also *Reg.* v. *JJ. of West Riding*, 7 Ad. & E. 592.

(*u*) *Bagg's Case*, 11 Rep. 99 a. See also *Re Brook & Delcomyn*, 16 C. B. N. S. 416; *In re Hammersmith Rentcharge*, 4 Exch. 97.

(*x*) Russell on Arbitrations, 7th ed., p. 207.

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

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

Acquiescence of parties.

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

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

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

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

Advantages of the present practice.

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

Time for objecting to the procedure.

(*b*) See *Clout* v. *Met. & Dist. Rail. Co.*, 46 L. T. 142; *Hall* v. *Lawrence*, 4 T. R. 589; *Mills* v. *Bowyers*, 3 K. & J. 71; *Hawsworth* v. *Brammall*, 5 M. & Cr. 296.

(*c*) 5 B. & Ad. 494.

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

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

Official scheme of procedure.

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

(*d*) *Davies* v. *Price*, 11 L. T. N. S. 201; *Ringland* v. *Lowndes*, 17 C. B. N. S. 527.

CHAPTER IX.

PRACTICAL SUGGESTIONS.

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

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

Who should petition.

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

The patent action criterion.

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

Does an injunction bar the application?

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

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

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

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

See above, pp. 27, 39.

Saving the applicant's rights in a patent action.

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

(*b*) Below, p. 250.

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

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

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

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

Cases suitable for the remedy.

See above, p. 14.

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

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

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

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

Criterion.

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

its advantage or to its detriment, with the grant of the licence?

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

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

Public demand not indispensable.

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

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

An offer to supply by the patentee.

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

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

The promotion of British industries.

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

(*e*) 15 R. P. C. 749, and below, p. 246.
(*f*) *Meister Lucius' Patents—Levinstein's Petition*, below, p. 232.

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

Private interests.

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

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

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

Is there an existing prior grant?

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

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

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

The presentation of the petitioner's case.

The foregoing description of the procedure prescribed by rule and of that actually followed in these enquiries will have conveyed to the reader's mind an impression that the effective rule is "go as you please." In particular it is quite possible to be extremely vague in making an application as to the terms which it is proposed to offer. In point of fact the petitions so far presented have, with the single exception of the Levinstein petition, left the terms and conditions of the licence entirely undefined. Is this a wise course to pursue? Should the pleader leave the matter as much as possible at large or should he narrow the issues as much as possible? It is submitted with great respect to what appears to be the prevalent notion that the wiser course by far is to be as precise and as conciliatory as possible in putting forward the demand.

Be precise and conciliatory.

Do not labour the default too much—the Board of Trade is not going to punish it. If the licence promises to work well a very little default will suffice to found the jurisdiction and beyond that the default should only be laboured with a view to influencing the terms of the order. If

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

The merit of a fair proposal.

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

See above, p. 91.

Worthlessness of technical points to a petitioner.

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

A detailed proposal.

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

See above, p. 130.

Registration of the licence.

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

Resistance to the petition.

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

Objections to the jurisdiction, &c.

See above, p. 195.

Attendance under protest.

See above, p. 198.

(*g*) *Bignall* v. *Gale*, 2 M. & G. 830. See above, p. 197.

(*h*) *Davies* v. *Price*, 11 L. T. N. S. 203; *Ringland* v. *Lowndes*, 17 C. B. N. S. 514; *Sheanath* v. *Ramnath*, 35 L. J. P. C. 1.

Prohibition.

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

See above, p. 49.

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

(*k*) 6 A. C. 424.

(*l*) See the opinion of Cockburn, C. J., at 3 Q. B. D. 749, and of Lord Blackburn, 6 A. C. 447, 452, and on the other hand the observations of Thesiger, L. J., 4 Q. B. D. 722, adopted by Lord Cairns at 6 A. C. 440, and the opinion of Brett, L. J., at 4 Q. B. D. 755, and of Cotton, L. J., *ibid.* 741, and of Coleridge, C. J., *ibid.* 783.

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

See above, pp. 4 and 14.

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

(*n*) See the observation of Pratt, C.J., in *R.* v. *Cambridge*, 1 Str. 565. "It is the glory and happiness of our excellent constitution that to prevent any injustice no man is concluded by the first judgment; but that if he apprehends himself to be aggrieved he has another Court to which he can resort for relief; for this purpose the law furnishes him with appeals, with writs of error and false judgment, and lest in this particular case the party should be remediless, it was become absolutely necessary for this Court to require the University to lay the state of their proceedings before us;" &c.

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

APPENDIX I.

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

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1. *Incandescent Gas Light Company's (Welsbach's & Imray's) Patents—Continental Gas Gluhlicht Petition* 214
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In compiling the following reports I have had the great benefit, of which I have taken full advantage, of freely using for the purpose the reports already published in the Official Reports of Patent Cases of the first, second and fourth cases enumerated in the above list. For permission, kindly given, to make this use of these materials my best thanks are due and hereby tendered to Mr. John Cutler, Q.C., the Editor of those Reports and to Mr. C. N. Dalton, C.B., the Comptroller-General of Patents. The remaining reports have been compiled mainly from the shorthand notes taken under the supervision of the Board of Trade of the various proceedings.

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

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

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

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

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

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

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

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

Petition. The petition, after alleging the facts stated above as to the said patents, contained the following paragraphs, which are the only parts material for the purposes of this report:—"(3) The said "patents are those under which the Incandescent Gas Light "Company, Ld., make their incandescent mantles, now so well "known and extensively used in this country on gas burners. "The manufacture is a complete monopoly as no efficient incan- "descent mantle can, according to existing knowledge, be made

Petitioner's invention. "except in accordance with the said patents. (4) The petitioners, "the Continental Gas Gluhlicht Actien Gesellschaft 'Meteor' "vormals Kroll, Berger & Co., are the owners of Letters Patent "No. 24,083 of 1896, granted to W. P. Thompson as a communi- "cation by the said petitioners for an invention of 'Improvements "'in burners for incandescent petroleum lamps.' (5) The inven- "tion, forming the subject of the said patent No. 24,083 of 1896, "consists of an improved form of burners for an oil lamp so con- "structed as to produce a hot blue smokeless flame, similar to the "Bunsen flame of a gas burner without the use of forced draught,

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

Proposal as to manufacture.

Default of patentee.

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

Prayer.

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

Affidavits were filed in support of the petition.

Service of petition, &c.

The Board of Trade being of opinion that a *primâ facie* case for relief had been made out, the petitioners were required to deliver to the Incandescent Gas Light Company, Ld. (hereinafter called the patentees), copies of the petition and the documentary evidence tendered in support thereof. This having been done, the patentees delivered an answer to the petition, dated the 2nd of October 1897,

Patentees' answer.

in which they stated (*inter alia*):—"The said patentees have been
" making experiments with the object of utilizing the Welsbach
" incandescent mantle in connection with the petroleum lamp, and
" succeeded, in the early part of 1895, in constructing a petroleum
" lamp which was capable of rendering the Welsbach mantle incan-
" descent. This invention was patented on the 28th of February
" 1895, No. 4,325, by their managing director, Julius Moeller.
" . . . . The experiments and improvements on this system

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

S. C., 15 R. P. C. 732.

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

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

Grant of patents.

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

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

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

"Manchester, 6th March 1897.

"Messrs. Meister Lucius, & Brüning.

Application for licence.

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

"Yours, &c.,

"LEVINSTEIN, LD."

The following correspondence then passed:—

"Manchester, 11th March 1897.

"Messrs. Farbwerke vormals

"Meister Lucius, & Brüning.

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

"Yours, &c.,

"LEVINSTEIN, LD."

"11th March 1897.

"Messrs. Levinstein, Ld.

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

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

" Yours, &c.,

" FARBWERKE VORMALS
" MEISTER LUCIUS, AND Co."

" 13th March 1897.

" Messrs. Farbwerke vormals
" Meister Lucius, & Brüning.

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

" Yours, &c.,

" LEVINSTEIN, LD."

" 16th March 1897.

" Messrs. Levinstein, Ld.

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

" Yours, &c.,

" FARBWERKE VORMALS
" MEISTER LUCIUS, & BRÜNING."

" Manchester, 19th March 1897.

" Messrs. Farbwerke vormals
" Meister Lucius, & Brüning.

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

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

"Yours, &c.,

"LEVINSTEIN, LD."

"24th March 1897.

"Messrs. Levinstein, Ld.

Refusal confirmed.

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

"Yours, &c.,

"FARBWERKE VORMALS

"MEISTER LUCIUS, & BRÜNING" (*a*).

(*a*) It is not easy to discover either a definite request for a licence or an explicit refusal of one in this very argumentative correspondence. The Board of Trade had not only the correspondence but also the answer put in by the respondents to go upon, and it will be seen from that answer that there was a refusal on the part of the patentees to grant the licence asked for on *certain terms* that had been offered in the proceedings by the applicants. See below, p. 359, and in particular the 6th paragraph of the answer. It is conceived that all these matters would be taken into account, and that by the light of everything that had appeared the Board of Trade was able to discover a latent meaning in the correspondence. See upon this point *Re Cassella Patents—Levinstein's Petition*, below, p. 240.

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

Prayer.

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

"That the petitioners may have such other relief "in the premises as the Board of Trade may deem "just."

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

Affidavit in support of petition.

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

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

The Board of Trade considered that a *primâ facie* case had been made out, and ordered that the matter should proceed, and copies of the petition and affidavit in support were then served upon the respondents.

Answer.

The respondents filed an answer and affidavits in opposition to the petition; and the petitioners filed an affidavit in reply. The answer is set out at length below at p. 358 (Appendix IV.).

Appointment of referee.

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

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

Opening petitioners' case.

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

Petitioners in possession of certain inventions.

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

Royalty rate.

Offer to supply.

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

Procedure.

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

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

Evidence.

Petitioners' inventions.

Patentees' default.

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

Royalty rate.

Offer to supply criticised.

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

Merit of the patented invention.

Petitioners' inventions.

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

Merit of patented invention.

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

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

Cost of manufacture.

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

Opening respondents' case.

Patentees' default.

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

"at an extremely low royalty." The respondents have always offered to sell to petitioners at a fair price. The respondents can manufacture their inventions at as cheap a rate as anyone else; and there can therefore be no good reason for the petitioners' requiring a licence to make the respondents' inventions. The

Offer to supply.

respondents have even offered to manufacture their materials in England if a guaranteed market is given by the petitioners. There has never been any default to grant licences by respondents on reasonable terms, and the section of the Act cannot apply here at all. As to the comparative merit of the respondents' inventions and those of petitioners, the really important advance is due to the former.

Witnesses were then called for the respondents.

Merit of patented invention.

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

Cost of manufacture.

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

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

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

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

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

Merit of petitioners' invention.

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

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

Procedure.

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

Respondents' case summed up.

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

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

Patentees' default.

Royalty rate.

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

Patentees' default.

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

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

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

say ½*d.* a lb. of raw material which is about equivalent to our 10 per cent. on the net profits of the completed dye, and a minimum of 250*l.* a year. The petitioners will be taking all the risk of their manufactures being a failure. The petitioners desire to manufacture for purposes of export to compete in foreign countries where there are no patents. As to sub-section (b), the requirements of the public is shown by their desire for petitioners' dyes. As to sub-section (c), it is clear that petitioners are prevented from working their own inventions to the best advantage. As to comparative merit, the respondents' inventions *per se* are useless, and the reactions used are old. The petitioners have, on the other hand, chosen out of thousands of substances a selection which is of practical value as a dye producer. In a comparison, therefore, between the merits of respondents' and petitioners' inventions, the practical merit is entirely with petitioners. Petitioners do not mind the form the royalty takes if licences are granted; ½*d.* per lb. would be fair for both. Petitioners are merely giving this money to respondents as respondents have not found any use for their inventions, at any rate in the case of No. 9642 of 1889. In arriving at these figures, the fact that there are no patents for respondents' inventions in Germany should be taken into consideration. Petitioners have to compete with a cheap class of dyes, and a larger royalty would prevent them from being able to put their inventions on the market at all.

Requirements of the public.

Comparative merits.

Royalty rate.

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

Offer to supply.

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

Order.

Recitals.

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

6. The presentation of the petition;
7. The proof of the petitioners' interest and the patentees' default;

and proceeded as follows:—

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

Provisions of licence.

Execution of licence.

"Dated this 6th day of July 1898.

"(Signed) COURTENAY BOYLE,
"Secretary, Board of Trade."

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

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

28th March 1898.

(*Compiled from the official shorthand note.*)

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

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

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

Grant of patents.

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

Assignment to patentees.

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

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

" Manchester, 17th Feb. 1897.

" Messrs. Leopold Cassella & Co.

Application for licence.

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

" Yours etc.

" LEVINSTEIN LIMITED."

"Manchester, 25th Feb. 1897.

"Messrs. Leopold Cassella & Co.

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

"Yours etc.

"LEVINSTEIN LIMITED."

"Frankfort-on-Main, March 3, 1897.

"Messrs. Levinstein Limited.

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

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

"Yours etc.

"LEOPOLD CASSELLA & Co."

"Manchester, 5th March 1897.

"Messrs. Leopold Cassella & Co.

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

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

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

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

" No. 23,523 Dec. 9th 1895
" No. 2,956 Feb. 10th 1896
" No. 14,144 June 26th 1896

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

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

" Yours etc.
" LEVINSTEIN LIMITED."

" Frankfort-on-Main, 15th March 1897.

" Messrs. Levinstein Limited.

Further enquiry for particulars.

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

" Yours etc.
" LEOPOLD CASSELLA & Co."

" Manchester, 17th March 1897.

" Messrs. Leopold Cassella & Co.

Remonstrance.

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

" Yours etc.
" LEVINSTEIN LIMITED."

Petition.

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

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

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

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

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

Petitioners' *ability.*

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

Prayer.

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

Scheduled heads of agreement.

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

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

Petitioners' affidavit.

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

Service of petition.

The Board of Trade considered that a *primâ facie* case had been made out and ordered that the matter should proceed and copies of the petition and affidavit in support were then served upon the respondents.

Respondents' affidavits in answer.

The respondents filed affidavits in answer in which it was said to be untrue that the patentees had wholly failed to introduce the patented process into the United Kingdom or that it was their settled commercial policy to prevent the introduction and use of their patented processes or that they sold their products in the United Kingdom at prices in excess of the prices at which they sold the same products to their customers in other countries; and that on the contrary goods made by the patented processes had been largely sold in the United Kingdom and the patentees had always been willing to grant licences under the patents.

Reply.

The applicants filed affidavits in reply.

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

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

Moulton for the applicants explained the nature and extent of the licence asked for by reference to the claims made under the two patents in question and then proceeded to discuss the position of the owners of the patents.

Patentees' default.

Cassellas have a large number of patents for dye stuffs. They have given no licences to any person who is working in England, and that is a very serious matter because the object of the reward given to a patentee was to bring a new trade into England. But the effect of the whole of Cassella's patents has been to keep trade out of England. Where that is the case you come under clause (a) of section 22 and if, as a matter of fact, a person has a patent not worked in England because he has granted no licences that is a case where the Board of Trade will on proper terms grant licences under section 22. There is a broad distinction between sub-section (a) and sub-section (c) of section 22.

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

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

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

Jurisdiction of the Board of Trade.

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

Patentees' default.

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

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

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

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

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

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

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

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

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

The schedule is only a proposal and matter for discussion.

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

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

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

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

Referee's report.

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

Adjournment *sine die.*

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

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

April 4th and 5th, 1898.

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

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

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

Parties.

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

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

Amendment of petition.

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

Petitioners' interest.

"(3) The petitioners are the publishers and pro-"prietors of the following newspapers, 'The Athletic News,' 'The

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

"'The Evening Chronicle,'
"Withy Grove, Manchester,
"17th August, 1897.

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

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

" Yours truly,

" The Proprietors " (Signed) E. HULTON & Co.
" 'Manchester Guardian.'

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

" 'The Manchester Guardian,'
" 3, Cross Street, Manchester,
" 18th August 1897.

" To Messrs. Edward Hulton & Co.,
" 'The Evening Chroniclo.'

Refusal of licence.

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

" Believe me,
" Yours faithfully,
" (Signed) C. BINNEY DIBBLEE.

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

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

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

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

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

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

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

Exclusive licence.

Interest of the public.

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

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

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

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

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

Exclusive licence.

Interest of the public.

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

Royalty rate.

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

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

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

Order for licence.

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

Execution of licence.

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

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

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

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

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

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

Parties.

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

The patent.

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

The petitioners' invention.

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

The petition.

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

had been to a great extent discounted by the fact that such rims are very liable to split under the various strains to which they are subjected: that in the petitioners' invention a wooden rim provided with a pneumatic tyre held on by air pressure capable of being practically used had for the first time been brought before the public: that the petitioners had sold in England certain tyres and rims which had been held by the Courts of this country, including the House of Lords, to be infringements of the said Bartlett patent

Injunction against the petitioners.

and that the petitioners had been restrained from manufacturing, selling, supplying, letting on hire or using any tyres for cycles &c. manufactured according to the said Bartlett patent and that, consequently, rims made in accordance with the petitioners' said invention could not, when fitted with the pneumatic tyres for which they are intended, be used without the licence of the Dunlop Company: that on the 24th November 1897 an interview took place between solicitors representing the petitioners and the respondents respectively when the solicitor for the respondents declined in behalf of his clients to grant a licence to the petitioners on any terms and stated that the purchase by his clients of the said letters patent No. 16783 of 1890 was upon condition that they granted a licence under those letters patent to the patentee William Erskine Bartlett and that they should have liberty to grant one other such licence and no more and accordingly that licences had in fact been granted to the said Bartlett and to the Clipper Company and that his clients had no power to grant any other licence under the said patent: that in accordance with an arrangement made at the said interview between the solicitors the request of the petitioners was reduced to writing and the following correspondence passed between the parties (formal parts being omitted).

The refusal of a licence.

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

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

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

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

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

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

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

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

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

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

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

Service of the petition, &c.

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

Answer.

Reply.

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

North British Rubber Co. intervenes.

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

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

Offer to supply tyres.

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

Clipper Co. intervenes.

Offer to supply tyres.

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

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

Hearing of the petition.

The petition now came on for hearing.

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

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

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

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

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

Amendment of the petition.

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

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

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

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

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

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

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

Adding parties by amendment.

Procedure.

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

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

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

Jurisdiction.

Upon the point of jurisdiction

Exclusive licence.

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

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

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

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

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

(*a*) 42 Ch. D. 468.

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

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

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

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

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

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

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

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

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

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

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

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

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

The position of the Referee.

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

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

Who is entitled to manufacture, patentee or petitioner?

Meaning of "default" of patentee.

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

Who is entitled to manufacture?

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

Costs.

Effect of the offer to manufacture.

Profits, how divisible between the parties.

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

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

Offer to the petitioners of interim report.

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

The offer rejected.

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

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

Terrell.—Yes.

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

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

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

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

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

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

Parties. Petitioners.

The petitioners in this case were the Wolverhampton Pneumatic Tyre Syndicate Limited who were assignees of a patent granted to A. A. Crozier No. 23118 of 1895 for improvements in pneumatic tyres for the wheels of cycles and other vehicles.

(Petitioners' invention.)

The said improvements consisted substantially in substituting an endless chain for the endless wire of a Welch tyre cover. It was found expedient to fit covers so constructed to rims having inturned edges and by reason of this circumstance it was thought necessary to obtain a

(*a*) The hearing of this case has not yet concluded at the date (24th May, 1899) of going to press. But the proceedings stand adjourned *sine die* to enable the parties to come to terms if possible and as this may perhaps be regarded as being quite as normal a conclusion of such proceedings as an order by the Board there seems no reason for suppressing the report of so much as has actually passed already. The report is good as far as it goes and probably comprises nearly all that the Board of Trade will in any case permit to be published since the referee's reports to the Board are treated as private documents.

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

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

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

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

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

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

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

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

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

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

Patentees' default.

Prayer.

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

Petitioners' evidence by statutory declaration.

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

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

Refusal of licence.

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

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

Service of petition, &c.

The Board of Trade considered that a *primâ facie* case had been made out and ordered that the matter should proceed and copies of the petition and statutory declarations in support were then served upon the respondents.

Respondents' affidavits in answer.

The respondents filed several affidavits (twenty-five in all) in answer to the application and the petitioners filed statutory declarations in reply.

Hearing.

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

Opening of petitioners' case.

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

Requirements of the public not satisfied.

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

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

Unreasonable price.

Terrell.—I propose to show that the tyres are made at a certain prime cost and that by their agreements with the cycle manufacturers they secure a price which having regard to the nature of the articles and to the manufacture, is an unreasonable price.

Limitation of choice of bicycles.

Another effect of their agreements is that the makers of certain machines can obtain Welch tyres cheaper than can the makers of certain other machines. The requirements of the public and the rights of the public are to have any machines with any tyres they please. If Welch puts his invention on the market in such a way that when the public want to buy a bicycle the public are put under a penalty in buying a "Sunbeam" over a "Humber" the requirements of the public are not supplied. One of the privileges of the public is the right of choice and if you put a manufacturer in the position that he is obliged to sign away his right of choice then you deprive the public of the right of choice and you do not supply the requirements of the public with reference to the invention.

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

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

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

Terrell.—On ground (b) I do.

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

Defective prayer.

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

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

Terrell.—Paragraphs 10 and 11 of the petition.

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

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

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

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

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

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

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

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

Jurisdiction.

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

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

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

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

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

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

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

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

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

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

is to be considered.

price is (admittedly I think) a matter to be onquirod into. It is an essential elomont in considoring whothor the reasonablo requirements of the public aro satisficd especially whon one romembers tho Statute of Monopolies which, in tho clauso which makes the oxception about letters patent for the solo working of any manner of now manufactures goes on to stato "so that they be not contrary to "law nor mischievous to the Stato by raising prices of commodities "or hurt of trado." It is quito true that one has never heard of a patent's boing held invalid on that ground but that reacts on the meaning of this section, as a matter to be regarded with reforonce to patentees whether thoy do unreasonably raise the price of a commodity. The other question whethor tho patout is used for the purpose of depriving the public of a right of choice does not come within tho section. All I havo to seo is that the reasonablo requirements of tho public with reference to tho patentee's invention aro satisfied. It does not matter a straw to mo that they aro oversatisfied and that to such an extent that the reasonablo requirements of the public with reference to other inventions aro not met.

Public right of choice not within the section.

Exclusive licence.

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

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

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

The REFEREE.—But tho Board of Trade can do it for you. If a patentoe could agroe to grant an oxclusivo licence to somebody and that were to be an answor here there could never be a compulsory licence granted.

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

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

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

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

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

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

Terrell.—I apply for licences under both.

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

Terrell.—I do not think we did.

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

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

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

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

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

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

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

Moulton.—Certainly.

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

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

Discretion of the Board of Trade.

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

Offer to make and supply criticised.

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

(*a*) See *Dunlop Patents—Chisholm's Petition*, below, p. 280.
(*b*) Above, pp. 225, 226.

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

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

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

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

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

Facta probanda.

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

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

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

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

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

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

The REFEREE.—He cannot show your willingness.

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

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

Moulton.—Very well.

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

Evidence as to reasonableness of the offer.

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

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

Circumstances of the case.

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

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

Requirements of the public.

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

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

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

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

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

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

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

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

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

The REFEREE.—I should keep that part of the enquiry separate.

Terms of licence a separate branch of enquiry.

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

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

Petitioners' oral evidence.

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

Practice as to examination in chief.

These witnesses had all made declarations in support of the petition and the declarations so made were read as each witness was called and taken as the examination in chief. The witness was then sworn for the purpose of cross-examination but was not required to swear to his evidence given by way of statutory declaration. Mr. Chisholm in his declaration having stated a certain price as the cost price of materials for a Dunlop tyre the Referee asked the respondents how far these figures were in dispute to which *Wallace* for the respondents replied that it was inquisitorial to ask for that and offered to give the Referee privately the exact cost which differed substantially from the cost given by Mr. Chisholm. *Terrell* objected to the communicating of any evidence to the Referee that he was not allowed to see and the Referee suggested that the most satisfactory evidence to him would be if a rubber manufacturer had said "If an order were placed with me for these "tyres I could supply them at such and such a price" that would have been important evidence. *Terrell* explained that he relied on getting the actual facts from the respondents' witnesses on cross-examination. In the course of Mr. Chilton's evidence a question arose as to the price at which Dunlop tyres were sold in Holland and *Wallace* for the respondents put in a document to clear up the point with the stipulation that it should not go upon the shorthand note. The document was shown to the petitioners' counsel.

Private communication tendered to the Referee.

Private document kept off the shorthand note.

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

(*a*) It is obvious to remark that this note of *facta probanda* was intended to be a note only of such points as were still outstanding for proof. Many disputable points had been shelved by admissions or proved by admitted documents in the course of the opening. Thus, the petitioner's interest and the patentee's default are points passed over *sub silentio* in the note, but by no means overlooked in the discussion.

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

Attendance of witnesses for cross-examination.

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

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

Walter.—They have given that notice.

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

Petitioners' "possession" of their invention.

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

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

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

(*a*) One of the respondents' witnesses who came in answer to the petitioners' notice, as above mentioned, subsequently brought an action in the Westminster County Court for his expenses against the petitioners. The action was tried by Judge Lumley Smith, Q.C. and the cases of *Collins* v. *Godefroy*, 1 B. & Ad. 950, and *Chamberlain* v. *Stoneham*, 24 Q. B. D. 113, were cited in argument. The action was dismissed with costs. A full note was taken by the learned judge with a view to a possible appeal. I am able to give this information on the authority of my learned friend Mr. R. J. Drake.

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

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

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

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

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

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

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

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

Trading competition.

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

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

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

Offer to make and supply.

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

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

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

Terms of voluntary licences may be considered.

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

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

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

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

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

Petitioners' "possession" of their invention.

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

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

Patentee to be protected in settling terms of compulsory licence.

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

Free competition is proof of reasonable price.

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

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

Sitting *in camerâ.*

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

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

Offer to make and supply.

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

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

Offer criticised.

Discretion of the Board of Trade.

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

Adjournment *sine die*.

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

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

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

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

Referee's report. "In this matter it appears to me that the petitioner has merely "made an improvement in detail in the inventions of Welch & "Bartlett and the improvement is in the nature of a mere variety "which possibly might be preferred by some people but cannot be "said to be of much importance. There may be cases in which "the petitioner desires a licence to manufacture a mere improve-

No *primâ facie* case. "ment in which the Board of Trade might properly interfere, but "the exercise of this power is discretionary and in this case I am "of opinion that upon the facts stated by the petitioner a *primâ* "*facie* case for interference by the Board of Trade is not made out."

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

(*a*) It will be seen that this case did not come to a hearing. The above mentioned facts were made public in the course of the hearing of the Wolverhampton Syndicate's application for a licence against the Dunlop Company.

APPENDIX II.

STATUTES.

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I.—Statute of Monopolies.

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

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

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

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

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

All monopolies, and grants, &c. thereof, or of dispensations and penalties, declared void.

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

Validity of all monopolies, and of all such grants, &c. shall be tried by the common law.

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

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

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

Party aggrieved by any monopoly or grant, &c. shall recover

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

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

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

treble damages by action in the Superior Courts with double costs.

Penalty on unduly delaying any such action, &c., præmunire under st. 16, Rich. 2, c. 5.

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

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

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

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

sole working or makinge of any manner of new manufactures within this Realme, to the true and first inventor and inventors of such manufactures, which others at the tyme of makinge such letters patents and graunts shall not use, soe as alsoe they be not contrary to the lawe nor mischievous to the State, by raisinge prices of commodities at home, or hurt of trade, or generallie inconvenient; the said fourteene yeares to be (accomplished) (*d*) from the date of the first letters patents or grant of such privilege hereafter to be made, but that the same shall be of such force as they should be if this Act had never byn made, and of none other.

Proviso for existing grants by Act of Parliament.

VII. Provided alsoe, that this Act or anything therein conteyned shall not in anywise extend or be prejudiciall to any graunt or priviledge power or authoritie whatsoever heretofore made graunted allowed or confirmed by any Act of Parliament now in force, so long as the same shall so continue in force.

Proviso for warrants to justices to compound penaltics.

VIII. Provided alsoe, that this Act shall not extend to any warraunt or privie seale made or directed, or to be made or directed by his Majestie his heirs or successors, to the Justices of the Courts of the King's Bench or Common Pleas, and Barons of the Exchequer, Justices of assize, Justices of oyer and terminer, and goale deliverie Justices of the peace, and other justices for the tyme being, having power to hear and determyne offences done against any penall statute, to compound for the forfeitures of any penall statute depending in suit and question before them or any of them respectively, after plea pleaded by the partie defendant.

Proviso for charters of London and other corporations.

IX. Provided alsoe, that this Act or anything therein contayned shall not in any wise extend or be prejudiciall unto the city of London, or to any cittie borough or towne corporate within this Realme, for or concerning any graunts charters or letters patents to them or any of them made or granted, or for or concerning any custome or customes used by or within them or any of them, or unto any corporacions companies or fellowshipps of any art trade occupacion or mistery, or to any companies or societies of merchants within this Realme, erected for the mayntenance enlargement or ordering of any trade of merchandize, but that the same charters customes corporacions companies fellowshipps and societies, and their liberties priviledges power and immunities, shalbe and continue of such force and effect as they were before the making of this Act, and of none other; Any thing before in this Act contayned to the contrary in any wise notwithstanding (*e*).

(*d*) The copy of the statute preserved in the Library of Trinity College, Cambridge, reads "accompted" here.

(*e*) The remaining sections of the Act are private and as such omitted here.

II.—Selected Passages from the Judicature Act, 1873.

36 & 37 Vict. c. 66, s. 25, sub-ss. (6) and (8).

Assignment of debts and choses in action.

(6.) Any absolute assignment, by writing under the hand of the assignor (not purporting to be by way of charge only), of any debt or other legal chose in action, of which express notice in writing shall have been given to the debtor, trustee, or other person from whom the assignor would have been entitled to receive or claim such debt or chose in action, shall be, and be deemed to have been effectual in law (subject to all equities which would have been entitled to priority over the right of the assignee if this Act had not passed), to pass and transfer the legal right to such debt or chose in action from the date of such notice, and all legal and other remedies for the same, and the power to give a good discharge for the same, without the concurrence of the assignor: Provided always, that if the debtor, trustee, or other person liable in respect of such debt or chose in action shall have had notice that such assignment is disputed by the assignor or any one claiming under him, or of any other opposing or conflicting claims to such debt or chose in action, he shall be entitled, if he think fit, to call upon the several persons making claim thereto to interplead concerning the same, or he may, if he think fit, pay the same into the High Court of Justice under and in conformity with the provisions of the Acts for the relief of trustees.

See above, p. 125.

Mandamus. Injunctions and receivers.

(8.) A mandamus or an injunction may be granted or a receiver appointed by an interlocutory order of the Court in all cases in which it shall appear to the Court to be just or convenient that such order should be made; and any such order may be made either unconditionally or upon such terms and conditions as the Court shall think just: and if an injunction is asked, either before, or at, or after the hearing of any cause or matter, to prevent any threatened or apprehended waste or trespass, such injunction may be granted, if the Court shall think fit, whether the person against whom such injunction is sought is or is not in possession under any claim of title or otherwise, or (if out of possession) does or does not claim a right to do the act sought to be restrained under any colour of title; and whether the estates claimed by both or by either of the parties are legal or equitable.

See above, pp. 135, 145, 154.

III.—Selected passages from the Patents, Designs, and Trade Marks Acts, 1883 to 1888.

46 & 47 *Vict. c.* 57 [1883]
48 & 49 *Vict. c.* 63 [1885]
49 & 50 *Vict. c.* 37 [1886]
51 & 52 *Vict. c.* 50 [1888]
} *Consolidated.*

46 & 47 Vict. c. 57.

An Act to amend and consolidate the Law relating to Patents for Inventions, Registration of Designs, and of Trade Marks. [25th August 1883.]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

PART I.—Preliminary.

Short title.

1. This Act may be cited as the Patents, Designs, and Trade Marks Act, 1883 (*a*).

Division of Act into parts.

2. This Act is divided into parts, as follows:—

Part I.—Preliminary.
Part II.—Patents.
Part III.—Designs (*b*).
Part IV.—Trade Marks (*b*).
Part V.—General.

Commencement of Act.

3. This Act, except where it is otherwise expressed, shall commence from and immediately after the thirty-first day of December one thousand eight hundred and eighty-three.

PART II.—Patents.

Application for and Grant of Patent.

Persons entitled to apply for patent.

4.—(1.) Any person, whether a British subject or not, may make an application for a patent.

(2.) Two or more persons may make a joint application for a patent, and a patent may be granted to them jointly.

(*a*) By sect. 29 of the Amending Act of 1888 (51 & 52 Vict. c. 50) this Act and the three Amending Acts of 1885, 1886 and 1888 may be cited collectively as the Patents, Designs and Trade Marks Acts 1883 to 1888.

(*b*) Not included in the present reprint.

Power to grant patents to several persons jointly.

Whereas doubts have arisen whether under the principal Act a patent may lawfully be granted to several persons jointly, some or one of whom only are or is the true and first inventors or inventor; be it therefore enacted and declared that it has been and is lawful under the principal Act to grant such a patent. (48 & 49 Vict. c. 63, s. 5.)

Application and specification.

5.—(1.) An application for a patent must be made in the form set forth in the First Schedule to this Act, or in such other form as may be from time to time prescribed; and must be left at, or sent by post to, the patent office in the prescribed manner.

(2.) An application must contain a declaration to the effect that the applicant is in possession of an invention, whereof he, or in the case of a joint application, one or more of the applicants, claims or claim to be the true and first inventor or inventors, and for which he or they desires or desire to obtain a patent; and must be accompanied by either a provisional or complete specification.

Whereas sub-section two of section five of the principal Act requires a declaration to be made by an applicant for a patent to the effect in that sub-section mentioned, and doubts have arisen as to the nature of that declaration, and it is expedient to remove such doubts: Be it therefore enacted that:

The declaration mentioned in sub-section two of section five of the principal Act may be either a statutory declaration under the Statutory Declarations Act, 1835, or not, as may be from time to time prescribed. (48 & 49 Vict. c. 63, s. 2.)

(3.) A provisional specification must describe the nature of the invention, and be accompanied by drawings, if required.

(4.) A complete specification, whether left on application or subsequently, must particularly describe and ascertain the nature of the invention, and in what manner it is to be performed, and must be accompanied by drawings, if required.

The same drawings may accompany both specifications.

The requirement of sub-section four of section five of the Patents, Designs, and Trade Marks Act, 1883, as to drawings shall not be deemed to be insufficiently complied with by reason only that instead of being accompanied by drawings the complete specification refers to the drawings which accompanied the provisional specification. And no patent heretofore sealed shall be invalid by reason only that the complete specification was not accompanied by drawings but referred to those which accompanied the provisional specification. (49 & 50 Vict. c. 37, s. 2.)

(5.) A specification, whether provisional or complete, must commence with the title, and in the case of a complete specification must end with a distinct statement of the invention claimed.

Reference of application to examiner.

6. The comptroller shall refer every application to an examiner, who shall ascertain and report to the comptroller whether the nature of the invention has been fairly described, and the application, specification, and drawings (if any) have been prepared in the prescribed manner, and the title sufficiently indicates the subject matter of the invention.

Power for comptroller to refuse application or require amendment.

7.—(1.) If the examiner reports that the nature of the invention is not fairly described, or that the application, specification, or drawings has not, or have not, been prepared in the prescribed manner, or that the title does not sufficiently indicate the subject matter of the invention, the comptroller may refuse to accept the application, or require that the application, specification, or drawings be amended before he proceeds with the application; and in the latter case the application shall, if the comptroller so directs, bear date as from the time when the requirement is complied with.

(2.) Where the comptroller refuses to accept an application or requires an amendment, the applicant may appeal from his decision to the law officer.

(3.) The law officer shall, if required, hear the applicant and the comptroller, and may make an order determining whether, and subject to what conditions (if any), the application shall be accepted.

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

(5.) If, after an application for a patent has been made, but before the patent thereon has been sealed, another application for a patent is made, accompanied by a specification bearing the same or a similar title, the comptroller, if he thinks fit, on the request of the second applicant, or of his legal representative, may, within two months of the grant of a patent on the first application, either decline to proceed with the second application or allow the surrender of the patent, if any, granted thereon.

Time for leaving complete specification.

8.—(1.) If the applicant does not leave a complete specification with his application, he may leave it at any subsequent time within nine months (*c*) from the date of application.

(2.) Unless a complete specification is left within that time the application shall be deemed to be abandoned.

(*c*) As to extension of time, see below at the foot of sect. 12.

Comparison of provisional and complete specification.

9.—(1.) Where a complete specification is left after a provisional specification, the comptroller shall refer both specifications to an examiner for the purpose of ascertaining whether the complete specification has been prepared in the prescribed manner, and whether the invention particularly described in the complete specification is substantially the same as that which is described in the provisional specification.

(2.) If the examiner reports that the conditions hereinbefore contained have not been complied with, the comptroller may refuse to accept the complete specification unless and until the same shall have been amended to his satisfaction; but any such refusal shall be subject to appeal to the law officer.

(3.) The law officer shall, if required, hear the applicant and the comptroller, and may make an order determining whether and subject to what conditions, if any, the complete specification shall be accepted.

(4.) Unless a complete specification is accepted within twelve *months (d) from* the *date of application, then (save in the case of an* appeal having been lodged against the refusal to accept) the application shall, at the expiration of those twelve months, become void.

(5.) Reports of examiners shall not in any case be published or be open to public inspection, and shall not be liable to production or inspection in any legal proceeding, unless the Court or officer having power to order discovery in such legal proceeding shall certify that such production or inspection is desirable in the interests of justice, and ought to be allowed.

Advertisement on acceptance of complete specification.

10. On the acceptance of the complete specification the comptroller shall advertise the acceptance; and the application and specification or specifications with the drawings (if any) shall be open to public inspection.

Opposition to grant of patent.

11.—(1.) Any person may at any time within two months from the date of the advertisement of the acceptance of a complete specification give notice at the Patent Office of opposition to the grant of the patent on the ground of the applicant having obtained the invention from him, or from a person of whom he is the legal representative, or on the ground that the invention has been patented in this country on an application of prior date, or on the ground 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 made by the opponent in the interval between the leaving of the

(*d*) As to extension of time, see below at the foot of sect. 12.

provisional specification and the leaving of the complete specification, but on no other ground.

(2.) Where such notice is given the comptroller shall give notice of the opposition to the applicant, and shall, on the expiration of those two months, after hearing the applicant and the person so giving notice, if desirous of being heard, decide on the case, but subject to appeal to the law officer.

(3.) The law officer shall, if required, hear the applicant and any person so giving notice and being, in the opinion of the law officer, entitled to be heard in opposition to the grant, and shall determine whether the grant ought or ought not to be made.

(4.) The law officer may, if he thinks fit, obtain the assistance of an expert, who shall be paid such remuneration as the law officer, with the consent of the Treasury, shall appoint.

Sealing of patent.

12.—(1.) If there is no opposition, or, in case of opposition, if the determination is in favour of the grant of a patent, the comptroller shall cause a patent to be sealed with the seal of the Patent Office.

(2.) A patent so sealed shall have the same effect as if it were sealed with the Great Seal of the United Kingdom.

(3.) A patent shall be sealed as soon as may be, and not after the expiration of fifteen months (*e*) from the date of application, except in the cases hereinafter mentioned, that is to say—

(a.) Where the sealing is delayed by an appeal to the law officer, or by opposition to the grant of the patent, the patent may be sealed at such time as the law officer may direct.

(b.) If the person making the application dies before the expiration of the fifteen months aforesaid, the patent may be granted to his legal representative and sealed at any time within twelve months after the death of the applicant.

Whereas under the principal Act, a complete specification is required (by section eight) to be left within nine months, and (by section nine) to be accepted within twelve months, from the date of application, and a patent is required by section twelve to be sealed within fifteen months from the date of application, and it is expedient to empower the comptroller to extend in certain cases the said times: Be it therefore enacted as follows:

A complete specification may be left and accepted within such extended times, not exceeding one month and three months respectively after the said nine and twelve months respectively as the comptroller may on payment of the prescribed fee allow, and where such extension of time has been

(*e*) As to extension of time see below at foot of this section.

allowed, a further extension of four months after the said fifteen months shall be allowed for the sealing of the patent; and the principal Act shall have effect as if any time so allowed were added to the said periods specified in the principal Act (48 & 49 Vict. c. 63, s. 3).

Date of patent.

13. Every patent shall be dated and sealed as of the day of the application: Provided that no proceedings shall be taken in respect of an infringement committed before the publication of the complete specification: Provided also, that in case of more than one application for a patent for the same invention, the sealing of a patent on one of those applications shall not prevent the sealing of a patent on an earlier application.

Provisional Protection.

Provisional protection.

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

Protection by Complete Specification.

Effect of acceptance of complete specification.

15. After the acceptance of a complete specification and until the date of sealing a patent in respect thereof, or the expiration of the time for sealing, the applicant shall have the like privileges and rights as if a patent for the invention had been sealed on the date of the acceptance of the complete specification: Provided that an applicant shall not be entitled to institute any proceeding for infringement unless and until a patent for the invention has been granted to him.

Patent.

Extent of patent.

16. Every patent when sealed shall have effect throughout the United Kingdom and the Isle of Man.

Term of patent.

17.—(1.) The term limited in every patent for the duration thereof shall be fourteen years from its date.

(2.) But every patent shall, notwithstanding anything therein or in this Act, cease if the patentee fails to make the prescribed payments within the prescribed times.

(3.) If, nevertheless, in any case, by accident, mistake or inadvertence, a patentee fails to make any prescribed payment within the prescribed time, he may apply to the comptroller for an enlargement of the time for making that payment.

(4.) Thereupon the comptroller shall, if satisfied that the failure has arisen from any of the above-mentioned causes, on receipt of the prescribed fee for enlargement, not exceeding ten pounds, enlarge the time accordingly, subject to the following conditions:

(a.) The time for making any payment shall not in any case be enlarged for more than three months.

(b.) If any proceeding shall be taken in respect of an infringement of the patent committed after a failure to make any payment within the prescribed time, and before the enlargement thereof, the Court before which the proceeding is proposed to be taken may, if it shall think fit, refuse to award or give any damages in respect of such infringement.

Amendment of Specification.

Amendment of specification.

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

(2.) The request and the nature of such proposed amendment shall be advertised in the prescribed manner, and at any time within one month from its first advertisement any person may give notice at the Patent Office of opposition to the amendment.

(3.) Where such notice is given the comptroller shall give notice of the opposition to the person making the request, and shall hear and decide the case subject to an appeal to the law officer.

(4.) The law officer shall, if required, hear the person making the request and the person so giving notice, and being in the opinion of the law officer entitled to be heard in opposition to the request, and shall determine whether and subject to what conditions, if any, the amendment ought to be allowed.

(5.) Where no notice of opposition is given, or the person so giving notice does not appear, the comptroller shall determine whether and subject to what conditions, if any, the amendment ought to be allowed.

(6.) When leave to amend is refused by the comptroller, the person making the request may appeal from his decision to the law officer.

(7.) The law officer shall, if required, hear the person making the request and the comptroller, and may make an order determining whether, and subject to what conditions, if any, the amendment ought to be allowed.

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

(9.) Leave to amend shall be conclusive as to the right of the party to make the amendment allowed, except in case of fraud; and the amendment shall in all Courts and for all purposes be deemed to form part of the specification.

(10.) The foregoing provisions of this section do not apply when and so long as any action for infringement or proceeding for revocation of a patent is pending.

Power to disclaim part of invention during action, &c.

19.—(1.) In an action for infringement of a patent, and in a proceeding for revocation of a patent, the Court or a judge may at any time order that the patentee shall, subject to such terms as to costs and otherwise as the Court or a judge may impose, be at liberty to apply at the Patent Office for leave to amend his specification by way of *disclaimer*, and *may direct that in* the meantime the trial or hearing of the action shall be postponed.

Restriction on recovery of damages.

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

Advertisement of amendment.

21. Every amendment of a specification shall be advertised in the prescribed manner.

Compulsory Licences.

Power for Board to order grant of licences.

22. If on the petition of any person interested it is proved to the Board of Trade (*a*) that by reason of the default of a patentee to grant licences on reasonable terms—

(a.) The patent is not being worked in the United Kingdom; or

(b.) The reasonable requirements of the public with respect to the invention cannot be supplied; or

(c.) Any person is prevented from working or using to the best advantage an invention of which he is possessed;

the Board may order the patentee to grant licences on such terms as to the amount of royalties, security for payment, or otherwise, as the Board, having regard to the nature of the invention and the circumstances of the case, may deem just, and any such order may be enforced by mandamus.

(*a*) See sect. 102A, below, p. 308.

Register of Patents.

Register of patents.

23.—(1.) There shall be kept at the Patent Office a book called the Register of Patents, wherein shall be entered the names and addresses of grantees of patents, notifications of assignments and of transmissions of patents, of licences under patents, and of amendments, extensions, and revocations of patents, and such other matters affecting the validity or proprietorship of patents as may from time to time be prescribed.

(2.) The register of patents shall be *primâ facie* evidence of any matters by this Act directed or authorised to be inserted therein.

(3.) Copies of deeds, licences, and any other documents affecting the proprietorship in any letters patent or in any licence thereunder, must be supplied to the comptroller in the prescribed manner for filing in the Patent Office.

Fees.

Fees in schedule.

24.—(1.) There shall be paid in respect of the several instruments described in the Second Schedule to this Act, the fees in that schedule mentioned, and there shall likewise be paid, in respect of other matters under this part of the Act, such fees as may be from time to time, with the sanction of the Treasury, prescribed by the Board of Trade; and such fees shall be levied and paid to the account of her Majesty's Exchequer in such manner as the Treasury may from time to time direct.

(2.) The Board of Trade may from time to time, if they think fit, with the consent of the Treasury, reduce any of those fees.

Extension of Term of Patent.

Extension of term of patent on petition to Queen in Council.

25.—(1.) A patentee may, after advertising in manner directed by any rules made under this section his intention to do so, present a petition to her Majesty in Council, praying that his patent may be extended for a further term; but such petition must be presented at least six months before the time limited for the expiration of the patent.

(2.) Any person may enter a caveat, addressed to the Registrar of the Council at the Council Office, against the extension.

(3.) If her Majesty shall be pleased to refer any such petition to the Judicial Committee of the Privy Council, the said Committee shall proceed to consider the same, and the petitioner and any person who has entered a caveat shall be entitled to be heard by himself or by counsel on the petition.

(4.) The Judicial Committee shall, in considering their decision,

have regard to the nature and merits of the invention in relation to the public, to the profits made by the patentee as such, and to all the circumstances of the case.

(5.) If the Judicial Committee report that the patentee has been inadequately remunerated by his patent, it shall be lawful for her Majesty in Council to extend the term of the patent for a further term not exceeding seven, or in exceptional cases fourteen, years; or to order the grant of a new patent for the term therein mentioned, and containing any restrictions, conditions, and provisions that the Judicial Committee may think fit.

(6.) It shall be lawful for her Majesty in Council to make, from time to time, rules of procedure and practice for regulating proceedings on such petitions, and subject thereto such proceedings shall be regulated according to the existing procedure and practice in patent matters of the Judicial Committee.

(7.) The costs of all parties of and incident to such proceedings shall be in the discretion of the Judicial Committee; and the orders of the Committee respecting costs shall be enforceable as if they were orders of a division of the High Court of Justice.

Revocation.

Revocation of patent.

26.—(1.) The proceeding by *scire facias* to repeal a patent is hereby abolished.

(2.) Revocation of a patent may be obtained on petition to the Court.

(3.) Every ground on which a patent might, at the commencement of this Act, be repealed by *scire facias* shall be available by way of defence to an action of infringement and shall also be a ground of revocation.

(4.) A petition for revocation of a patent may be presented by—

(a.) The Attorney-General in England or Ireland, or the Lord Advocate in Scotland:

(b.) Any person authorised by the Attorney-General in England or Ireland, or the Lord Advocate in Scotland:

(c.) Any person alleging that the patent was obtained in fraud of his rights, or of the rights of any person under or through whom he claims:

(d.) Any person alleging 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:

(e.) Any person alleging 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.

(5.) The plaintiff must deliver with his petition particulars of the objections on which he means to rely, and no evidence shall, except by leave of the Court or a judge, be admitted in proof of any objection of which particulars are not so delivered.

(6.) Particulars delivered may be from time to time amended by leave of the Court or a judge.

(7.) The defendant shall be entitled to begin, and give evidence in support of the patent, and if the plaintiff gives evidence impeaching the validity of the patent the defendant shall be entitled to reply.

(8.) Where a patent has been revoked on the ground of fraud, the comptroller may, on the application of the true inventor made in accordance with the provisions of this Act, grant to him a patent in lieu of and bearing the same date as the date of revocation of the patent so revoked, but the patent so granted shall cease on the expiration of the term for which the revoked patent was granted.

Crown.

Patent to bind Crown.

27.—(1.) A patent shall have to all intents the like effect as against her Majesty the Queen, her heirs and successors, as it has against a subject.

(2.) But the officers or authorities administering any department of the service of the Crown may, by themselves, their agents, contractors, or others, at any time after the application, use the invention for the services of the Crown on terms to be before or after the use thereof agreed on, with the approval of the Treasury, between those officers or authorities and the patentee, or, in default of such agreement, on such terms as may be settled by the Treasury after hearing all parties interested.

Legal Proceedings.

Hearing with assessor.

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

(2.) The Court of Appeal or the Judicial Committee of the Privy Council may, if they see fit, in any proceeding before them respectively, 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 or Judicial Committee, as the case may be, and be paid in the same manner as the other expenses of the execution of this Act.

Delivery of particulars.

29.—(1.) In an action for infringement of a patent the plaintiff must deliver with his statement of claim, or by order of the Court or the judge, at any subsequent time, particulars of the breaches complained of.

(2.) The defendant must deliver with his statement of defence, or, by order of the Court or a judge, at any subsequent time, particulars of any objections on which he relies in support thereof.

(3.) If the defendant disputes the validity of the patent, the particulars delivered by him must state on what grounds he disputes it, and if one of those grounds is want of novelty must state the time and place of the previous publication or user alleged by him.

(4.) At the hearing no evidence shall, except by leave of the Court or a judge, be admitted in proof of any alleged infringement or objection of which particulars are not so delivered.

(5.) Particulars delivered may be from time to time amended, by leave of the Court or a judge.

(6.) On taxation of costs regard shall be had to the particulars delivered by the plaintiff and by the defendant; and they respectively shall not be allowed any costs in respect of any particular delivered by them unless the same is certified by the Court or a judge to have been proven or to have been reasonable and proper, without regard to the general costs of the case.

Order for inspection, &c., in action.

30. In an action for infringement of a patent, the Court or a judge may on the application of either party make such order for an injunction inspection or account, and impose such terms and give such directions respecting the same and the proceedings thereon as the Court or a judge may see fit.

Certificate of validity questioned and costs thereon.

31. In an action for infringement of a patent, the Court or a judge may certify that the validity of the patent came in question; and if the Court or a judge 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 have his full costs charges and expenses as between solicitor and client, unless the Court or judge trying the action certifies that he ought not to have the same.

Remedy in case of groundless threats of

32. 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

legal proceedings.

alleged manufacture use sale or purchase of the invention, any person or persons 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 may have been sustained thereby, if the alleged manufacture, use, sale, or purchase 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.

Miscellaneous.

Patent for one invention only.

33. Every patent may be in the form in the First Schedule to this Act, and shall be granted for one invention only, but may contain more than one claim; but it shall not be competent for any person in an action or other proceeding to take any objection to a patent on the ground that it comprises more than one invention.

Patent on application of representative of deceased inventor.

34.—(1.) If a person possessed of an invention dies without making application for a patent for the invention, application may be made by, and a patent for the invention granted to, his legal representative.

(2.) Every such application must be made within six months of the decease of such person, and must contain a declaration by the legal representative that he believes such person to be the true and first inventor of the invention.

Patent to first inventor not invalidated by application in fraud of him.

35. 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.

Assignment for particular places.

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

Loss or destruction of patent.

37. 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 cause a duplicate thereof to be sealed.

Proceedings and costs before law officer.

38. The law officers may examine witnesses on oath and administer oaths for that purpose under this part of this Act, and may from time to time make, alter, and rescind rules regulating references and appeals to the law officers and the practice and procedure before them under this part of this Act; and in any proceeding before either of the law officers under this part of this Act, the law officer may order costs to be paid by either party, and any such order may be made a rule of the Court.

Exhibition at industrial or international exhibition not to prejudice patent rights.

39. 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 holding of the exhibition by any person elsewhere, without the privity or consent of the inventor, shall not prejudice the right of the inventor or his legal personal representative to apply for and obtain provisional protection and a patent in respect of the invention or the validity of any patent granted on the application, provided that both the following conditions are complied with, namely,—

(a.) The exhibitor must, before exhibiting the invention, give the comptroller the prescribed notice of his intention to do so; and

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

Protection of patents and designs exhibited at international exhibitions.

Whereas by section thirty-nine of the Patents, Designs, and Trade Marks Act, 1883, as respects patents, and by section fifty-seven of the same Act as respects designs, provision is made that the exhibition of an invention or design at an industrial or international exhibition, certified as such by the Board of Trade, shall not prejudice the rights of the inventor or proprietor thereof, subject to the conditions therein mentioned, one of which is that the exhibitor must, before exhibiting the invention, design, or article, or publishing a description of the design, give the Comptroller the prescribed notice of his intention to do so:

And whereas it is expedient to provide for the extension of the said sections to industrial and international exhibitions held out of the United Kingdom, be it therefore enacted as follows:

It shall be lawful for her Majesty, by Order in Council, from time to time to declare that sections thirty-nine and fifty-seven of the Patents, Designs, and Trade Marks Act, 1883, or either of those sections, shall apply to any exhibition mentioned in the order in like manner as if it were an industrial or international exhibition certified by the Board of Trade, and to provide that the exhibitor shall be relieved from the conditions, specified in the said sections, 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 to her Majesty in Council may seem fit (49 & 50 Vict. c. 37, s. 3).

Publication of illustrated journal, indexes, &c.

40.—(1.) The Comptroller shall cause to be issued periodically an illustrated journal of patented inventions, as well as reports of patent cases decided by courts of law, and any other information that the Comptroller may deem generally useful or important.

(2.) Provision shall be made by the Comptroller for keeping on sale copies of such journal, and also of all complete specifications of patents for the time being in force, with their accompanying drawings, if any.

(3.) The Comptroller shall continue, in such form as he may deem expedient, the indexes and abridgments of specifications hitherto published, and shall from time to time prepare and publish such other indexes, abridgments of specifications, catalogues, and other works relating to inventions, as he may see fit.

Specifications, &c. not to be published unless application accepted.

Where an application for a patent has been abandoned, or become void, the specification or specifications and drawings (if any) accompanying or left in connexion with such application, shall not at any time be open to public inspection or be published by the comptroller (48 & 49 Vict. c. 63, s. 4).

Patent Museum.

41. The control and management of the existing Patent Museum, and its contents shall from and after the commencement of this Act, be transferred to and vested in the Department of Science and Art, subject to such directions as her Majesty in Council may see fit to give.

Power to require models on payment.

42. The Department of Science and Art may at any time require a patentee to furnish them with a model of his invention on payment to the patentee of the cost of the manufacture of the model; the amount to be settled, in case of dispute, by the Board of Trade (*b*).

Foreign vessels in British waters.

43.—(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 her 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 connexion with the manufacture or preparation of anything intended to be sold in or exported from the United Kingdom or Isle of Man.

(2.) But this section shall not extend to vessels of any foreign state of which the laws authorise subjects of such foreign state, having patents or like privileges for the exclusive use or exercise of inventions within its territories, to prevent or interfere with the

(*b*) See sect. 102A, below, p. 308.

use of such inventions in British vessels while in the ports of such foreign state, or in the waters within the jurisdiction of its Courts, where such inventions are not so used for the manufacture or preparation of anything intended to be sold in or exported from the territories of such foreign state.

Assignment to Secretary for War of certain inventions.

44.—(1.) The inventor of any improvement in instruments or munitions of war, his executors, administrators, or assigns (who are in this section comprised in the expression the inventor) may (either for or without valuable consideration) assign to her Majesty's Principal Secretary of State for the War Department (hereinafter referred to as the Secretary of State), on behalf of her Majesty, all the benefit of the invention and of any patent obtained or to be obtained for the same; and the Secretary of State may be a party to the assignment.

(2.) The assignment shall effectually vest the benefit of the invention and patent in the Secretary of State for the time being on behalf of her Majesty, and all covenants and agreements therein contained for keeping the invention secret and otherwise shall be valid and effectual (notwithstanding any want of valuable consideration), and may be enforced accordingly by the Secretary of State for the time being.

(3.) Where any such assignment has been made to the Secretary of State, he may at any time before the application for a patent for the invention, or before publication of the specification or specifications, certify to the Comptroller his opinion that, in the interest of the public service, the particulars of the invention and of the manner in which it is to be performed should be kept secret.

(4.) If the Secretary of State so certifies, the application and specification or specifications with the drawings (if any), and any amendment of the specification or specifications, and any copies of such documents and drawings, shall, instead of being left in the ordinary manner at the Patent Office, be delivered to the Comptroller in a packet sealed by authority of the Secretary of State.

(5.) Such packet shall until the expiration of the term or extended term during which a patent for the invention may be in force, be kept sealed by the Comptroller, and shall not be opened save under the authority of an order of the Secretary of State, or of the law officers.

(6.) Such sealed packet shall be delivered at any time during the continuance of the patent to any person authorized by writing under the hand of the Secretary of State to receive the same, and shall if returned to the Comptroller be again kept sealed by him.

(7.) On the expiration of the term or extended term of the patent, such sealed packet shall be delivered to any person authorised by writing under the hand of the Secretary of State to receive it.

(8.) Where the Secretary of State certifies as aforesaid, after an application for a patent has been left at the Patent Office, but before the publication of the specification or specifications, the application specification or specifications, with the drawings (if any), shall be forthwith placed in a packet sealed by authority of the Comptroller, and such packet shall be subject to the foregoing provisions respecting a packet sealed by authority of the Secretary of State.

(9.) No proceeding by petition or otherwise shall lie for revocation of a patent granted for an invention in relation to which the Secretary of State has certified as aforesaid.

(10.) No copy of any specification or other document or drawing, by this section required to be placed in a sealed packet, shall in any manner whatever be published or open to the inspection of the public, but save as in this section otherwise directed, the provisions of this part of this Act shall apply in respect of any such invention and patent as aforesaid.

(11.) The Secretary of State may, at any time by writing under his hand, waive the benefit of this section with respect to any particular invention, and the specifications documents and drawings shall be thenceforth kept and dealt with in the ordinary way.

(12.) The communication of any invention for any improvement in instruments or munitions of war to the Secretary of State, or to any person or persons authorised by him to investigate the same or the merits thereof, shall not, nor shall anything done for the purposes of the investigation, be deemed use or publication of such invention so as to prejudice the grant or validity of any patent for the same.

Existing Patents.

Provisions respecting existing patents.

45.—(1.) The provisions of this Act relating to applications for patents and proceedings thereon shall have effect in respect only of applications made after the commencement of this Act.

(2.) Every patent granted before the commencement of this Act, or on an application then pending, shall remain unaffected by the provisions of this Act relating to patents binding the Crown, and to compulsory licences.

(3.) In all other respects (including the amount and time of payment of fees) this Act shall extend to all patents granted before the commencement of this Act, or on applications then pending, in

substitution for such enactments as would have applied thereto if this Act had not been passed.

(4.) All instruments relating to patents granted before the commencement of this Act required to be left or filed in the Great Seal Patent Office shall be deemed to be so left or filed if left or filed before or after the commencement of this Act in the Patent Office.

Definitions (c).

Definitions of patent, patentee, and invention.

46. In and for the purposes of this Act—

"Patent" means letters patent for an invention:

"Patentee" means the person for the time being entitled to the benefit of a patent:

"Invention" means any manner of new manufacture the subject of letters patent and grant of privilege within section six of the Statute of Monopolies (that is, the Act of the twenty-first year of the reign of King James the First, chapter three, intituled "An "Act concerning monopolies and dispensations with penal laws and "the forfeiture thereof"), and includes an alleged invention.

In Scotland "injunction" means "interdict."

PART V.—GENERAL.

Patent Office and Proceedings thereat.

Patent Office.

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

(2.) Until a new Patent Office is provided, the offices of the Commissioners of Patents for inventions and for the registration of designs and trade marks existing at the commencement of this Act shall be the Patent Office within the meaning of this Act.

(3.) The Patent Office shall be under the immediate control of an officer called the Comptroller-general of patents, designs, and trade marks, who shall act under the superintendence and direction of the Board of Trade (*d*).

(4.) Any act or thing directed to be done by or to the comptroller may, in his absence, be done by or to any officer for the time being in that behalf authorised by the Board of Trade (*d*).

Officers and clerks.

83.—(1.) The Board of Trade (*d*) may at any time after the passing of this Act, and from time to time, subject to the approval of the Treasury, appoint the Comptroller-general of patents, designs, and

(*c*) See also sect. 117 below, p. 313.
(*d*) See sect. 102A below, p. 308.

trade marks, and so many examiners and other officers and clerks, with such designations and duties as the Board of Trade (*e*) think fit, and may from time to time remove any of those officers and clerks.

(2.) The salaries of those officers and clerks shall be appointed by the Board of Trade (*e*), with the concurrence of the Treasury, and the same and the other expenses of the execution of this Act shall be paid out of money provided by Parliament.

Seal of Patent Office.

84. There shall be a seal for the Patent Office, and impressions thereof shall be judicially noticed and admitted in evidence.

Trust not to be entered in registers.

85. 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.

Refusal to grant patent, &c. in certain cases.

86. The Comptroller may refuse to grant a patent for an invention, or to register a design or trade mark, of which the use would, in his opinion, be contrary to law or morality.

Entry of assignments and transmissions in registers.

87. Where a person becomes entitled by assignment, transmission, or other operation of law to a patent, or to the copyright in a registered design, or to a registered trade mark, the Comptroller shall on request, and on proof of title to his satisfaction, cause the name of such person to be entered as proprietor of the patent, copyright in the design, or trade mark, in the register of patents, designs, or trade marks, as the case may be. The person for the time being entered in the register of patents, designs or trade marks, as proprietor of a patent, copyright in a design or trade mark as the case may be, shall, subject to the provisions of this Act and to any rights appearing from such register to be vested in any other person, have power absolutely to assign, grant licences as to, or otherwise deal with, the same and to give effectual receipts for any consideration for such assignment, licence, or dealing. Provided that any equities in respect of such patent, design, or trade mark may be enforced in like manner as in respect of any other personal property.

Inspection of and extracts from registers.

88. 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.

Sealed copies to be received in evidence.

89. 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 disclaimers and other documents in the Patent Office, and of or from registers and other books kept

(*e*) See sect. 102A below, p. 308.

there, shall be admitted in evidence in all Courts in her Majesty's dominions, and in all proceedings, without further proof or production of the originals.

Rectification of registers by Court.

90.—(1.) The Court may on the application of any person aggrieved by the omission without sufficient cause of the name of any person or of any other particulars from any register kept under this Act, or by any entry made without sufficient cause in any such register, make such order for making expunging or varying the entry, as the Court thinks fit; or the Court may refuse the application; and in either case may make such order with respect to the costs of the proceedings as the Court thinks fit.

(2.) The Court may in any proceeding under this section decide any question that it may be necessary or expedient to decide for the rectification of a register, and may direct an issue to be tried for the decision of any question of fact, and may award damages to the party aggrieved.

(3.) Any order of the Court rectifying a register shall direct that due notice of the rectification be given to the Comptroller.

Power for comptroller to correct clerical errors.

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

(a.) Correct any clerical error in or in connexion with an application for a patent, or for registration of a design or trade mark; or

(b.) Correct any clerical error in the name style or address of the registered proprietor of a patent, design, or trade mark.

(c.) Cancel the entry or part of the entry of a trade mark on the register: Provided that the applicant accompanies his request by a statutory declaration made by himself, stating his name, address, and calling, and that he is the person whose name appears on the register as the proprietor of the said trade mark.

(d.) Permit an applicant for registration of a design or trade mark to amend his application by omitting any particular goods or classes of goods in connexion with which he has desired the design or trade mark to be registered (*f*).

Alteration of registered mark.

92.—(1.) The registered proprietor of any registered trade mark may apply to the Court for leave to add to or alter such mark in any particular, not being an essential particular within the meaning of this Act, and the Court may refuse or grant leave on such terms as it may think fit.

(2.) Notice of any intended application to the Court under this

(*f*) Sub-sect. (d) was added by 51 & 52 Vict. c. 50, s. 24.

section shall be given to the Comptroller by the applicant; and the Comptroller shall be entitled to be heard on the application.

(3.) If the Court grants leave, the Comptroller shall, on proof thereof and on payment of the prescribed fee, cause the register to be altered in conformity with the order of leave.

Falsification of entries in registers.

93. 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 such 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 misdemeanor.

Exercise of discretionary power by comptroller.

94. Where any discretionary power is by this Act given to the Comptroller, he shall not exercise that power adversely to the applicant for a patent, or for amendment of a specification, or for registration of a trade mark or design, without (if so required within the prescribed time by the applicant) giving the applicant an opportunity of being heard personally or by his agent.

Power of comptroller to take directions of law officers.

95. The Comptroller may, in any case of doubt or difficulty arising in the administration of any of the provisions of this Act, apply to either of the law officers for directions in the matter.

Certificate of comptroller to be evidence.

96. A certificate purporting to be under the hand of the Comptroller as to any entry, matter, or thing which he is authorized by this Act, or any general rules made thereunder, 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.

Applications and notices by post.

97.—(1.) 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 a prepaid letter through the post; and if so sent shall be deemed to have been left made or given respectively at the time when the letter containing the same would be delivered in the ordinary course of post.

(2.) In proving such service or sending, it shall be sufficient to prove that the letter was properly addressed and put into the post.

Provision as to days for leaving documents at office.

98. Whenever the last day fixed by this Act, or by any rule for the time being in force, for leaving any document or paying any fee at the Patent Office shall fall on Christmas Day, Good Friday, or on a Saturday or Sunday, or any day observed as a holiday at the Bank of England, or any day observed as a day of public fast or thanksgiving, herein referred to as excluded days, it shall be lawful to leave such document or to pay such fee on the day next

following such excluded day, or days if two or more of them occur consecutively.

Declaration by infant, lunatic, &c.

99. If any person is, by reason of infancy lunacy or other inability, incapable of making any declaration or doing anything required or permitted by this Act or by any rules made under the authority of this Act, then the guardian or committee (if any) of such incapable person, or if there be none, any person appointed by any court or judge possessing jurisdiction in respect of the property of incapable persons, upon the petition of any person on behalf of such incapable person, or of any other person interested in the making such declaration or doing such thing, 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 such incapable person, and all acts done by such substitute shall for the purposes of this Act be as effectual as if done by the person for whom he is substituted.

Transmission of certified printed copies of specifications, &c.

100. Copies of all specifications, drawings, and amendments left at the Patent Office after the commencement of this Act, printed for and sealed with the seal of the Patent Office, shall be transmitted to the Edinburgh Museum of Science and Art, and to the Enrolments Office of the Chancery Division in Ireland, and to the Rolls Office in the Isle of Man, within twenty-one days after the same shall respectively have been accepted or allowed at the Patent Office; and certified copies of or extracts from any such documents shall be given to any person requiring the same on payment of the prescribed fee; and any such copy or extract shall be admitted in evidence in all Courts in Scotland and Ireland and in the Isle of Man without further proof or production of the originals.

Power for Board of Trade to make general rules for classifying goods and regulating business of Patent Office.

101.—(1.) The Board of Trade may from time to time make such general rules and do such things as they think expedient, subject to the provisions of this Act—(*g*)

(a.) For regulating the practice of registration under this Act:

(b.) For classifying goods for the purposes of designs and trade marks:

(c.) For making or requiring duplicates of specifications, amendment, drawings, and other documents:

(d.) For securing and regulating the publishing and selling of copies, at such prices and in such manner as the Board of Trade think fit, of specifications drawings amendments and other documents:

(*g*) The Patent Rules made under this section and at present in force (Rules of 1890 and 1892) so far as material to the present work will be found in the Appendix of Rules, below, pp. 344 *et seq.* As to the meaning of the expression "Board of Trade" see sect. 102A, below, p. 308.

(e.) For securing and regulating the making printing publishing and selling of indexes to, and abridgments of, specifications and other documents in the Patent Office; and providing for the inspection of indexes and abridgments and other documents:

(f.) For regulating (with the approval of the Treasury) the presentation of copies of Patent Office publications to patentees and to public authorities, bodies, and institutions at home and abroad:

(g.) Generally for regulating the business of the Patent Office, and all things by this Act placed under the direction or control of the Comptroller, or of the Board of Trade (*g*).

(2.) Any of the forms in the First Schedule to this Act may be altered or amended by rules made by the Board (*g*) as aforesaid.

(3.) General rules may be made under this section at any time after the passing of this Act, but not so as to take effect before the commencement of this Act, and shall (subject as hereinafter mentioned) be of the same effect as if they were contained in this Act, and shall be judicially noticed.

(4.) Any rules made in pursuance of this section shall be laid before both Houses of Parliament, if Parliament be in session at the time of making thereof, or, if not, then as soon as practicable after the beginning of the then next session of Parliament, and they shall also be advertised twice in the official journal to be issued by the Comptroller.

(5.) If either House of Parliament, within the next forty days after any rules have been so laid before such House, resolve that such rules or any of them ought to be annulled, the same shall after the date of such resolution be of no effect, without prejudice to the validity of anything done in the meantime under such rules or rule or to the making of any new rules or rule.

Annual reports of comptroller.

102. The Comptroller shall, before the first day of June in every year, cause a report respecting the execution by or under him of this Act to be laid before both Houses of Parliament, and therein shall include for the year to which each report relates all general rules made in that year under or for the purposes of this Act, and an account of all fees, salaries, and allowances, and other money received and paid under this Act.

Proceedings of Board of Trade.

102A. (*h*)—(1.) All things required or authorised under this Act to be done by, to, or before the Board of Trade, may be done by, to, or before the President or a secretary or an assistant secretary of the Board.

(*g*) See sect. 102A.
(*h*) Added by 51 & 52 Vict. c. 50, s. 25.

(2.) All documents purporting to be orders made by the Board of Trade and to be sealed with the seal of the Board, or to be signed by a secretary or assistant secretary of the Board, or by any person authorised in that behalf by the President of the Board, shall be received in evidence, and shall be deemed to be such orders without further proof, unless the contrary is shown.

(3.) A certificate, signed by the President of the Board of Trade, that any order made or act done is the order or act of the Board, shall be conclusive evidence of the fact so certified.

International and Colonial Arrangements.

International arrangements for protection of inventions, designs, and trade marks.

103.—(1.) If her Majesty is pleased to make any arrangement with the government or governments of any foreign state or states for mutual protection of inventions, designs, and trade marks, or any of them, then any person who has applied for protection for any invention, design, or trade mark in any such state, shall be entitled to a patent for his invention or to registration of his design or trade mark (as the case may be) under this Act, in priority to other applicants; and such patent or registration shall have the same date as the date of the application in such foreign state.

Provided that his application is made, in the case of a patent within seven months, and in the case of a design or trade mark within four months, from his applying for protection in the foreign state with which the arrangement is in force.

Provided that nothing in this section contained shall entitle the patentee or proprietor of the design or trade mark to recover damages for infringements happening prior to the date of the actual acceptance of his complete specification, or the actual registration of his design or trade mark in this country, as the case may be.

(2.) The publication in the United Kingdom, or the Isle of Man during the respective periods aforesaid of any description of the invention, or the use therein during such periods of the invention, or the exhibition or use therein during such periods of the design, or the publication therein during such periods of a description or representation of the design, or the use therein during such periods of the trade mark, shall not invalidate the patent which may be granted for the invention, or the registration of the design or trade mark.

(3.) The application for the grant of a patent, or the registration of a design, or the registration of a trade mark under this section, must be made in the same manner as an ordinary application under this Act: Provided that, in the case of trade marks, any trade

mark the registration of which has been duly applied for in the country of origin may be registered under this Act:

(4.) The provisions of this section shall apply only in the case of those foreign states with respect to which her Majesty shall from time to time by Order in Council declare them to be applicable, and so long only in the case of each state as the Order in Council shall continue in force with respect to that state.

Provision for colonies and India.

104.—(1.) Where it is made to appear to her Majesty that the legislature of any British possession has made satisfactory provision for the protection of inventions, designs, and trade marks, patented or registered in this country, it shall be lawful for Her Majesty from time to time, by Order in Council, to apply the provisions of the last preceding section, with such variations or additions, if any, as to her Majesty in Council may seem fit, to such British possession.

(2.) An Order in Council under this Act shall, from a date to be mentioned for the purpose in the Order, take effect as if its provisions had been contained in this Act; but it shall be lawful for her Majesty in Council to revoke any Order in Council made under this Act.

Offences.

Penalty on falsely representing articles to be patented.

105.—(1.) Any person who represents that any article sold by him is a patented article, when no patent has been granted for the same, or describes any design or trade mark applied to any article sold by him as registered which is not so, shall be liable for every offence on summary conviction to a fine not exceeding five pounds.

(2.) A person shall be deemed, for the purposes of this enactment, to represent that an article is patented or a design or a trade mark is registered, if he sells the article with the word "patent," "patented," "registered," or any word or words expressing or implying that a patent or registration has been obtained for the article stamped, engraved, or impressed on, or otherwise applied to, the article.

Penalty on unauthorised assumption of Royal arms.

106. Any person who, without the authority of her Majesty, or any of the Royal Family, or of any government department, assumes or uses in connexion with any trade, business, calling, or profession, the Royal arms, or arms so nearly resembling the same as to be calculated to deceive, in such a manner as to be calculated to lead other persons to believe that he is carrying on his trade, business, calling, or profession by or under such authority as aforesaid, shall be liable on summary conviction to a fine not exceeding twenty pounds.

Scotland; Ireland; &c.

Saving for Courts in Scotland.

107. In any action for infringement of a patent in Scotland the provisions of this Act, with respect to calling in the aid of an assessor, shall apply, and the action shall be tried without a jury, unless the Court shall otherwise direct, but otherwise nothing shall affect the jurisdiction and forms of process of the Courts in Scotland in such an action or in any action or proceeding respecting a patent hitherto competent to those courts.

For the purposes of this section "Court of Appeal" shall mean any court to which such action is appealed.

Summary proceedings in Scotland.

108. In Scotland any offence under this Act declared to be punishable on summary conviction may be prosecuted in the sheriff court.

Proceedings for revocation of patent in Scotland.

109.—(1.) Proceedings in Scotland for revocation of a patent shall be in the form of an action of reduction at the instance of the Lord Advocate, or at the instance of a party having interest with his concurrence, which concurrence may be given on just cause shown only.

(2.) Service of all writs and summonses in that action shall be made according to the forms and practice existing at the commencement of this Act.

Reservation of remedies in Ireland.

110. All parties shall, notwithstanding anything in this Act, have in Ireland their remedies under or in respect of a patent as if the same had been granted to extend to Ireland only.

General saving for jurisdiction of Courts.

111.—(1.) The provisions of this Act conferring a special jurisdiction on the Court as defined by this Act, shall not, except so far as the jurisdiction extends, affect the jurisdiction of any court in Scotland or Ireland in any proceedings relating to patents or to designs or to trade marks; and with reference to any such proceedings in Scotland, the term "the Court" shall mean any Lord Ordinary of the Court of Session, and the term "Court of Appeal" shall mean either division of the said Court; and with reference to any such proceedings in Ireland, the terms "the Court" and "the Court of Appeal" respectively mean the High Court of Justice in Ireland and her Majesty's Court of Appeal in Ireland.

(2.) If any rectification of a register under this Act is required in pursuance of any proceeding in a Court in Scotland or Ireland, a copy of the order, decree, or other authority for the rectification, shall be served on the Comptroller, and he shall rectify the register accordingly.

Isle of Man.

112. This Act shall extend to the Isle of Man, and—

(1.) Nothing in this Act shall affect the jurisdiction of the Courts in the Isle of Man, in proceedings for infringement or in

any action or proceeding respecting a patent, design, or trade mark competent to those courts;

(2.) The punishment for a misdemeanor under this Act in the Isle of Man shall be imprisonment for any term not exceeding two years, with or without hard labour, and with or without a fine not exceeding one hundred pounds, at the discretion of the Court;

(3.) Any offence under this Act committed in the Isle of Man which would in England be punishable on summary conviction may be prosecuted, and any fine in respect thereof recovered at the instance of any person aggrieved, in the manner in which offences punishable on summary conviction may for the time being be prosecuted.

Jurisdiction of Lancashire Palatine Court.

112A. The Court of Chancery of the County Palatine of Lancaster shall, with respect to any action or other proceeding in relation to trade marks the registration whereof is applied for in the Manchester Office, have the like jurisdiction under this Act as her Majesty's High Court of Justice in England, and the expression "the Court" in this Act shall be construed and have effect accordingly.

Provided that every decision of the Court of Chancery of the County Palatine of Lancaster in pursuance of this section shall be subject to the like appeal as decisions of that Court in other cases.

Repeal; Transitional Provisions; Savings.

Repeal and saving for past operation of repealed enactments, &c.

113. The enactments described in the Third Schedule to this Act are hereby repealed. But this repeal of enactments shall not—

(a.) Affect the past operation of any of those enactments, or any patent or copyright or right to use a trade mark granted or acquired, or application pending, or appointment made, or compensation granted, or order or direction made or given, or right, privilege, obligation, or liability acquired, accrued, or incurred, or anything duly done or suffered under or by any of those enactments before or at the commencement of this Act; or

(b.) Interfere with the institution or prosecution of any action or proceeding, civil or criminal, in respect thereof, and any such proceeding may be carried on as if this Act had not been passed; or

(c.) Take away or abridge any protection or benefit in relation to any such action or proceeding.

Former registers to

114.—(1.) The registers of patents and of proprietors kept under any enactment repealed by this Act shall respectively be deemed

parts of the same book as the register of patents kept under this Act. be deemed continued.

(2.) The registers of designs and of trade marks kept under any enactment repealed by this Act shall respectively be deemed parts of the same book as the register of designs and the register of trade marks kept under this Act.

115. All general rules made by the Lord Chancellor or by any other authority under any enactment repealed by this Act, and in force at the commencement of this Act, may at any time after the passing of this Act be repealed altered or amended by the Board of Trade (*i*), as if they had been made by the Board under this Act, but so that no such repeal alteration or amendment shall take effect before the commencement of this Act; and, subject as aforesaid, such general rules shall, so far as they are consistent with and are not superseded by this Act, continue in force as if they had been made by the Board of Trade (*i*) under this Act. Saving for existing rules.

116. Nothing in this Act shall take away abridge or prejudicially affect the prerogative of the Crown in relation to the granting of any letters patent or to the withholding of a grant thereof. Saving for prerogative.

General Definitions (*j*).

117.—(1.) In and for the purposes of this Act, unless the context otherwise requires,— General definitions.

"Person" includes a body corporate:

"The Court" means (subject to the provisions for Scotland, Ireland, and the Isle of Man) Her Majesty's High Court of Justice in England:

"Law officer" means Her Majesty's Attorney-General or Solicitor-General for England:

"The Treasury" means the Commissioners of Her Majesty's Treasury:

"Comptroller" means the Comptroller-General of Patents, Designs, and Trade Marks:

"Prescribed" means prescribed by any of the schedules to this Act, or by general rules under or within the meaning of this Act:

"British possession" means any territory or place situate within her Majesty's dominions, and not being or forming part of the United Kingdom, or of the Channel Islands, or of the Isle of Man, and all territories and places under one legislature, as hereinafter defined, are deemed to be one British possession for the purposes of this Act:

(*i*) See sect. 102A above, p. 308.
(*j*) See also sect. 46 above, p. 303.

"Legislature" includes any person or persons who exercise legislative authority in the British possession; and where there are local legislatures as well as a central legislature, means the central legislature only.

In the application of this Act to Ireland, "summary conviction" means a conviction under the Summary Jurisdiction Acts, that is to say, with reference to the Dublin Metropolitan Police District the Acts regulating the duties of justices of the peace and of the police for such district, and elsewhere in Ireland the Petty Sessions (Ireland) Act, 1851, and any Act amending it.

SCHEDULES.

THE FIRST SCHEDULE.

FORMS OF APPLICATION, &c. (See below, Appendix of Forms, p. 388.)

Section 24.

THE SECOND SCHEDULE.

FEES ON INSTRUMENTS FOR OBTAINING PATENTS, AND RENEWAL.

This schedule of fees was in effect repealed by the Patents Rules 1890 which substituted another scale. The scale of 1890 was in its turn repealed by the Patents Rules of 1892 which substituted the scale now in force. An extract from this last mentioned scale, setting out so much as is material to the purpose of this book, is given below at p. 348.

THE THIRD SCHEDULE. Section 113.

ENACTMENTS REPEALED.

21 James I. c. 3. [1623.]	The Statute of Monopolies. In part; namely,— Sections ten, eleven, and twelve.
5 & 6 Will. 4, c. 62. [1835.] In part.	The Statutory Declarations Act, 1835. In part; namely,— Section eleven.
5 & 6 Will. 4, c. 83. [1835.]	An Act to amend the law touching letters patent for inventions.
2 & 3 Vict. c. 67. [1839.]	An Act to amend an Act of the fifth and sixth years of the reign of King William the Fourth, intituled "An Act to amend the law touching "letters patent for inventions."
5 & 6 Vict. c. 100. [1842.]	An Act to consolidate and amend the laws relating to the copyright of designs for ornamenting articles of manufacture.
6 & 7 Vict. c. 65. [1843.]	An Act to amend the laws relating to the copyright of designs.
7 & 8 Vict. c. 69 (*a*). [1844.] In part.	An Act for amending an Act passed in the fourth year of the reign of his late Majesty, intituled "An Act for the better administration of justice "in his Majesty's Privy Council, and to extend "its jurisdiction and powers." In part; namely,— Sections two to five, both included.
13 & 14 Vict. c. 104. [1850.]	An Act to extend and amend the Acts relating to the copyright of designs.
15 & 16 Vict. c. 83. [1852.]	The Patent Law Amendment Act, 1852.
16 & 17 Vict. c. 5. [1853.]	An Act to substitute stamp duties for fees on passing letters patent for inventions, and to provide for the purchase for the public use of certain indexes of specifications.
16 & 17 Vict. c. 115. [1853.]	An Act to amend certain provisions of the Patent Law Amendment Act, 1852, in respect of the transmission of certified copies of letters patent and specifications to certain offices in Edinburgh and Dublin, and otherwise to amend the said Act.

(*a*) *Note.*—Sections six and seven of this Act are repealed by the Statute Law Revision (No. 2) Act, 1874.

21 & 22 Vict. c. 70. [1858.]	An Act to amend the Act of the fifth and sixth years of her present Majesty, to consolidate and amend the laws relating to the copyright of designs for ornamenting articles of manufacture.
22 Vict. c. 13. [1859.]	An Act to amend the law concerning patents for inventions with respect to inventions for improvements in instruments and munitions of war.
24 & 25 Vict. c. 73. [1861.]	An Act to amend the law relating to the copyright of designs.
28 & 29 Vict. c. 3. [1865.]	The Industrial Exhibitions Act, 1865.
33 & 34 Vict. c. 27. [1870.]	The Protection of Inventions Act, 1870.
33 & 34 Vict. c. 97. [1870.]	The Stamp Act, 1870. In part; namely,— Section sixty-five, and in the Schedule the words and figures— "Certificate of the registration of a design . £5 0 0 And see section 65."
38 & 39 Vict. c. 91. [1875.]	The Trade Marks Registration Act, 1875.
38 & 39 Vict. c. 93. [1875.]	The Copyright of Designs Act, 1875.
39 & 40 Vict. c. 33. [1876.]	The Trade Marks Registration Amendment Act, 1876.
40 & 41 Vict. c. 37. [1877.]	The Trade Marks Registration Extension Act, 1877.
43 & 44 Vict. c. 10. [1880.]	The Great Seal Act, 1880. In part; namely,— Section five.
45 & 46 Vict. c. 72. [1882.]	The Revenue, Friendly Societies, and National Debt Act, 1882. In part; namely,— Section sixteen.

APPENDIX III.

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Selected Rules of the Supreme Court and Crown Office Rules—Consolidated 318

Selected Patent Rules, 1890 *and* 1892—*Consolidated*..... 344

Board of Trade Scheme of Procedure (*provisional*) 349

In the selection of the following rules the procedure to obtain an order from the Board of Trade and the procedure to obtain a mandamus to enforce the order have both been kept in mind but it has not been thought necessary to print the rules relating to enforcement of the mandamus excepting only r. 30 of O. 42 of the R. S. C. since the form which execution will take in such a case will probably be invariably that of an order that the licence shall be executed by some person authorised by the Court to that end and consequently the rules as to attachment are here of small significance.

SELECTED RULES OF THE SUPREME COURT AND CROWN OFFICE RULES—CONSOLIDATED.

Synopsis.

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Mandamus.

Application for writ.

C.O.R. 60.—Application for a prerogative writ of mandamus shall, during the sittings, be made to a Divisional Court of the Queen's Bench Division by motion for an order nisi; and in the vacation to a judge in chambers for a summons to show cause, upon its being shown to the satisfaction of such judge that the matter is urgent. . . . .

Notice.

C.O.R. 61.—Notice shall be given by the order nisi for a mandamus to every person who by the affidavits on which the order is moved shall appear to be interested in or likely to be affected by the proceedings, and to any person who in the opinion of the Court or judge ought to have such notice.

Service of order nisi.

C.O.R. 62.—The order nisi shall be served upon each person to whom notice is given by the order, as well as the party whom the order requires to show cause.

Showing cause.

C.O.R. 63.—Any person, whether he has had notice or not, who can make it appear to the Court or judge that he is affected by the proceeding for a writ of mandamus may show cause against the

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*** *Where the texts of corresponding Rules differ, the Rules of the Supreme Court text is printed in ordinary "Roman" type and within*

order nisi or summons, and shall be liable to costs in the discretion of the Court or a judge if the order should be made absolute, or the prosecutor obtain judgment.

C.O.R. 64.—The order absolute for a mandamus need not be served, but the cost of service of the order absolute may be allowed in the discretion of the taxing officer, where the writ is not issued. Order absolute.

C.O.R. 65.—If the writ of mandamus is directed to one person only the original must be personally served upon such person, but if the writ be directed to more than one, the original shall be shown to each one at the time of service, and a copy served on all but one, and the original delivered to such one. Service of writ.

C.O.R. 66.—When a writ of mandamus is directed to companies, corporations, justices, or public bodies, service shall be made upon such and so many persons as are competent to do the act required to be done, the original being delivered to one of such persons, except where by statute service on the clerk or some other officer is made sufficient service.

C.O.R. 67.—The Court or a judge may, if they or he shall think fit, order that any writ of mandamus shall be peremptory in the first instance. Peremptory in first *instance*.

C.O.R. 68.—Every writ of mandamus shall bear date on the day when it is issued, and shall be tested in the name of the Lord Chief Justice of England. The writ may be returnable forthwith, or time may be allowed to return it, either with or without terms, as the Court thinks fit. A writ of mandamus shall be in the form in the Appendix No. 37, with such variations as circumstances may require. Form of writ. See below, p. 384.

C.O.R. 69.—Any person by law compellable to make any return to a writ of mandamus shall make his return to the first writ. Return.

C.O.R. 70.—Where a point of law is raised in answer to a return or any other pleading in mandamus, and there is no issue of fact to be decided, the Court shall, on the argument of the point of law, give judgment for the successful party, without any motion for judgment being made or required. Judgment.

C.O.R. 71.—Where under Rules 70 and 136 the applicant obtains judgment he shall be entitled forthwith to a peremptory writ of mandamus to enforce the command contained in the original writ, and the judgment shall direct that a peremptory writ do issue. Peremptory writ.

For r. 136 see below, p. 324.

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square brackets [ ],—*the Crown Office Rules text in "Italic" type and within curved brackets* ( ).

Protection to person obeying writ.

C.O.R. 72.—No action or proceeding shall be commenced or prosecuted against any person in respect of anything done in obedience to a writ of mandamus issued by the Supreme Court or any judge thereof.

Disinterested parties.

C.O.R. 73.—When it appears to the Court that the respondent claims no right or interest in the subject-matter of the application, or that his functions are merely ministerial, the return to the writ, and all subsequent proceedings down to judgment, shall still be made and proceed in the name of the person to whom the writ is directed, and, if the Court thinks fit so to order, may be expressed to be made on behalf of the persons really interested therein. In that case the persons interested shall be permitted to frame the return and conduct the subsequent proceedings at their own expense; and if judgment is given for or against the applicant it shall likewise be given for or against the persons on whose behalf the return is expressed to be made; and if judgment is given for them, they shall have the same remedies for enforcing it as the person to whom the writ is directed would have in other cases.

C.O.R. 74.—Where, under the last preceding rule, the return to a writ of mandamus is expressed to be made on behalf of some person other than the person to whom the writ is directed, the proceedings on the writ shall not abate by reason of the death, resignation, or removal from office of that person, but they may be continued and carried on in his name; and if a peremptory writ is awarded, it shall be directed to the successor in office or right of that person.

Interpleader.

C.O.R. 75.—In any case of mandamus, in which a proceeding by way of interpleader may be proper, the provisions of Order 57 of the Rules of the Supreme Court, 1883 (Interpleader), shall be applicable, so far as the nature of the case will admit.

Prosecutor.

C.O.R. 76.—No order for the issuing of any writ of mandamus shall be granted, unless at the time of moving an affidavit be produced by which some person shall depose upon oath that such motion is made at his instance as prosecutor, and if the writ be granted the name of such person shall be endorsed on the writ as the person at whose instance it is granted.

Costs.

C.O.R. 77.—Every application for the costs of a mandamus shall, unless the Court or a judge shall otherwise order, be made

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before the fifth day of the sittings next after that in which the right to make such application accrued, and shall be upon notice of motion to be served eight days before the day named therein for moving.

C.O.R. 78.—The party moving for costs shall leave at the Crown Office Department a notice for the production in Court of all the affidavits filed in support of, and in opposition to, the original order.

Mandamus to be claimed in writ.

O. 53, r. 1.—The plaintiff, in any action in which he shall claim a mandamus to command the defendant to fulfil any duty in the fulfilment of which the plaintiff is personally interested, shall indorse such claim upon the writ of summons.

Form of indorsement.

O. 53, r. 2.—The indorsement shall be in the form given in Section IV. of Appendix A., Part III.

Judgment if mandamus claimed.

See below, p. 385.

O. 53, r. 3.—If judgment be given for the plaintiff the Court or judge may by the judgment command the defendant either forthwith, or on the expiration of such time and upon such terms as may appear to the Court or a judge to be just, to perform the duty in question. The Court or a judge may also extend the time for the performance of the duty.

Judgment or order substituted for writ.

O. 53, r. 4.—No writ of mandamus shall hereafter be issued in an action, but a mandamus shall be by judgment or order, which shall have the same effect as a writ of mandamus formerly had.

Interlocutory mandamus.

O. 50, r. 6.—An application for an order under section 25, sub-section 8, of the Principal Act (*a*), . . . may be made to the Court or a judge by any party. If the application be by the plaintiff for an order under the said sub-section 8 it may be made either ex parte or with notice, . . . at any time after the issue of the writ of summons, and if it be by any other party, then on notice to the plaintiff, and at any time after appearance by the party making the application.

Prohibition.

C.O.R. 81.—An application for a writ of prohibition on the Crown side shall be made by motion to a Divisional Court for an order nisi in all criminal causes or matters; and in civil proceedings on the Crown side by motion for an order nisi or by summons before a judge at chambers.

(*a*) See above, p. 285.

C.O.R. 82.—The order may be made absolute ex parte in the first instance on special circumstances being shown, in the discretion of the Court or judge.

See above, p. 162.

Joinder of Parties.

General rule. O. 16, r. 1.—All persons may be joined in one action as plaintiffs in whom any right to relief in respect of or arising out of the same transaction or series of transactions is alleged to exist, whether jointly, severally, or in the alternative where, if such persons brought separate actions any common question of law or fact would arise provided that if upon the application of any defendant it shall appear that such joinder may embarrass or delay the trial of the action, the Court or a judge may order separate trials or make such other order as may be expedient. And judgment may be given for such one or more of the plaintiffs as may be found to be entitled to relief, for such relief as he or they may be entitled to, without any amendment. But the defendant, though unsuccessful, shall be entitled to his costs occasioned by so joining any person who shall not be found entitled to relief, unless the Court or a judge in disposing of the costs of the action shall otherwise direct.

Wrong plaintiff by mistake. Amendment. O. 16, r. 2.—Where an action has been commenced in the name of the wrong person as plaintiff, or where it is doubtful whether it has been commenced in the name of the right plaintiff, the Court or a judge may, if satisfied that it has been so commenced through a bonâ fide mistake, and that it is necessary for the determination of the real matter in dispute so to do, order any other person to be substituted or added as plaintiff upon such terms as may be just.

Defendants. O. 16, r. 4.—All persons may be joined as defendants against whom the right to any relief is alleged to exist, whether jointly, severally, or in the alternative. And judgment may be given against such one or more of the defendants as may be found to be liable, according to their respective liabilities, without any amendment.

Defendants not all interested in all the relief sought. O. 16, r. 5.—It shall not be necessary that every defendant shall be interested as to all the relief prayed for, or as to every cause of action included in any proceeding against him; but the Court or a judge may make such order as may appear just to prevent any

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defendant from being embarrassed or put to expense by being required to attend any proceedings in which he may have no interest.

O. 16, r. 9.—Where there are numerous persons having the same interest in one cause or matter, one or more of such persons may sue or be sued, or may be authorised by the Court or a judge to defend in such cause or matter, on behalf or for the benefit of all persons so interested. Numerous persons in the same interest.

O. 16, r. 11.—No cause or matter shall be defeated by reason of the mis-joinder or non-joinder of parties, and the Court may in every cause or matter deal with the matter in controversy so far as regards the rights and interests of the parties actually before it. The Court or a judge may, at any stage of the proceedings, either upon or without the application of either party, and on such terms as may appear to the Court or a judge to be just, order that the names of any parties improperly joined, whether as plaintiffs or as defendants, be struck out, and that the names of any parties, whether plaintiffs or defendants, who ought to have been joined, or whose presence before the Court may be necessary in order to enable the Court effectually and completely to adjudicate upon and settle all the questions involved in the cause or matter, be added. No person shall be added as a plaintiff suing without a next friend, or as the next friend of a plaintiff under any disability, without his own consent in writing thereto. Every party whose name is so added as defendant shall be served with a writ of summons or notice in manner hereinafter mentioned, or in such manner as may be prescribed by any special order, and the proceedings as against such party shall be deemed to have begun only on the service of such writ or notice. Non-joinder and mis-joinder. Amendment. Addition of plaintiff or next friend. Addition of defendant.

O. 16, r. 13.—Where a defendant is added or substituted, the plaintiff shall, unless otherwise ordered by the Court or a judge, file an amended copy of and sue out a writ of summons, and serve such new defendant with such writ or notice in lieu of service thereof in the same manner as original defendants are served. Amendment of writ and service.

Joinder of Causes of Action.

See above, p. 162.

O. 18, r. 1.—Subject to the following Rules of this Order, the plaintiff may unite in the same action several causes of action, but if it appear to the Court or a judge that any such causes of action

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square brackets [ ],—*the Crown Office Rules text in "Italic" type and within curved brackets* ( ).

cannot be conveniently tried or disposed of together, the Court or judge may order separate trials of any of such causes of action to be had, or may make such other order as may be necessary or expedient for the separate disposal thereof.

Joint and several claims.

O. 18, r. 6.—Claims by plaintiffs jointly may be joined with claims by them or any of them separately against the same defendant.

Application to strike out.

O. 18, r. 8.—Any defendant alleging that the plaintiff has united in the same action several causes of action which cannot be conveniently disposed of together, may at any time apply to the Court or a judge for an order confining the action to such of the causes of action as may be conveniently disposed of together.

O. 18, r. 9.—If, on the hearing of such application as in the last preceding rule mentioned, it shall appear to the Court or a judge that the causes of action are such as cannot all be conveniently disposed of together, the Court or judge may order any of such causes of action to be excluded, and consequential amendments to be made, and may make such order as to costs as may be just.

Pleading, &c.

See above, p. 176.

Signature of pleadings.

O. 19, r. 4.—Every pleading shall contain, and contain only, a statement in a summary form of the material facts on which the party pleading relies for his claim or defence, as the case may be, but not the evidence by which they are to be proved, and shall, when necessary, be divided into paragraphs, numbered consecutively. Dates, sums, and numbers shall be expressed in figures and not in words. Signature of counsel shall not be necessary; but where pleadings have been settled by counsel or a special pleader they shall be signed by him, and if not so settled they shall be signed by the solicitor or by the party if he sues or defends in person.

Pleadings in common law mandamus.

C.O.R. 136.—When any return is made to the first writ of mandamus, the applicant may plead to the return within such time and in like manner as if the return were a statement of defence delivered in an action; and subject to these Rules this pleading and all subsequent proceedings, including pleadings, trial, judgment, and execution, shall proceed and may be had and taken as if in an action (*a*).

(*a*) For rules of pleading in an action, see R. S. C., O. 19.

*** *Where the texts of corresponding Rules differ, the Rules of the Supreme Court text is printed in ordinary "Roman" type and within*

In prohibition.

O. 68, r. 3: C.O.R. 137.—Where pleadings in prohibition are ordered the pleadings and subsequent proceedings, including judgment and assessment of damages, if any, shall be, as nearly as may be, the same as in an ordinary action for damages (*b*).

Amendment.

C.O.R. 299.—O. 28 of the Rules of the Supreme Court, 1883 (Amendment), shall, as far as it is applicable, apply to all civil proceedings on the Crown side.

Amendment of indorsement and pleadings.

O. 28, r. 1.—The Court or a judge may, at any stage of the proceedings, allow either party to alter or amend his indorsement, or pleadings, in such manner and on such terms as may be just, and all such amendments shall be made as may be necessary for the purpose of determining the real question in controversy between the parties (*c*).

Special case.

C.O.R. 140.—O. 34 of the Rules of the Supreme Court, 1883 (special case) shall, as far as it is applicable, apply to all civil proceedings on the Crown side.

Special case by consent. Form.

O. 34, r. 1.—The parties to any cause or matter may concur in stating the questions of law arising therein in the form of a special case for the opinion of the Court. Every such special case shall be divided into paragraphs numbered consecutively, and shall concisely state such facts and documents as may be necessary to enable the Court to decide the questions raised thereby. Upon the argument of such case the Court and the parties shall be at liberty to refer to the whole contents of such documents, and the Court shall be at liberty to draw from the facts and documents stated in any such special case any inference, whether of fact or law, which might have been drawn therefrom if proved at a trial.

Documents.

Inference of fact.

Printing case.

O. 34, r. 3.—Every special case shall be printed by the plaintiff, and signed by the several parties or their counsel or solicitors, and shall be filed by the plaintiff. Three printed copies for the use of the judges shall be left therewith.

Entry for argument.

O. 34, r. 5.—Either party may enter a special case for argument by delivering to the proper officer a memorandum of entry, in the Form No. 25 in Appendix G., and also if any married woman, infant, or person of unsound mind not so found by inquisition be a party to the cause or matter, producing a copy of the order giving leave to enter the same for argument.

(*b*) For rules of pleading in an action, see R. S. C., O. 19.

(*c*) This general rule is worked out with much nicety in the remaining rules of this Order.

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Notices.

C.O.R. 302.—O. 66 of the Rules of the Supreme Court, 1883 (Notices), shall, as far as it is applicable, apply to all civil proceedings on the Crown side.

Notices in writing.

O. 66, r. 1.—All notices required by these Rules shall be in writing, unless expressly authorised by the Court or a judge to be given orally.

O. 66, r. 2.—All accounts, copies, and papers left at chambers, shall be written upon foolscap paper, bookwise, unless the nature of the document renders it impracticable.

Printing.

O. 66, r. 3.—Proceedings required to be printed shall be printed on cream wove machine drawing foolscap folio paper, 19 lbs. per mill ream, or thereabouts, in pica type leaded, with an inner margin about three-quarters of an inch wide, and an outer margin about two inches and a half wide.

Affidavits.

O. 66, r. 4.—Any affidavit may be sworn to either in print or in manuscript, or partly in print and partly in manuscript.

Depositions to be printed.

O. 66, r. 5.—Where any written deposition of a witness has been filed, such deposition shall be printed, unless otherwise ordered.

Depositions and affidavits used before trial.

O. 66, r. 6.—The Rules of Court as to printing depositions and affidavits to be used on a trial shall not apply to depositions and affidavits which have previously been used upon any proceeding without having been printed.

O. 66, r. 7 (*d*).

Service.

When office copy of order may be served.

O. 67, r. 1.—Except in the case of an order for attachment, it shall not be necessary to the regular service of an order that the original order be shown if an office copy of it be exhibited.

Service of documents where personal service not necessary.

O. 67, r. 2.—All writs, notices, pleadings, orders, summonses, warrants, and other documents, proceedings, and written communications in respect of which personal service is not requisite shall be sufficiently served if left within the prescribed hours, at the address for service of the person to be served as defined by Oo. 4 and 12 (*e*), with any person resident at or belonging to such place.

(*d*) The 7th Rule of this Order comprises a large body of minute directions concerning printing.

(*e*) *I.e.*, the address for service endorsed upon the writ or stated in the memorandum of appearance, as the case may be.

*** *Where the texts of corresponding Rules differ, the Rules of the Supreme Court text is printed in ordinary "Roman" type and within*

C.O.R. 139.—Whenever under these Rules service of any writ, notice, pleading, order, summons, warrant, or other document, proceeding, or written communication, is not directed to be personal, service at the last known place of abode, or business, with a clerk, wife, or servant, or upon such other person, or in such other manner as the Court or a judge may direct, shall be deemed to be a sufficient service.

Service by post of Supreme Court notices.

O. 67, r. 3.—Notices sent from any office of the Supreme Court may be sent by post; and the time at which the notice so posted would be delivered in the ordinary course of post shall be considered as the time of service thereof, and the posting thereof shall be a sufficient service.

Service by filing in case of non-appearance.

O. 67, r. 4.—Where no appearance has been entered for a party, or where a party or his solicitor, as the case may be, has omitted to give an address for service as required by Oo. 4 and 12 (*f*), all writs, notices, pleadings, orders, summonses, warrants, and other documents, proceedings, and written communications in respect of which personal service is not requisite may be served by filing them with the proper officer.

Personal service.

O. 67, r. 5.—Where personal service of any writ, notice, pleading, order, summons, warrant, or other document, proceeding, or written communication is required by these Rules or otherwise, the service shall be effected as nearly as may be in the manner prescribed for the personal service of a writ of summons.

Personal service of writ of summons.

O. 9, r. 2.—When service is required the writ shall, wherever it is practicable, be served in the manner in which personal service is now made, but if it be made to appear to the Court or a judge that the plaintiff is from any cause unable to effect prompt personal service, the Court or judge may make such order for substituted or other service, or for the substitution for service of notice, by advertisement or otherwise, as may seem just.

Substituted service.

O. 67, r. 6.—Where personal service of any writ, notice, pleading, summons, order, warrant, or other document, proceeding, or written communication is required by these Rules or otherwise, and it is made to appear to the Court or a judge that prompt personal service cannot be effected, the Court or judge may make

(*f*) *I.e.*, the address for service endorsed upon the writ or stated in the memorandum of appearance, as the case may be.

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square brackets [ ],—*the Crown Office Rules text in "Italic" type and within curved brackets* ( ).

such order for substituted or other service, or for the substitution of notice for service by letter, public advertisement, or otherwise, as may be just.

Service on solicitors after appearance in person.

O. 67, r. 7.—Where a party after having sued or appeared in person has given notice in writing to the opposite party or his solicitor, through a solicitor, that such solicitor is authorised to act in the cause or matter on his behalf, all writs, notices, pleadings, summonses, orders, warrants, and other documents, proceedings, and written communications which ought to be delivered to or served upon the party on whose behalf the notice is given shall thereafter be delivered to or served upon such solicitor.

Service on solicitor of person not a party.

O. 67, r. 8.—Where a person who is not a party appears in any proceeding either before the Court or in Chambers, service upon the solicitor in London by whom such person appears, whether such solicitor act as principal or agent, shall be deemed good service except in matters requiring personal service.

Affidavits of service.

O. 67, r. 9.—Affidavits of service shall state when, where and how and by whom, such service was effected.

Evidence.

Affidavits.

C.O.R. 5.—O. 38 (Affidavits) of the Rules of the Supreme Court 1883, shall, as far as it is applicable, apply to all civil proceedings on the Crown side.

When to be used.

O. 38, r. 1 : C.O.R. 6.—Upon any motion [petition] or summons evidence may be given by affidavit; but the Court or a judge may, on the application of either party, order the attendance for cross-examination of the person making any such affidavit.

Entitling.

O. 68, r. 4 : C.O.R. 7.—Affidavits used [in applications] on the Crown side [of the Queen's Bench Division] shall be intituled "In "the (*High Court of Justice,*) Queen's Bench Division."

O. 38, r. 2.—Every affidavit shall be intituled in the cause or matter in which it is sworn; but in every case in which there are more than one plaintiff or defendant, it shall be sufficient to state the full name of the first plaintiff or defendant respectively, and that there are other plaintiffs or defendants, as the case may be; and the costs occasioned by any unnecessary prolixity in any such title shall be disallowed by the taxing officer.

*** *Where the texts of corresponding Rules differ, the Rules of the Supreme Court text is printed in ordinary "Roman" type and within*

Contents of affidavits.

O. 38, r. 3: C.O.R. 8.—*Affidavits shall* be confined to such facts as the witness is able of his own knowledge to prove, except on interlocutory motions, on which statements as to his belief, with the grounds thereof, may be admitted. The costs of every affidavit which shall unnecessarily set forth matters of hearsay, or argumentative matter, or copies of or extracts from documents, shall be paid by the party filing the same.

Before whom to be sworn.

O. 38, r. 4: C.O.R. 9.—Affidavits sworn in England shall be sworn before a judge, district registrar, commissioner to administer oaths, (*first or second class clerk in the Crown Office Department,*) or officer empowered under [these Rules] (*the Rules of the Supreme Court*) to administer oaths.

Time and place of swearing.

O. 38, r. 5: C.O.R. 10.—Every commissioner to administer oaths shall express the time when, and the place where, he shall take any affidavit [or the acknowledgment of any deed] or recognizance; otherwise the same shall not be [held authentic nor] admitted to be filed [or enrolled] without the leave of the Court or a judge; and every such commissioner shall express the time when, and the place where, he shall do any other act incident to his office.

Taking affidavits out of the United Kingdom.

O. 38, r. 6: C.O.R. 11.—All [examinations] affidavits, declarations, affirmations, and attestations of honour in causes or matters depending [in the High Court] (*on the Crown side*) [and also acknowledgments required for the purpose of enrolling any deed in the Central Office] may be sworn and taken in Scotland or Ireland or the Channel Islands, or in any colony, island, plantation, or place under the dominion of her Majesty in foreign parts, before any judge, court, notary public, or person lawfully authorised to administer oaths in such country, colony, island, plantation, or place respectively, or before any of her Majesty's consuls or vice-consuls in any foreign parts out of her Majesty's dominions; and the judges and other officers of the High Court shall take judicial notice of the seal or signature, as the case may be, of any such court, judge, notary public, person, consul, or vice-consul, attached, appended, or subscribed to any such [examinations] affidavits, affirmations, attestations of honour, declarations, [acknowledgments] or to any other [deed or] document.

Form of affidavit.

O. 38, r. 7: C.O.R. 12.—Every affidavit shall be drawn up in the first person, and shall be divided into paragraphs, and every paragraph shall be numbered consecutively, and as nearly as may

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square brackets [ ],—*the Crown Office Rules text in "Italic" type and within curved brackets* ( ).

be shall be confined to a distinct portion of the subject. Every affidavit shall be written or printed bookwise. No costs shall be allowed for any affidavit or part of an affidavit substantially departing from this rule.

Deponent. O. 38, r. 8: C.O.R. 13.—Every affidavit shall state the description and true place of abode of the deponent.

Joint affidavit. O. 38, r. 9: C.O.R. 14.—In every affidavit made by two or more deponents the names of the several persons making the affidavit shall be inserted in the jurat, except that if the affidavit of all the deponents is taken at one time by the same officer it shall be sufficient to state that it was sworn by both (or all) of the "above-named" deponents.

Filing affidavits. O. 38, r. 10: C.O.R. 15.—Every affidavit used on the Crown side shall be filed in the Crown Office Department of the Central Office. There shall be indorsed on every affidavit a note showing on whose behalf it is filed, and no affidavit shall be filed or used without such note, unless the Court or a judge shall otherwise direct (*f*).

Scandalous matter. O. 38, r. 11: C.O.R. 16.—The Court or a judge may order to be struck out from any affidavit any matter which is scandalous, and may order the costs of any application to strike out such matter to be paid as between solicitor and client.

Alterations. O. 38, r. 12: C.O.R. 17.—No affidavit having in the jurat or body thereof any interlineation, alteration, or erasure shall without leave of the Court or a judge be read or made use of in any matter depending in court unless the interlineation or alteration (other than by erasure) is authenticated by the initials of the officer taking the affidavit, or if taken at the [Central Office] (*Crown Office Department*), either by his initials or by the stamp of that office, nor in the case of an erasure, unless the words or figures appearing at the time of taking the affidavit to be written on the erasure are re-written and signed or initialled in the margin of the affidavit by the officer taking it.

Illiterate or blind person. O. 38, r. 13: C.O.R. 18.—Where an affidavit is sworn by any person who appears to the officer taking the affidavit to be illiterate or blind, the officer shall certify in the jurat that the affidavit was read in his presence to the deponent, that the deponent seemed

(*f*) O. 38, r. 10 comprises some additional provisions not material to be given here.

*** *Where the texts of corresponding Rules differ, the Rules of the Supreme Court text is printed in ordinary "Roman" type and within*

perfectly to understand it, and that the deponent made his signature in the presence of the officer. No such affidavit shall be used in evidence in the absence of this certificate, unless the Court or a judge is otherwise satisfied that the affidavit was read over to and appeared to be perfectly understood by the deponent.

Defective affidavit.

O. 38, r. 14: C.O.R. 19.—The Court or a judge may receive any affidavit sworn for the purpose of being used in any cause or matter, notwithstanding any defect by misdescription of parties or otherwise in the title or jurat, or any other irregularity in the form thereof, and may direct a memorandum to be made on the document that it has been so received.

Stamping.

O. 38, r. 15: C.O.R. 20.—In cases in which by the present practice an original affidavit is allowed to be used, it shall before it is used be stamped with a proper filing stamp, and shall at the time when it is used be delivered to and left with the proper officer in court or in chambers, who shall send it to be filed.

Use of copies.

An office copy of an affidavit may in all cases (*in which a copy is admissible*) be used, the original affidavit having been previously filed, and the copy duly authenticated with the seal of the office.

Who may take affidavit.

O. 38, r. 16: C.O.R. 21.—No affidavit shall be sufficient if sworn before the solicitor acting for the party on whose behalf the affidavit is to be used, or before any agent or correspondent of such solicitor, or before the party himself.

O. 38, r. 17: C.O.R. 22.—Any affidavit which would be insufficient if sworn before the solicitor himself shall be insufficient if sworn before his clerk or partner.

Affidavit out of time.

O. 38, r. 18: C.O.R. 23.—Where a special time is limited for filing affidavits, no affidavit filed after that time shall be used, unless by leave of the Court or a judge.

Affidavit must precede order.

O. 38, r. 19: C.O.R. 24.—Except by leave of the Court or a judge no order made ex parte in court founded on any affidavit shall be of any force, unless the affidavit on which the application was made was actually made before the order was applied for, and produced or filed at the time of making the motion.

Additional affidavits.

C.O.R. 25.—Upon motions founded upon affidavits, either party may apply to the Court or a judge for leave to make additional affidavits upon any new matter arising out of the affidavits of the opposite party; but no additional affidavits shall be used except such leave shall have been first obtained.

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square brackets [ ],—*the Crown Office Rules text in "Italic" type and within curved brackets* ( ).

Qualifying to show cause.

C.O.R. 26.—No person shall be allowed to show cause against an order nisi, unless he shall have previously obtained office copies of such order and of the affidavits upon which it was granted.

Affidavit of service.

C.O.R. 27.—Affidavits of service shall state when, where, and how and by whom, such service was effected.

Cross-examination of deponent.

See above, p. 191.

O. 38, r. 28.—When the evidence is taken by affidavit, any party desiring to cross-examine a deponent who has made an affidavit filed on behalf of the opposite party may serve upon the party by whom such affidavit has been filed a notice in writing, requiring the production of the deponent for cross-examination at the trial, such notice to be served at any time before the expiration of fourteen days next after the end of the time allowed for filing affidavits in reply, or within such time as in any case the Court or a judge may specially appoint; and unless such deponent is produced accordingly, his affidavit shall not be used as evidence unless by the special leave of the Court or a judge. The party producing such deponent for cross-examination shall not be entitled to demand the expenses thereof in the first instance from the party requiring such production.

Compelling attendance.

O. 38, r. 29.—The party to whom such notice as is mentioned in the last preceding rule is given shall be entitled to compel the attendance of the deponent for cross-examination in the same way as he might compel the attendance of a witness to be examined.

Printing of evidence and notice of trial.

O. 38, r. 30.—When the evidence under this Order is taken by affidavit, such evidence shall be printed, and the notice of trial shall be given at the same time after the close of the evidence as in other cases is by these Rules provided after the close of the pleadings: provided that other affidavits may be printed if all the parties interested consent thereto, or the Court or a judge so order. . . . .

Subpœna for attendance of witness.

See above, p. 191.

O. 37, r. 20.—Any party in any cause or matter may by subpœna ad testificandum or duces tecum require the attendance of any witness before an officer of the Court or other person appointed to take the examination for the purpose of using his evidence upon any proceeding in the cause or matter in like manner as such witness would be bound to attend and be examined at the hearing or trial; and any party or witness having made an affidavit to be used or which shall be used on any proceeding in the cause or matter shall be bound on being served with such subpœna to attend before such officer or person for cross-examination.

*** *Where the texts of corresponding Rules differ, the Rules of the Supreme Court text is printed in ordinary "Roman" type and within*

Motions.

C.O.R. 250.—O. 52 of the Rules of the Supreme Court, 1883 (Motions), shall, as far as it is applicable, apply to all civil proceedings on the Crown side.

Motions.

O. 52, r. 1.—Where by these Rules any application is authorised to be made to the Court or a judge, such application, if made to a Divisional Court, or to a judge in Court, shall be made by motion.

Motion on notice.

O. 52, r. 3.—Except where according to the practice existing at the time of the passing of the principal Act any order or rule might be made absolute ex parte in the first instance, and except where notwithstanding Rule 2 a motion or application may be made for an order to show cause only, no motion shall be made without previous notice to the parties affected thereby. But the Court or a judge, if satisfied that the delay caused by proceeding in the ordinary way would or might entail irreparable or serious mischief, may make any order ex parte upon such terms as to costs or otherwise, and subject to such undertaking, if any, as the Court or judge may think just; and any party affected by such order may move to set it aside.

Dispensing with notice.

Contents of notice of motion in cases under Rule 2.

O. 52, r. 4.—Every notice of motion to set aside, remit, or enforce an award, or for attachment, or to strike off the rolls, shall state in general terms the grounds of the application; and, where any such motion is founded on evidence by affidavit, a copy of any affidavit intended to be used shall be served with the notice of motion.

Service of notice of motion generally.

Time for hearing motion.

O. 52, r. 5: C.O.R. 251.—Unless the Court or a judge give special leave to the contrary there [must] (*shall*) be at least two clear days between the service of a notice of motion and the day named in the notice for hearing [the motion] (*it*): [provided that in applications to answer the matters in an affidavit . . . . the notice of motion shall be served on the parties not less than ten clear days before the time fixed by the notice for making the motion.]

Notice not served on all proper parties.

O. 52, r. 6: C.O.R. 259.—If on the hearing of a motion or other application the Court or a judge shall be of opinion that any person to whom notice has not been given ought to have or to have had such notice, the Court or judge may either dismiss the motion or

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square brackets [ ],—*the Crown Office Rules text in "Italic" type and within curved brackets* ( ).

application, or adjourn the hearing thereof, in order that such notice may be given, upon such terms, if any, as the Court or judge may think fit to impose.

Adjournment.

O. 52, r. 7: C.O.R. 260.—The hearing of any motion or application may from time to time be adjourned upon such terms, if any, as the Court or (*a*) judge shall think fit.

Service on defendant who has not appeared.

O. 52, r. 8.—The plaintiff shall, without any special leave, be at liberty to serve any notice of motion or other notice or any petition or summons upon any defendant, who, having been duly served with a writ of summons to appear, has not appeared within the time limited for that purpose.

Service with writ or before time for appearance.

O. 52, r. 9.—The plaintiff may, by leave of the Court or a judge to be obtained ex parte, serve any notice of motion upon any defendant along with the writ of summons, or at any time after service of the writ of summons and before the time limited for the appearance of such defendant.

Dating of order.

O. 52, r. 13.—Every order, if and when drawn up, shall be dated the day of the week, month, and year, on which the same was made, unless the Court or a judge shall otherwise direct, and shall take effect accordingly.

Dispensing with drawing up orders in certain cases.

O. 52, r. 14.—Where an order has been made not embodying any special terms, nor including any special directions, but simply enlarging time for taking any proceeding or doing any act or giving leave (a) for the issue of any writ other than a writ of attachment, (b) for the amendment of any writ or pleadings, (c) for the filing of any document, or (d) for any act to be done by any officer of the Court other than a solicitor, it shall not be necessary to draw up such order unless the Court or a judge shall otherwise direct; but the production of a note or memorandum of such order, signed by a judge, registrar, master, chief clerk, or district registrar shall be sufficient authority for such enlargement of time, issue, amendment, filing, or other act. A direction that the costs of such order shall be costs in any cause or matter shall not be deemed a special direction within the meaning of this Rule. The solicitor of the person on whose application such order is made, shall forthwith give notice in writing thereof to such person (if any) as would, if this Rule had not been made, have been required to be served with such order.

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C.O.R. 252.—The following orders of course may be drawn up at the Crown Office without any motion for the same (*g*) :—

(i.) To return writs.

(j.) To tax costs.

C.O.R. 253.—All other orders shall, during the sittings, be made by the Court on motion supported by affidavit, but no affidavit shall be necessary for an order demandable as of right by the Crown, or where it is not necessary to state matters of fact.

C.O.R. 254.—Except as may be otherwise provided by these Rules, all applications on the Crown side shall be made by way of motion to a Divisional Court for an order nisi.

C.O.R. 255.—The following applications shall be made upon two clear days' notice of motion, and be brought on as if they were ex parte motions and not put into the Crown paper.

(a.) For time, enlargement, stay, or security.

(b.) To strike a case out of the Crown paper.

(c.) To file a special case by leave of the Court.

(d.) To accelerate a case in the Crown paper on the ground of urgency. . . . .

C.O.R. 256.—When any motion is made under Rule 255 and founded on evidence by affidavit, a copy of such affidavit intended to be used shall be served with the notice of motion.

C.O.R. 258.—No order on the Crown side, except orders of course, shall be drawn up without the leave or order of the Court or a judge, or of the Queen's coroner and attorney, or the master of the Crown Office.

Proceedings at Trial.

O. 36, r. 31.—If, when a trial is called on, the plaintiff appears, and the defendant does not appear, the plaintiff may prove his claim, so far as the burden of proof lies upon him. Non-appearance of defendant.

O. 36, r. 32.—If, when a trial is called on, the defendant appears, and the plaintiff does not appear, the defendant, if he has no counter-claim, shall be entitled to judgment dismissing the action, but if he has a counter-claim, then he may prove such counter-claim so far as the burden of proof lies upon him. Non-appearance of plaintiff.

(*g*) Nineteen such orders are enumerated in the rule. Only two of them seem to have any importance from the present point of view.

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square brackets [ ],—*the Crown Office Rules text in "Italic" type and within curved brackets* ( ).

Setting aside verdict or judgment by default.

O. 36, r. 33.—Any verdict or judgment obtained where one party does not appear at the trial, may be set aside by the Court or a judge upon such terms as may seem fit, upon an application made within six days after the trial; such application may be made either at the assizes or in Middlesex.

Adjournment of trial.

O. 36, r. 34.—The judge may, if he think it expedient for the interests of justice, postpone or adjourn a trial for such time, and to such place, and upon such terms, if any, as he shall think fit.

Speeches to jury.

O. 36, r. 36.—Upon a trial with a jury, the addresses to the jury shall be regulated as follows: the party who begins, or his counsel, shall be allowed at the close of his case, if his opponent does not announce any intention to adduce evidence, to address the jury a second time, for the purpose of summing up the evidence, and the opposite party, or his counsel, shall be allowed to open his case, and also to sum up the evidence, if any, and the right to reply shall be the same as heretofore.

Restrictions on cross-examination.

O. 36, r. 38.—The judge may in all cases disallow any questions put in cross-examination of any party or other witness which may appear to him to be vexatious, and not relevant to any matter proper to be inquired into in the cause or matter.

Judgment at trial.

Adjournment for further consideration.

O. 36, r. 39.—The judge shall, at or after a trial, direct judgment to be entered as he shall think right, and no motion for judgment shall be necessary in order to obtain such judgment.

Appeals.

C.O.R. 216.—O. 58 of the Rules of the Supreme Court, 1883 (Appeals), shall apply to all civil proceedings on the Crown side, including mandamus prohibition and quo warranto.

Appeals, rehearing.

Motion.

O. 58, r. 1.—All appeals to the Court of Appeal shall be by way of rehearing, and shall be brought by notice of motion in a summary way, and no petition, case, or other formal proceeding other than such notice of motion shall be necessary. The appellant may by the notice of motion appeal from the whole or any part of any judgment or order, and the notice of motion shall state whether the whole or part only of such judgment or order is complained of, and in the latter case shall specify such part.

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O. 58, r. 2.—The notice of appeal shall be served upon all parties directly affected by the appeal, and it shall not be necessary to serve parties not so affected; but the Court of Appeal may direct notice of the appeal to be served on all or any parties to the action or other proceeding, or upon any person not a party, and in the meantime may postpone or adjourn the hearing of the appeal upon such terms as may be just, and may give such judgment and make such order as might have been given or made if the persons served with such notice had been originally parties. Any notice of appeal may be amended at any time as the Court of Appeal may think fit. Notice of motion. Service.

O. 58, r. 3.—Notice of appeal from any judgment, whether final or interlocutory, or from a final order, shall be a fourteen days' *notice, and notice of appeal from any interlocutory order shall be a* four days' notice. Length of notice.

O. 58, r. 4.—The Court of Appeal shall have all the powers and duties as to amendment and otherwise of the High Court, together with full discretionary power to receive further evidence upon questions of fact, such evidence to be either by oral examination in Court, *by affidavit, or by deposition taken before an examiner or* commissioner. Such further evidence may be given without special leave upon interlocutory applications, or in any case as to matters which have occurred after the date of the decision from which the appeal is brought. Upon appeals from a judgment after trial or hearing of any cause or matter upon the merits, such further evidence (save as to matters subsequent as aforesaid) shall be admitted on special grounds only, and not without special leave of the Court. The Court of Appeal shall have power to draw inferences of fact and to give any judgment and make any order which ought to have been made, and to make such further or other order as the case may require. The powers aforesaid may be exercised by the said Court, notwithstanding that the notice of appeal may be that part only of the decision may be reversed or varied, and such powers may also be exercised in favour of all or any of the respondents or parties, although such respondents or parties may not have appealed from or complained of the decision. The Court of Appeal shall have power to make such order as to the whole or any part of the costs of the appeal as may be just. Powers of Court of Appeal. Evidence. Judgment. Costs.

O. 58, r. 5.—If upon hearing of an appeal, it shall appear to the Power to order new trial.

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Court of Appeal that a new trial ought to be had, it shall be lawful for the said Court of Appeal, if it shall think fit, to order that the verdict and judgment shall be set aside, and that a new trial shall be had.

Cross appeal.

O. 58, r. 6.—It shall not, under any circumstances, be necessary for respondent to give notice of motion by way of cross appeal, but if a respondent intends, upon the hearing of the appeal, to contend that the decision of the Court below should be varied, he shall within the time specified in the next rule, or such time as may be prescribed by special order, give notice of such intention to any parties who may be affected by such contention. The omission to give such notice shall not diminish the powers conferred by the Act upon the Court of Appeal, but may, in the discretion of the Court, be ground for an adjournment of the appeal, or for a special order as to costs.

Notice.

Length of notice.

O. 58, r. 7.—Subject to any special order which may be made, notice by a respondent under the last preceding rule shall in the case of any appeal from a final judgment be an eight days' notice, and in the case of an appeal from an interlocutory order a two days' notice.

Entry.

O. 58, r. 8.—The party appealing from a judgment or order shall produce to the proper officer of the Court of Appeal the judgment or order or an office copy thereof, and shall leave with him a copy of the notice of appeal to be filed, and such officer shall thereupon set down the appeal by entering the same in the proper list of appeals, and it shall come on to be heard according to its order in such list, unless the Court of Appeal or a judge thereof shall otherwise direct, but so as not to come into the paper for hearing before the day named in the notice of appeal.

Ex parte application.

O. 58, r. 10.—Where an ex parte application has been refused by the Court below, an application for a similar purpose may be made of the Court of Appeal ex parte within four days from the date of such refusal, or within such enlarged time as a judge of the Court below or of the Court of Appeal may allow.

Evidence of facts.

O. 58, r. 11.—When any question of fact is involved in an appeal, the evidence taken in the Court below bearing on such question shall, subject to any special order, be brought before the Court of Appeal as follows:

(a.) As to any evidence taken by affidavit, by the production of

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printed copies of such of the affidavits as have been printed, and office copies of such of them as have not been printed:

(b.) As to any evidence given orally, by the production of a copy of the judge's notes, or such other materials as the Court may deem expedient.

Printing evidence.

O. 58, r. 12.—Where evidence has not been printed in the Court below, the Court below or a judge thereof, or the Court of Appeal or a judge thereof, may order the whole or any part thereof to be printed for the purpose of the appeal. Any party printing evidence for the purpose of an appeal without such order shall bear the costs thereof, unless the Court of Appeal or a judge thereof shall otherwise order.

Direction of judge: evidence.

O. 58, r. 13.—If, upon the hearing of an appeal, a question arise as to the ruling or direction of the judge to a jury or assessors, the Court shall have regard to verified notes or other evidence, and to such other materials as the Court may deem expedient.

Interlocutory order not appealed from.

O. 58, r. 14.—No interlocutory order or rule from which there has been no appeal shall operate so as to bar or prejudice the Court of Appeal from giving such decision upon the appeal as may be just.

Time to appeal. Interlocutory order.

O. 58, r. 15.—No appeal to the Court of Appeal from any interlocutory order, or from any order, whether final or interlocutory, in any matter not being an action, shall, except by special leave of the Court of Appeal, be brought after the expiration of fourteen days, and no other appeal shall, except by such leave, be brought after the expiration of three months. The said respective periods shall be calculated, in the case of an appeal from an order in chambers, from the time when such order was pronounced, or when the appellant first had notice thereof, and in all other cases, from the time at which the judgment or order is signed, entered, or otherwise perfected, or, in the case of the refusal of an application, from the date of such refusal. Such deposit or other security for the costs to be occasioned by any appeal shall be made or given as may be directed under special circumstances by the Court of Appeal.

Security for costs.

Stay of proceedings.

O. 58, r. 16.—An appeal shall not operate as a stay of execution or of proceedings under the decision appealed from, except so far as the Court appealed from, or any judge thereof, or the Court of

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Appeal, may order; and no intermediate act or proceeding shall be invalidated except so far as the Court appealed from may direct.

Application when made to either Court.

O. 58, r. 17.—Wherever under these Rules an application may be made either to the Court below or to the Court of Appeal, or to a judge of the Court below or of the Court of Appeal, it shall be made in the first instance to the Court or judge below.

Application to Appeal judge.

O. 58, r. 18.—Every application to the judge of the Court of Appeal shall be by motion, and the provisions of O. 52 shall apply thereto (*h*).

Time.

C.O.R. 293.—O. 64 of the Rules of the Supreme Court, 1883 (Time), shall, as far as it is applicable, apply to all civil proceedings on the Crown side.

Interpretation of "month."

O. 64, r. 1.—Where by these Rules, or by any judgment or order given or made after the commencement of the principal Act, time for doing any act or taking any proceeding is limited by months, and where the word "month" occurs in any document which is part of any legal procedure under these Rules, such time shall be computed by calendar months, unless otherwise expressed.

When Sunday, &c. excluded.

O. 64, r. 2.—Where any limited time less than six days from or after any date or event is appointed or allowed for doing any act or taking any proceeding, Sunday, Christmas Day, and Good Friday shall not be reckoned in the computation of such limited time.

Time expiring on Sunday, &c.

O. 64, r. 3.—Where the time for doing any act or taking any proceeding expires on a Sunday, or other day on which the offices are closed, and by reason thereof such act or proceeding cannot be done or taken on that day, such act or proceeding shall, so far as regards the time of doing or taking the same, be held to be duly done or taken if done or taken on the day on which the offices shall next be open.

Effect of order for security for costs.

O. 64, r. 6.—The day on which an order for security for costs is served, and the time thenceforward until and including the day on which such security is given, shall not be reckoned in the computation of time allowed to plead, answer interrogatories, or take any other proceeding in the cause or matter.

(*h*) See above, p. 333.

*** *Where the texts of corresponding Rules differ, the Rules of the Supreme Court text is printed in ordinary "Roman" type and within*

O. 64, r. 7.—The Court or a judge shall have power to enlarge or abridge the time appointed by these Rules, or fixed by any order enlarging time, for doing any act or taking any proceeding, upon such terms (if any) as the justice of the case may require, and any such enlargement may be ordered although the application for the same is not made until after the expiration of the time appointed or allowed. Enlargement or abridgment of time.

O. 64, r. 8.—The time for delivering, amending, or filing any pleading, answer, or other document may be enlarged by consent in writing, without application to the Court or a judge. Enlargement of time by consent.

O. 64, r. 11.—Service of pleadings, notices, summonses, orders, rules, and other proceedings, shall be effected before the hour of six in the afternoon, except on Saturdays, when it shall be effected before the hour of two in the afternoon. Service effected after six in the afternoon on any weekday except Saturday shall, for the purpose of computing any period of time subsequent to such service, be deemed to have been effected on the following day. Service effected after two in the afternoon on Saturday shall for the like purpose be deemed to have been effected on the following Monday. Hours of Service.

O. 64, r. 12.—In any case in which any particular number of days, not expressed to be clear days, is prescribed by these Rules, the same shall be reckoned exclusively of the first day and inclusively of the last day. Computation of time by days.

O. 64, r. 13.—In any cause or matter in which there has been no proceeding for one year from the last proceeding had, the party who desires to proceed shall give a month's notice to the other party of his intention to proceed. A summons on which no order has been made shall not, but notice of trial although countermanded shall be deemed a proceeding within this Rule. Proceedings after lapse of a year.

Costs.

C.O.R. 300.—O. 65 of the Rules of the Supreme Court, 1883 (Costs), shall, as far as it is applicable, apply to all civil proceedings on the Crown side.

O. 65, r. 1.—Subject to the provisions of the Acts and these Rules, the costs of and incident to all proceedings in the Supreme Court, including the administration of estates and trusts, shall be General rule as to costs.

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Trustees, mortgagees, &c.

in the discretion of the Court or judge; Provided that nothing herein contained shall deprivo an executor, administrator, trustce, or mortgagee who has not unreasonably instituted or carried on or rosisted any proceedings of any right to costs out of a particular estate or fund to which he would be entitled according to the rules hitherto acted upon in tho Chancery Division: Provided also that, where any action, cause, matter, or issue is tried with a jury, the costs shall follow the event. unless the judge by whom such action, cause, matter, or issue is tried, or the Court, shall, for good cause, otherwise order.

Jury cases.

Non-Compliance.

C.O.R. 303.—O. 70 of the Rules of the Supreme Court, 1883 (Effect of Non-Compliance), shall, as far as it is applicable, apply to all proceedings on tho Crown side, civil or criminal.

Non-compliance with rules.

O. 70, r. 1.—Non-compliance with any of these Rules, or with any rule of practice for the timo being in force, shall not render any proceedings void unless tho Court or a judge shall so direct, but such proceedings may be set aside either wholly or in part as irregular, or amended, or otherwise dealt with in such manner and upon such terms as the Court or judge shall think fit.

No application after fresh step taken.

O. 70, r. 2.—No application to set aside any proceeding for irregularity shall be allowed unless made within reasonable time, nor if the party applying has taken any fresh step after knowlcdge of the irregularity.

Objections to be stated in summons or notice.

O. 70, r. 3.—Where an application is made to set aside proceedings for irregularity, the several objections intended to be insisted upon shall be stated in the summons or notice of motion.

O. 70, r. 4.—When a summons is taken out to set asido any process or proceeding for irregularity with costs, and the summons is dismissed generally without any special direction as to costs, it is to be understood as dismissed with costs.

Applications at Chambers.

C.O.R. 304.—In every proceeding, civil or criminal, on tho Crown sido at chambers, the summons shall be issued from, and the order drawn up at, the Crown Office.

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C.O.R. 305.—No summons to show cause before a judge at chambers shall be issued in the following matters without the leave of a judge upon an ex parte application:—

(a.) For a writ of mandamus. . . . .

(d.) For a writ of prohibition. . . . .

Enforcement of Mandamus.

C.O.R. 217.—O. 42 of the Rules of the Supreme Court, 1883 (Execution), shall, as far as it is applicable, apply to all civil proceedings on the Crown side.

Enforcement of mandamus.

O. 42, r. 30.—If a mandamus, granted in an action or otherwise, or a mandatory order, injunction, or judgment for the specific performance of any contract be not complied with, the Court or a judge, besides or instead of proceedings against the disobedient party for contempt, may direct that the act required to be done may be done so far as practicable by the party by whom the judgment or order has been obtained, or some other person, appointed by the Court or judge, at the cost of the disobedient party, and upon the act being done, the expenses incurred may be ascertained in such manner as the Court or a judge may direct, and execution may issue for the amount so ascertained, and costs.

Corporation.

O. 42, r. 31.—Any judgment or order against a corporation wilfully disobeyed may, by leave of the Court or a judge, be enforced by sequestration against the corporate property, or by attachment against the directors or other officers thereof, or by writ of sequestration against their property.

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square brackets [ ],—the Crown Office Rules text in "Italic" type and within curved brackets ( ).

SELECTED PATENTS RULES, 1890 AND 1892—CONSOLIDATED.

BY virtue of the provisions of the Patents Designs and Trade Marks Acts, 1883 to 1888, the Board of Trade do hereby make the following Rules:—

Interpretation.

3. In the construction of these Rules, any words herein used defined by the said Acts shall have the meanings thereby assigned to them respectively.

Fees.

4. The fees to be paid under the above-mentioned Acts shall be those specified in the list of fees in the First Schedule to these Rules.

Hours of business.

7. The Patent Office shall be open to the public every weekday between the hours of ten and four, except on the days and times following:—

Christmas Day.
Good Friday.
The day observed as her Majesty's birthday.
The days observed as days of public fast or thanksgiving, or as holidays at the Bank of England.

Size, &c. of documents.

10. All documents and copies of documents, except Statutory Declarations and Affidavits, sent to or left at the Patent Office or otherwise furnished to the Comptroller or to the Board of Trade shall be written or printed in large and legible characters and unless otherwise directed in the English language upon strong wide ruled paper (on one side only), of a size of 13 inches by 8 inches, leaving a margin of two inches on the left-hand part thereof, and the signature of the applicants or agents thereto must be written in a large and legible hand. Duplicate documents shall at any time be left, if required by the Comptroller.

Power of amendment, &c.

16. Any document for the amending of which no special provision is made by the said Acts may be amended, and any irregularity in procedure, which in the opinion of the Comptroller may be obviated without detriment to the interests of any person, may be corrected, if and on such terms as the Comptroller may think fit.

16A. 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 these Rules, may be sent by a prepaid letter through the post, and if so sent shall be deemed to have been left, made, or given at the time when the letter containing the same would be delivered in the ordinary course of post. In proving such service or sending, it shall be sufficient to prove that the letter was properly addressed and put into the post. Service by post.

17. The statutory declarations required by the said Acts and these Rules, or used in any proceedings thereunder, shall be made and subscribed as follows:— Manner in which, and persons before whom, declaration is to be taken.

(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 her Majesty's dominions, before any court, judge, justice of the peace, or any officer authorised by law to adminster an oath there for the purpose of a legal proceeding; and

(c.) If made out of her 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 a notary public, or before a judge or magistrate.

17A. Statutory declarations and affidavits shall be headed in the matter or matters to which they relate. They shall be divided into paragraphs consecutively numbered, and each paragraph shall so far as possible be confined to one subject. Title of affidavit, &c.

51. The time prescribed by these Rules for doing any act, or taking any proceeding thereunder, may be enlarged by the Comptroller if he think fit, and upon such notice to other parties, and proceedings thereon, and upon such terms, as he may direct (*a*). Enlargement of time.

60. A petition to the Board of Trade for an order upon a patentee to grant a licence 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. Petition for compulsory grant of licences.

(*a*) It is open to doubt, perhaps, whether this rule, although expressed in general terms is intended to cover the cases provided for in Rules 46 and 66, below—seeing that in practice the referee appointed by the Board of Trade is seised of the proceedings when this stage is reached.

To be left with evidence at Patent Office.

61. The petition and an examined copy thereof shall be left at the Patent Office, accompanied by the affidavits, or statutory declarations (*a*), and other documentary evidence (if any) tendered by the petitioner in proof of the alleged default of the patentee.

Directions as to further proceedings unless petition refused.

62. Upon perusing the petition and evidence, unless the Board of Trade shall be of opinion that the order should be at once refused, they may require the petitioner to attend before the Comptroller, or other person or persons appointed by them, to receive his or their directions as to further proceedings upon the petition.

Procedure.

63. If and when a *primâ facie* case for relief has been made out to the satisfaction of the Board of Trade, the petitioner shall upon their requisition, and on or before a day to be named by them,

Petitioner's evidence.

deliver to the patentee copies of the petition and of the affidavits or statutory declarations and other documentary evidence (if any) tendered in support thereof.

Patentee's evidence.

64. Within 14 days after the day of such delivery the patentee shall leave at the Patent Office his affidavits or statutory declarations (*a*) in opposition to the petition, and deliver copies thereof to the petitioner.

Evidence in reply.

65. The petitioner within 14 days from such delivery shall leave at the Patent Office his affidavits, or statutory declarations in reply (*a*), and deliver copies thereof to the patentee; such last-mentioned affidavits or declarations shall be confined to matters strictly in reply.

Further proceedings.

66. Subject to any further directions which the Board of Trade may give the parties shall then be heard at such time, before such person or persons, in such manner, and in accordance with such procedure as the Board of Trade may, in the circumstances of the case, direct, but so that full opportunity shall be given to the patentee to show cause against the petition.

Entry of grant in register of patents.

67. Upon the sealing of a patent the Comptroller shall cause to be entered in the Register of Patents the name, address, and description of the patentee as the grantee thereof, and the title of the invention.

Request for entry of subsequent proprietorship.

68. Where a person becomes entitled to a patent or to any share or interest therein, by assignment either throughout the United Kingdom and the Isle of Man, or for any place or places therein, or by transmission or other operation of law, a request for the

(*a*) See scheme, par. 10, below, p. 349.

entry of his name in the register as such complete or partial proprietor of the patent, or of such share or interest therein, as the case may be, shall be addressed to the Comptroller, and left at the Patent Office.

72. There shall also be left with the request an attested copy of the assignment or other document above required to be produced. Copies for Patent Office.

As to a document which is a matter of record, an official or certified copy shall be left with the request in lieu of an attested copy.

73. A body corporate may be registered as proprietor by its corporate name. Body corporate.

75. Upon the issue of a certificate of payment under Rule 48, the Comptroller shall cause to be entered in the register of patents a record of the amount and date of payment of the fee on such certificate. Entry of payment of fees on issue of certificate.

76. If a patentee fails to make any prescribed payment within the prescribed time or any enlargement thereof duly granted, such failure shall be duly entered in the register. Entry of failure to pay fees.

77. An attested copy of every licence granted under a patent shall be left at the Patent Office by the licensee, with a request that a notification thereof may be entered in the register. The licensee shall cause the accuracy of such copy to be certified as the Comptroller may direct, and the original licence shall at the same time be produced and left at the Patent Office if required for further verification. Entry of licences. See Form 37, below, p. 364.

78. The register of patents shall be open to the inspection of the public on every week day between the hours of ten and four, except on the days and the times following:— Hours of inspection of register.

(a.) Christmas Day, Good Friday, the day observed as her Majesty's birthday, days observed as days of public fast or thanksgiving, and days observed as holidays at the Bank of England; or

(b.) Days which may from time to time be notified by a placard posted in a conspicuous place at the Patent Office;

(c.) Times when the register is required for any purpose of official use.

79. Certified copies of any entry in the register, or certified copies of, or extracts from, patents, specifications, disclaimers, affidavits, statutory declarations, and other public documents in the Patent Office, or of or from registers and other books kept there, may be furnished by the Comptroller on payment of the prescribed fee. Certified copies of documents.

80. Where, under these Rules, any person is required to do any act or thing, or to sign any document, or to make any declaration Power to dispense with evidence, &c.

on behalf of himself or of any body corporate, or any document or evidence is required to be produced to or left with the Comptroller, or at the Patent Office, and it is shown to the satisfaction of the Comptroller that from any reasonable cause such person is unable to do such act or thing, or to sign such document, or make such declaration, or that such document or evidence cannot be produced or left as aforesaid, it shall be lawful for the Comptroller, with the sanction of the Board of Trade, and upon the production of such other evidence, and subject to such terms as they may think fit, to dispense with any such act or thing, document, declaration, or evidence.

FIRST SCHEDULE.

LIST OF FEES PAYABLE ON AND IN CONNEXION WITH LETTERS PATENT.

	£	s.	d.
12. On application to the Board of Trade for a compulsory licence. By person applying	5	0	0
13. On opposition to grant of compulsory licence. By patentee	5	0	0

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27. For every entry of an assignment, transmission, agreement, licence, or extension of patent	0	10	0
30. Search or inspection fee . . . . . each	0	1	0
31. For office copies . . . . . every 100 words (but never less than one shilling)	0	0	4
32. For office copies of drawings, cost according to agreement.			
33. For certifying office copies, MSS. or printed . . each	0	1	0
35. For certificate of comptroller under section 96 . . .	0	5	0
36. For altering address in register	0	5	0

COMPULSORY LICENCES.

Scheme of Procedure under Section 22, and the Patents Rules 60—66, 1890 (*a*).

1. The Board of Trade on receiving petition and evidence (if any) will refer them to a legal expert in patent law.

2. Counsel will thereupon report to the Board of Trade whether in his opinion the order should at once be refused.

3. If the order is not at once refused, the Board of Trade will, upon counsel's report, require the petitioners to appear before him to receive his directions as to further proceedings.

4. After the attendance of the petitioner before counsel he will further report to the Board of Trade whether in his opinion a *primâ facie* case has been made out.

5. If a *primâ facie* case for relief has been made out to the satisfaction of the Board of Trade the Board will call upon the petitioners to deliver to the patentee, on or before a day to be named by them, copy of the petition and evidence in support.

6. When the evidence is complete under Rules 63—65, a copy of the petition and evidence will be submitted to counsel to advise as to further directions or the hearing of the petition under the provisions of Rule 66.

7. Counsel will thereupon advise the Board of Trade whether any further directions are necessary or whether the petition may be at once heard, fixing a time convenient to him, and the Board of Trade will direct the parties accordingly.

8. The hearing to take place at the Board of Trade or elsewhere as may be arranged.

The parties should be required to inform the Board beforehand whether they intend to appear in person or, if not, what counsel or patent agent (*b*) will represent them.

9. A shorthand note of the proceedings at the hearing to be taken.

10. All evidence prior to the hearing to be by affidavit (*c*).

(*a*) This document has been borrowed from the 3rd edition of Mr. Lawson's book upon the Patents, &c. Acts, p. 633, as it is not obtainable from official sources. Mr. Lawson appends a note to the effect that this scheme of procedure is understood not to be final, but it has been adopted by the Board of Trade in some recent cases.

(*b*) It is probably not intended by this rule to shut out solicitors from audience at the Board of Trade.

(*c*) This rule is not rigidly adhered to. See *Dunlop Patents—Wolverhampton Petition*, above, p. 264.

APPENDIX IV.

FORMS.

APPLICABLE TO PROCEEDINGS TO OBTAIN COMPULSORY LICENCE.

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[PATENT.] (Patent Office Form H.)

Form of Application for Compulsory Grant of Licence. 1.

[*To be accompanied by an unstamped copy.*]

*——— hereby request you to bring to the notice of the Board of Trade the accompanying petition for the grant of a licence to me by †———.

(Signed) ———.

NOTE.—The petition must clearly set forth the facts of the case and be accompanied by an examined copy thereof. *See* form H 1.

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

* Here state name and full address of applicant.
† Here state name and address of patentee, and number and date of his patent.

(Patent Office Form H 1.)

Form of Petition for Compulsory Grant of Licences. 2.

To the LORDS of the COMMITTEE of PRIVY COUNCIL for TRADE.

THE PETITION of (*a*) ——— of ——— in the county of ———, being a person interested in the matter of this petition as hereinafter described:—

SHEWETH as follows:—

1. A patent dated ——— No. ——— was duly granted to ——— for an invention of (*b*) ———.

2. The nature of my interest in the matter of this petition is as follows:—(*c*)

(*a*) Here insert name, full address, and description.
(*b*) Here insert title of invention.
(*c*) Here state fully the nature of petitioner's interest.

3. (*d*)

Having regard to the circumstances above stated, the petitioner alleges that by reason of the aforesaid default of the patentee to grant licences on reasonable terms (*e*)

Your petitioner therefore prays that an order may be made by the Board of Trade (*f*)

or that the petitioner may have such other relief in the premises as the Board of Trade may deem just.

(*d*) Here state in detail the circumstances of the case under section 22 of the said Act, and show that it arises by reason of the default of the patentee to grant licences on reasonable terms. The statement of the case should also show as far as possible that the terms of the proposed order are just and reasonable. The paragraphs should be numbered consecutively.

(*e*) Here state the ground or grounds on which relief is claimed in the language of section 22, sub-sections (a), (b), or (c), as the case may be.

(*f*) Here state the purport and effect of the proposed order and the terms as to the amount of royalties, security for payment, or otherwise, upon which the petitioner claims to be entitled to the relief in question.

3.

See above, p. 160 *et seq.*

Petition (Levinstein's Case).

Petition for Compulsory Grant of Licences (Amended).

To the Lords of the Committee of Privy Council for Trade.

The petition of Levinstein Limited of Minshull Street Manchester in the County of Lancaster chemical manufacturers and of Ivan Levinstein managing director of the said company, being persons interested in the matter of this petition.

Sheweth as follows:—

Patentees' title.

A patent dated the 11th day of June 1889 and numbered 9,642 was granted to Oliver Imray of 28 Southampton Buildings London, patent agent for an invention communicated to him by the Farbwerke vormals Meister Lucius and Brüning of Hoechst-am-Maine, in the German Empire relating to the production of oxysulphonic acids of naphthalin. The said patent was by deed dated the 24th day of May 1892 duly assigned by the said Oliver Imray to the

Farbwerke vormals Meister Lucius & Brüning hereinafter called the patentees. The assignment so made was duly registered at the Patent Office on the 27th day of May A.D. 1892 and the patentees have been from the date of the said registration and still are the duly registered patentees under the said grant. Another patent dated the 26th day of September A.D. 1889 and numbered 15,176 was also granted to the said Oliver Imray for an invention in like manner communicated to him by the patentees relating to improvements in the production of amidonaphtholmono-sulphonic acids and the manufacture of their diazo compounds and azo colouring matters therefrom which said patent was by deed dated the 24th day of May A.D. 1892 duly assigned by the said Oliver Imray to the patentees. The assignment so made was duly registered at the Patent Office on the 27th day of May A.D. 1892 and the patentees have been from the date of the said registration and still are the duly registered patentees under the said grant. Both the said patents are now in force having been maintained by due payment of all renewal fees accrued due in respect of the same.

Privileges in question.

2. The privileges granted to the said patentees by the said patents include *inter alia* the exclusive right to use within this realm the following processes of manufacture, that is to say :—

(a) The production of oxynaphthalinsulphonic acids by heating the naphthol di- and tri-sulphonic acids with caustic alkalies.

(b) The production of amido naphthol sulphonates by heating betanaphthylamine disulphonic acids with caustic alkalies under or without pressure to 200—280 deg. C.

Patentees' default.

3. The patentees are manufacturing chemists who carry on their manufacture at Hoechst-am-Maine in the German Empire aforesaid and they there manufacture dye-stuffs by the processes above mentioned; but the patentees and the said Oliver Imray have wholly failed to introduce the use of the said processes or of any of them within the realm and have not at any time attempted so to do. It is on the contrary the settled commercial policy of the patentees to prevent the introduction and use of their patented processes within this realm. They import and sell the products of these manufactures at prices greatly in excess of the prices at which they sell the same products to their customers in other countries and they make use of their privileges under the said patent grants for no other purpose than to exclude other manufacturers and to raise the prices of the said commodities in the British market. Dye-stuffs manufactured in accordance with the

said processes are in large demand within this realm for the treatment of Manchester and other goods some of which are intended for export to markets in which foreign manufacturers compete with British manufacturers and the preference granted by the patentees to their foreign customers is a great hindrance to British trade in such foreign markets. Thus by reason of the default of the patentees the grants of privilege so as aforesaid made to them are mischievous and cause hurt of trade and are prejudicial and inconvenient to her Majesty's subjects in general.

Petitioners' invention and interest in relief sought.

4. Your petitioners are manufacturing chemists carrying on their manufacture upon a large scale at Crumpsall Vale Works, Blackley, Manchester in the County of Lancaster, and they have great facilities for the carrying on of the said patented processes and for the production of dye-stuffs thereby. They have by themselves and by the predecessors of the petitioning company in business been for a long time engaged in the production of colouring matters and have conducted numerous and costly experiments as the result of which they have introduced from time to time many improvements in the manufacture of such dye-stuffs in connection with which they carry on an extensive manufacture and trade. They have recently discovered a process by which valuable new dye-stuffs can be manufactured which dye-stuffs are improvements upon the dye-stuffs so as aforesaid manufactured by the patentees in Germany and by them imported and sold within this realm. Other similar improved dye-stuffs have similarly been discovered by your petitioners and they are still conducting experiments from which they hope that further discoveries of the same kind will result. But the valuable new dye-stuffs referred to can only be manufactured by employing the patented processes above mentioned and your petitioners Levinstein Limited did therefore apply to the patentees for a licence to manufacture under their said patents. The patentees have refused to entertain the said application for a licence and still refuse to grant such licence as is necessary to enable your petitioners to introduce the patented manufactures into use within this realm and to work and use to the best advantage the said inventions of which your petitioners are possessed.

Refusal of licence.

Petitioners' ability to work licence.

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

Limited and their successors and assigns are set out in the schedule appended hereto.

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

That the petitioners may have such other relief in the premisses as the Board of Trade may deem just.

IVAN LEVINSTEIN.

The Common Seal of Levinstein Limited was hereunto affixed in presence of
JOHN B. LONSDALE,
JOSEPH LEIGH, } Directors.
JOHN WILSON, Secretary. } (L.S.)

Heads of Proposed Agreement, being the Schedule above mentioned to the foregoing Petition. **4.**

SCHEDULE.

HEADS OF AGREEMENT between Farbenwerke vormals Meister Lucius & Brüning as licensors and Levinstein Limited their successors and assigns as licensees to use the processes patented under patents Nos. 9,642 of 1889 and 15,176 of 1889.

1. Licence to run for unexpired term of patents. Term.

2. Full power to be granted to the licensees to use the patented processes in the manufacture of raw materials and dye-stuffs during the continuance of the licence. Nature of licence.

3. Licensees to pay royalty at the rate of ten per centum upon the net profits arising from the sale of the dye-stuffs so manufactured. Royalty rate.

4. Accounts to be made up and rendered half-yearly by the licensees to licensors together with a payment of the amount of royalty shown to be due. Usual covenants to be entered into as to keeping, rendering and auditing of accounts. First account to be made up to the 30th day of June 1898 and rendered within three months thereafter. Accounts.

Pushing trade.

5. Licensees to push the sale of the goods manufactured by the patented processes.

Security for payment of royalty.

6. Payment of royalties to be secured by deed of covenant entered into by licensees.

Protection of licensees.

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

Maintenance of patents.

8. Licensors to defend the patents and the privileges thereby granted against revocation and infringement.

Revocation of licence.

9. Licence to determine after a reasonable notice by either party (but in any case not less than one month and in the event of a breach capable of amendment, after notice to amend) in the event of a breach by the other party of any of the covenants in the licence contained and to determine upon notice as aforesaid by the licensors in case the royalties in any one year fall below 50*l*. and upon like notice by the licensees in case the patents or either of them be declared invalid in any proceedings by the judgment of any competent tribunal or be infringed with impunity for a period of twelve months continuously after notice by the licensees to the licensors of the infringement complained of: Provided that notice shall not be given under this clause upon the footing of a judgment declaring the patents or either of them to be invalid until the time for appealing from any such judgment by law allowed shall have expired nor then if an appeal have been entered until such appeal be determined nor unless in the event such judgment so appealed from shall stand. But a judgment given on appeal may itself form the ground of a notice to determine under this clause but it shall be lawful for the licensees upon the delivery of any such adverse judgment to suspend payment of royalties and if in the result the patents or patent be not upheld without amendment then when the right under this clause shall have become absolute to give notice *nunc pro tunc*: Provided that in any case arising under this clause it shall be at the option of the licensees to give notice to determine in respect of either or of both the patents and the licence shall thereupon determine in whole or in part accordingly.

Arbitration.

10. All differences in respect of matters arising out of the licence and the covenants in the deed of licence contained to be referred to the arbitration of an indifferent person to be from time to time nominated by the Board of Trade.

11. Deed embodying the foregoing terms to be drawn up forthwith by the licensees and submitted for approval and execution to the licensors by whom it is to be approved and returned with amendments within four weeks. In the event of difference between the parties as to the terms or provisions of the deed the matters in difference may from time to time be referred by either party to Mr. ——— or failing him to some other conveyancing counsel who shall have authority to determine the point or points in difference and to settle the deed or any part thereof so referred to him. The draft so settled to be binding on both parties. Preparation of deed.

Affidavit. 5.

See P. R. 17A, above, p. 345.

AT THE BOARD OF TRADE.

In the matter of the Patents, Designs, and Trade Marks Acts, 1883 to 1888; and
In the matter of Patent No. —— of ——— granted to ———; and
In the matter of the Petition of ———.

AFFIDAVIT OF ——— IN SUPPORT OF THE SAID PETITION.

I ——— of ——— make oath and say as follows:—

1.

2. &c.

As these affidavits may have eventually to be used in proceedings for mandamus it is proper to observe the R. S. C. and C. O. R. so far as these are applicable. See above, p. 328 *et seq.*

[PATENT.] (Patent Office Form I.)

Form of Opposition to Compulsory Grant of Licence. 6.

* ——— hereby give notice of objection to the application of ——— for the compulsory grant of a licence under patent No. ——— of 18 .

(Signed) ———.

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

* Here state name and full address.

7. Patentees' Answer.

AT THE BOARD OF TRADE.

In the matter of the Patents, Designs, and Trade Marks Acts, 1883 to 1888; and

In the matter of the Patents Nos. 9,642 of 1889 and 15,176 of 1889 granted to Oliver Imray and assigned to Farbwerke vormals Meister Lucius and Brüning; and

In the matter of the Petition of Levinstein Limited and Ivan Levinstein for an order for a compulsory licence under the above-mentioned patents.

ANSWER OF THE RESPONDENTS.

Admission as to title,

(1.) The patentees admit that they are the proprietors of the patents No. 9,642 of 1889 and No. 15,176 of 1889.

—as to privilege.

(2.) They admit also that the privileges granted to them by the said patents include *inter alia* the exclusive right to use within this realm the following processes of manufacture that is to say:—

(a) The production of oxynaphthalinsulphonic acids by heating the naphthol di- and tri-sulphonic acids with caustic alkalies.

(b) The production of amido naphthol sulphonates by heating betanaphthylamine disulphonic acids with caustic alkalies under or without pressure to 200°—250° C.

Denial of patentees' default.

(3.) It is not true that the patentees have wholly failed to introduce the use of the said processes or any of them within the realm and that they have not at any time attempted to do so.

The products of these patented processes, viz.:—the oxynaphthalin sulphonic acids and the amidonaphtholsulphonates have not hitherto been used in Great Britain. Although the patentees are and have always been quite willing to supply any person with these products *at a low* price, as the petitioners well know, yet hitherto there has been no demand for these products in Great Britain. It is therefore not by default of the patentees that these patents have not been worked in England.

The patentees will work them in England as soon as they find that these products are required in England.

Denial of petitioners' possession of invention.

(4.) As chemical manufacturers, the patentees have naturally a strong interest in becoming informed as to all new dye-stuffs invented, but, notwithstanding the most careful investigations, they have not succeeded in finding that the petitioners have invented a dye-stuff of value for manufacturing purposes, for the production of which they require the patented processes.

The petitioners buy from the patentees many products which are not protected by patents but which serve for the manufacture of dye-stuffs, but, although they know that they can procure these patented products also from the patentees, they never have negotiated with the patentees concerning a supply of these.

The patentees have therefore reason to believe that the petitioners have no invention of any industrial importance for the manufacture of which they need the patented processes.

Charge of infringement against petitioners.

(5.) The petitioners have supplied products made by the patented process (b) to manufacturers in Switzerland and have offered to supply manufacturers in France with the said products.

As the petitioners have no works except in England, and as it is not likely that they purchased these products from other manufacturers, they have undoubtedly manufactured in England the products sold by them in Switzerland thus infringing the patent No. 15,176 of 1889.

Offer of licensee.

(6.) If the petitioners will satisfy the patentees that they have an invention for carrying out which they require the licences referred to in their petition, the patentees will be ready to grant such licences, but they would strongly object to some of the conditions set forth in the schedule annexed to the petition.

Royalty rate.

Referring to Clause 3 of the schedule, a royalty reckoned at the rate of 10 per cent. on the nett profit is utterly unreasonable, for it means that while the patentees, who have made a successful invention and have been put to great labour and expense in completing and protecting it, are to have only one-tenth of the profit, the licensees, who have had none of the merit or of the labour and expense attending the invention, are to have nine times as much.

Moreover, there are so many difficulties in ascertaining what nett profits are that a percentage of these would be a very indefinite amount. In almost all cases royalty is put at a definite charge per unit of weight or measure, or, when it is reckoned as a percentage, it is not on the nett profit or even gross profit, but upon the selling price.

The patentees are willing to accept a royalty reckoned at fourpence per lb. of the product manufactured according to patented processes.

Protection of licensees.

Referring to Clause 7 of the schedule, the patentees refuse to be bound as to terms of licences to other parties or to the selling price of the licensees. If the petitioners, as they allege, require the licences only in order that they may carry out inventions of their own, and not that they may sell the products, it cannot matter to them what terms the patentees may make with other manufacturers.

If again the petitioners desire the licence in order that they may manufacture and sell the products, they have no ground to demand such licences, unless they prove that "by reason of the default of "the patentees the patent is not being worked in the United "Kingdom, or that the reasonable requirements of the public with "respect to the invention cannot be supplied." The patentees, as already stated, are prepared to prove that there is and has been no demand in the United Kingdom for the products in question and that it is through no default of theirs that the patents are not worked and the public not supplied.

Referring to Clause 8 of the schedule, no patentee, even when he grants a licence voluntarily, undertakes, except under special circumstances, to defend his patent or to attack infringers; much less in the case of a compulsory licence should any such condition be imposed.

Respondents' case summarised.

On the grounds hereinbefore set forth, and considering that there is no demand, in the United Kingdom, for the products of the patented processes, that the patentees are quite willing and ready to supply these products at moderate prices when they are required, and to manufacture them in England when there is sufficient demand—and finally that the petitioners are not possessed of any invention which they are prevented by the patent in question from working or using to the best advantage, the patentees respectfully submit that the prayer of the petitioner should be refused, or that if the Lords of the Committee of Privy Council for Trade should decide that a licence is to be granted to the petitioners, that licence should be such as to provide for a fair royalty to the patentees, without subjecting them to unreasonable conditions.

Dated this 30th day of November, 1897.

ABEL & IMRAY,
Agents for the Patentees.

Order for a Compulsory Licence. 8.

See above, p. 105 *et seq.*

In the matter of the Patents, Designs, and Trade Marks Acts, 1883 to 1888; and

In the matter of Letters Patent No. 9,642 of 1889 and of Letters Patent No. 15,176 of 1889; and

In the matter of a Petition of Levinstein Limited of Minshull Street Manchester in the county of Lancaster, chemical manufacturers and of Ivan Levinstein managing director of the said company (hereinafter called the petitioners) to the Board of Trade for an order for a compulsory licence under the said patents.

WHEREAS by section 22 of the Patents, Designs and Trade Marks Act, 1883, it is enacted "If on the petition of any person interested it is proved to the Board of Trade that by reason of the default of a patentee to grant licences on reasonable terms— Recitals. The enactment.

(a.) The patent is not being worked in the United Kingdom; or

(b.) The reasonable requirements of the public with respect to the invention cannot be supplied; or

(c.) Any person is prevented from working or using to the best advantage an invention of which he is possessed,

the Board may order the patentee to grant licences on such terms as to the amount of royalties, security for payment, or otherwise as the Board, having regard to the nature of the invention and the circumstances of the case, may deem just, and any such order may be enforced by mandamus.

And whereas, on the 11th of June 1889, a patent numbered 9,642 was granted to Oliver Imray, of 28, Southampton Buildings, London, patent agent, for an invention communicated to him by The Farbwerke vormals Meister Lucius and Brüning, of Hoechst-am-Maine, in the German Empire (hereinafter called the patentees), relating to the production of oxysulphonic acids of naphthalin: And whereas, on the 24th of May 1892, the said patent was duly assigned by the said Oliver Imray to the patentees, which said assignment was, on the 27th of May 1892, duly registered at the Patent Office: Grant of patent. Assignment.

And whereas, on the 26th of September 1889, another patent numbered 15,176 was also granted to the said Oliver Imray for an invention, in like manner communicated to him by the patentees, relating to improvements in the production of amidonaphthol-monosulphonic acids, and the manufacture of their diazo compounds and azo colouring matters therefrom: And whereas, on the 24th of May 1892, the said patent was duly assigned by the said Oliver Imray to the patentees, which said assignment was, on the 27th of Grant of second patent. Assignment.

Petition.

May 1892, duly registered at the Patent Office: And whereas the petitioners presented a petition to the Board of Trade under the said section for an order that the patentees, under the said Letters Patent No. 9,642 of the 11th of June 1889, and No. 15,176 of the 26th of September 1889, should grant to the petitioners a licence under or in respect of the inventions described and claimed in and by the specifications of the said respective letters patent: And whereas, on consideration of the said petition and of the matters therein mentioned, it has been proved to the Board of Trade that the said petitioners are persons interested in the matter of the said petition, and that by reason of the default of the patentees to grant licences on reasonable terms the said patents are not being worked in the United Kingdom, and that by reason of the default aforesaid the said petitioners are prevented from working and using to the best advantage certain inventions of which they are possessed:

See above, p. 248.

Default of patentees.

Order.

Now, therefore, the Board of Trade, in exercise of the power conferred upon them by sect. 22 of the Patents, Designs, and Trade Marks Act, 1883, and of all other powers enabling them in this behalf, do hereby order as follows:—(1) That a licence, to take effect from the date of this order and in the form set forth in the schedule hereto (*a*), be forthwith granted by the patentees to the petitioners to make, use, exercise, and vend within the United Kingdom the inventions described and claimed in and by the specifications of the said letters patent Nos. 9,642 and 15,176 of 1889 for the unexpired residues of the respective terms of the said letters patent at a royalty of one halfpenny for each pound weight avoirdupois of products made by the licensees under the said letters patent or either of them, but so that in each year a minimum royalty of 250*l.* per annum, shall be paid by the licensees, and the patentees shall forthwith deposit such licence duly executed by them with the Board of Trade. (2) The said petitioners, before the 6th day of August 1898, shall execute and deposit with the Board of Trade a counterpart licence in the form aforesaid, and in default of their doing so this order shall be of no effect.

Form of licence.

Royalty.

Execution and delivery of licence.

Dated this 6th day of July 1898.

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

(*a*) The schedule here referred to is comprised in the next formula—Form 9—of this collection.

Compulsory Licence. (15 R. P. C. 743.) 9.

(Levinstein form—being the schedule attached to the foregoing order for a compulsory licence and therein referred to as "the schedule hereto.")

See above, p. 116 *et seq.*

THIS INDENTURE, made the ——— day of ———, between The Farbwerke vormals Meister Lucius and Brüning, of Hoechst-am-Maine, in the Empire of Germany (hereinafter called the patentees), of the one part, and Levinstein, Ld., and Ivan Levinstein, managing director of Levinstein, Ld., of Minshull Street, Manchester, in the county of Lancaster (hereinafter called the licensees), of the other part: Whereas, by an order of the Board of Trade dated the 6th day of July 1898, and made under section 22 of the Patents, Designs, and Trade Marks Act, 1883, it was ordered that a licence, to take effect from the date of the said order, should be granted by the patentees to the licensees to make, use, exercise, and vend the inventions described in the letters patent hereinafter mentioned (to the benefit of which the patentees are entitled) in the form set out in the schedule to the said order, being the form of these presents: Now, this indenture witnesseth that in pursuance of the said order the patentees do hereby grant to the licensees licence within the United Kingdom to make, use, exercise, and vend the inventions described and claimed in and by the specifications of the letters patent Nos. 9,642 and 15,176 of 1889 mentioned in the said order; to hold, exercise, and enjoy the said licence for and during all the residues now to come and unexpired of the respective terms of the said letters patent, and during any further term for which the said letters patent or either of them may be extended; and the licensees hereby covenant with the patentees that the licensees will, during the continuance of this licence, pay to the patentees half-yearly, on every 6th day of January and 6th day of July, royalties at the rate of a halfpenny for each pound weight avoirdupois of product made by the licensees under the said letters patent or either of them in the half-years then ending respectively: Provided always that if the royalties payable in any year ending on the 6th day of July shall not have amounted to the sum of 250*l.*, the licensees shall on such 6th day of July, pay to the patentees such further sum as with the said royalties shall amount to the said sum of 250*l.*, hereinafter called the yearly rent. The licensees do hereby also covenant with the patentees that the licensees will, during the continuance of the licence, keep proper accounts in separate books containing full particulars of all products made by them under this

Parties.

Recital of the order

and of patentees' title.

Testatum.

Habendum.

Covenant for royalty.

Proviso for minimum royalty.

Covenant to keep accounts,

licence, and of all other things which may be material for the purpose of showing the amounts payable to the patentees by way of royalty, and will at any time produce the same for the inspection of the patentees or any person appointed by them, who shall be at liberty to make copies from or extracts from any of the accounts or matters therein contained, and that the licensees will within ten days after each of the half-yearly days aforesaid deliver to the patentees an account in writing, showing all the particulars and matters aforesaid with respect to the products made during the preceding half-year: And it is hereby agreed and declared that the patentees shall be at liberty at any time during the continuance of this licence to enter upon any factory or place of business of the licensees in which the manufacture of the said products shall be carried on at any reasonable hour with a view of obtaining all such information as may be material for the purpose of ascertaining the amount of royalty payable to them under this licence: And it is hereby also agreed and declared that if any payment of royalties or yearly rent under this licence shall be in arrear for one month after the same shall have become due (whether payment thereof shall have been demanded by the patentees or not), or if the licensees shall make default in the performance of any obligation on their part herein contained, and shall not have made good the same within fourteen days after the patentees shall have by notice in writing required them to do so, then the patentees may, with the consent of the Board of Trade, by notice in writing to the licensees, revoke this licence as from the date of such notice without prejudice to the right of the patentees to recover any monies then due hereunder: And it is hereby also agreed and declared that if the said letters patent or either of them shall become void or shall be declared by a Court of law to be void the licensees may, with the consent of the Board of Trade, by notice in writing to the patentees revoke this licence.

—to produce accounts for inspection,

—to render accounts.

Agreement as to inspection of factory.

Agreement as to revocation of licence by the patentees,

—by the licensees.

AS WITNESS, &c.

9a. Compulsory Licence.

(*Another form—Hulton and Bleakley Licence.*)

Parties. Recital. The statement of parties and the recital are the same *mutatis mutandis* as in the last preceding form (9).

The deed continues as follows:—

Testatum. NOW THIS INDENTURE WITNESSETH that in pursuance of the said order the patentees do hereby grant to the licensees licence

within the United Kingdom to make(*a*) and use the inventions described and claimed in and by the specifications of the letters patent No. 5,470 of 1886 and No. 5,989 of 1888, mentioned in the said order.

The habendum is in the same terms as in the preceding form (9). The licensee's covenant for royalties is as follows:— Habendum.

The licensees covenant with the patentees that the licensees will during the continuance of the licence pay to the patentees yearly on every 27th day of July (the first payment to be made on the 27th July, 1899) the sum of twenty pounds as royalty in respect of each machine in connexion with which the licensees shall at any time during the year ending on such 27th day of July have used the inventions contained in the said letters patent or either of them. Covenant for royalties.

The remaining covenants, agreements and declarations are *mutatis mutandis* the same in both deeds. See preceding form (9). Covenants for accounts, &c.

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10 to 36 (inclusive).—Clauses.

The following skeleton of a deed of licence will facilitate reference to the subjoined clauses:—

	CLAUSE
Parties	10
Recitals—	
patent and licensor's title thereto	11
order (*or agreement*) for licence	12 & 12a
Testatum	13 to 13e
Habendum	14 to 14d
Reddendum	15
Covenants on the part of Licensee—	
to pay royalty	16 to 16d
to keep accounts	17 & 17a
to submit accounts	18
to render accounts	19
to verify accounts	20
to push the invention	21 & 21a
to permit licensor to inspect factory	22
to mark licensed goods	23 to 23b
(Note on other Covenants by the Licensee.)	
Covenants on the part of Licensor—	
for title	24
for quiet enjoyment	25 to 25c
for most favourable terms	26
to restrain infringements	27
to keep the patent on foot	28
to communicate and license improvements	29
for further assurance	30
Mutual covenant to arbitrate	31
Provisoes—	
for power to revoke	32 to 32e
for power to average yearly payments	33
for mutuality of covenants	34
for delivery of notices	35
(Note as to other Provisoes.)	
Declaration as to Interpretation of Deed	36
(Note as to Exclusive Licences.)	

(*a*) This is at variance with the order which directed a licence to use only. See above, p. 248.

10.

Parties.

THIS INDENTURE made the ——— day of ———. Between ——— (who together with their executors administrators and assigns are hereinafter called the patentees) of the one part and ——— ([who together with their executors administrators and assigns are] hereinafter called the licensees) of the other part.

O, above, p. 363.

For another form adapted to a licence assignable in certain events, see 4 B. 801.

11.

Recital of the Patent and Patentee's Title.

See above, pp. 117, 121.

WHEREAS the patentee is in possession of certain letters patent granted to him the said patentee being No. ——— of the year ——— for improvements in ——— and claims to be entitled to the full benefit thereof.

12.

Recital of the Order.

See above, p. 117.

WHEREAS by an order of the Board of Trade dated the ——— and made under section 22 of the Patents Designs and Trade Marks Act, 1883, it was ordered that a licence to take effect from the date of [the said order] [the execution of these presents by the licensee] should be granted by the patentees to the licensees to make use exercise and vend the inventions in respect of which the said letters patent are granted in the form set out in the schedule to the said order being the form of these presents.

O, above, p. 363; *Levinstein's Petition*, 15 R. P. C. 743.

*** *It will be understood that the forms above given have been freely moulded for the purpose of adapting them to use in this connexion. The substance will be found, but not always the precise language, in the authorities referred to. In the above references:—*

O = *the official form already adopted at the Board of Trade.*

M = *Morris's Patents Conveyancing.*

12a.

Another form (Recital of the Agreement).

WHEREAS the patentee has agreed with the licensees to grant to them an exclusive licence to manufacture, use and vend the said inventions which are worked in the market by the name of Thomson's Patent Combined Circulator and Feed Water Heater for Steam Boilers.

This recital held one among other indications that the agreement was not revocable by the licensors: *Guyot* v. *Thomson*, 11 R. P. C. 553.

13.

Testatum.

See above, pp. 119, 121.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said order and in consideration of the royalties hereinafter expressed to be payable by the licensee and of the covenants on the part of the licensee hereinafter contained the licensor doth hereby grant unto the licensee [and his assigns] full liberty and licence [within the district being ——— miles in radius from ———] to [make] use exercise [and vend] the said invention [so far as the same shall be applicable to the manufacture of].

F. 776; M. 245; 4 B. 800; E. 826.

13a.

Another form (from a Memorandum of Agreement).

IN PURSUANCE of the said agreement the said (licensor) hereby agrees with the (licensee) to and doth hereby concede and give to him the right to manufacture broughams or landaulettes and other carriages as mentioned in the said specification upon which the said letters patent are granted, subject to the said licensee's paying to the licensor the sum and entering into the agreement next herein contained.

Held on the authority of *Crossley* v. *Dixon*, 10 H. L. Ca. 293, that the licensee could revoke this licence by simple repudiation: *Redges* v. *Mulliner*, 10 R. P. C. 27.

13b.

Another form (from a Memorandum of Agreement).

THE SAID *F. Cutlan*, in consideration of the sum of fifty pounds now paid or to be forthwith paid to him by the licensee, and of such further sums to be paid as hereinafter provided, agrees to let on

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T = *Terrell's Law of Letters Patent* (*3rd ed.*).

E = *Edmunds on Patents* (*2nd ed.*).

F = *Frost's Patent Law and Practice* (*2nd ed.*).

B = *Bythewood and Jarman's System of Conveyancing* (*4th ed.*).

K = *Key and Elphinstone's Precedents of Conveyancing* (*4th ed.*).

hire to the licensee, who agrees to take one of his patent shoe-lasting machines, numbered ——— with the attachments and apparatus thereto as set forth in the first schedule to this licence, to be used and employed in England, but not elsewhere, in the manufacture of boots and shoes under and subject to the terms and conditions of this licence which the licensee agrees to observe and perform and such machinery may, subject to the provisions hereinafter contained, be employed by and for the use of the licensee during the licence term as hereinafter defined in the manufacture of boots and shoes and the licensee may sell or otherwise dispose of or use boots and shoes in the manufacture whereof the said machinery shall have been employed in accordance with the conditions of this licence and may authorise any other person to sell or otherwise dispose of or use such boots and shoes. Any additional apparatus or attachments required by the licensee will not be included in the licence, and shall be purchased of *the said F. Cutlan* and paid for by the licensee as extras, except any additional tacker or tackers supplied or which may at any time hereafter be supplied and which, though paid for as extras, shall be deemed to be included in the licence and *shall* remain the property of *the said F. Cutlan*.

Cutlan v. *Dawson*, 13 R. P. C. 711; 14 R. P. C. 250.

13c.

Another form (combining Testatum and Habendum in one clause).

The said patentee in consideration of 150*l.* paid as beneficial owner grants unto the licensees their executors administrators and assigns the full, sole and exclusive licence to use and exercise the inventions and each of them during the unexpired residues of the terms of the said letters patent respectively or any renewal or extension thereof and to manufacture sell and dispose of all circulators and feed water heaters manufactured according to the said inventions or either of them when and as the licensees shall think fit for their absolute benefit.

Held that these words amount to more than a mere licence and imply a covenant on the part of the patentee not to revoke: *Guyot* v. *Thomson*, 11 R. P. C. 554.

*** *It will be understood that the forms above given have been freely moulded for the purpose of adapting them to use in this connexion. The substance will be found, but not always the precise language, in the authorities referred to. In the above references:—*

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M = *Morris's Patents Conveyancing.*

13d.

Another form (from a Memorandum of Agreement).

(*The licensee*) to have during the continuance of the patents, if he shall so long live, the sole right (subject to the licence dated 14th April 1894 and subject as hereinafter mentioned) of constructing in the United Kingdom and France wheels and towers and other works in accordance with the inventions in respect of which the said patents were granted or any improvement thereof.

Held, no implied right of user: *Basset* v. *Graydon*, 14 R. P. C. 716.

13e.

For a testatum limiting the licence to "the feed mentioned "in the first claim of the specification" see the report of *Grover* v. *Millard*, 8 Jur. N. S. 714, for one limiting it to the use of the invention with particular cables see *Muirhead* v. *Commercial Cable Co.*, 12 R. P. C. 44.

14.

Habendum.

See above, p. 122.

to have, hold, exercise and enjoy the said licence unto and by the licensee [and his assigns] for and during all the residue now to come and unexpired of the respective terms of the said letters patent [and during any further term for which the said letters patent or either of them may be prolonged].

M. 245. This is substantially the same as the habendum in the official form above p. 363 except that in the official form the characteristic word "have" is omitted.

14a.

Another form (Term certain).

during all the residues now unexpired of the terms of years granted by the said letters patent respectively and during all the prolongations or extensions if any, of the same terms or any of them respectively.

Held that there was no apportionment of royalty to any particular patent and that the licensee had agreed to pay royalty for using any of the processes covered by the patents —even lapsed patents—so long as any of the patents continued in existence: *Siemens* v. *Taylor*, 9 R. P. C. pp. 397, 400.

For another form to the like effect, see *Muirhead* v. *Commercial Cable Co.*, 12 R. P. C. 44.

T = *Terrell's Law of Letters Patent* (3rd ed.).
E = *Edmunds on Patents* (2nd ed.).
F = *Frost's Patent Law and Practice* (2nd ed.).
B = *Bythewood and Jarman's System of Conveyancing* (4th ed.).
K = *Key and Elphinstone's Precedents of Conveyancing* (4th ed.).

14b.

Another form (Term certain).

During the continuance of the licence.

Held to be in the special circumstances of the case equivalent to "during the term of this licence" and to import a term certain: *Guyot* v. *Thomson*, 11 R. P. C. 554.

14c.

For another form limiting the licence to the term of the patent and any extension thereof, see Clause 13c above: *Guyot* v. *Thomson*, 11 R. P. C. 554.

As to the non-revocable character of a licence granted for a term certain, see the observations of Chitty, L.J., in *Cutlan* v. *Dawson*, 14 R. P. C. 254.

14d.

For another form limiting the licence to the term of the licensee's natural life, see Clause 13d above: *Basset* v. *Graydon*, 14 R. P. C. 716.

15.

Reddendum.

YIELDING AND PAYING unto the licensor 100*l.* by equal half-yearly payments of 50*l.* each in advance on the 1st day of January and the 1st day of July in every year the first half-yearly payment to be made on the 1st day of January next for the half-year ending the 30th day of June, 1888, and the last to be made on the 1st day of July, 1901.

Mills v. *Carson*, 9 R. P. C. 344. For another form adapted to the case of a rateable royalty, see M. 245. This is, no doubt, a superfluous and probably an inappropriate clause in a deed of licence pure and simple. See above, p. 124.

16.

Covenant to pay Royalty.

See above, p. 124.

and the licensees hereby covenant with the patentees that the licensees [or their assigns] will during the continuance of this licence pay to the patentees or to their assigns half-yearly on every ——— day of ——— and ——— day of ——— royalties at the rate of ——— for every pound weight avoirdupois of product made by the licensees [or by their assigns] under the said letters patent or either of them in the half-years then ending severally [and further

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*** *It will be understood that the forms above given have been freely moulded for the purpose of adapting them to use in this connexion. The substance will be found, but not always the precise language, in the authorities referred to. In the above references:—*

O = *the official form already adopted at the Board of Trade.*

M = *Morris's Patents Conveyancing.*

that if the royalties payable in any year ending on the ——— day of ——— shall not have amounted to the sum of ———*l.* the licensees will on such ——— day of ——— pay to the patentees such further sum as with the said royalties shall amount to the said sum of 250*l.* hereinafter called the yearly rent] [provided always &c. (see proviso for averaging royalties below Clause 33)].

O, above, p. 363; see also Form 9a, p. 365.

16a.

Another form (referring expressly to the Specification).

And the licensee in consideration of the concession or licence hereinbefore contained doth hereby promise, declare and agree with the licensor that he, the licensee, will allow and pay or cause to be allowed and paid unto the licensor his executors administrators and assigns the royalty of 5*l.* for each brougham or landaulette or other carriage manufactured by the licensee at his own cost and expense under the design or principle as mentioned or set forth in the said specification.

Redges v. *Mulliner*, 10 R. P. C. 21.

16b.

Another form (from a Memorandum of Agreement).

The said (*licensees*) agree to pay to the said (*licensors*) the sum of 1*s.* as a royalty in respect of each and every folding mail cart which they manufacture under this agreement during the first year, and the sum of 1*s.* 6*d.* during the second, third, and subsequent years of this agreement.

Lines v. *Usher*, 14 R. P. C. 207.

16c.

Another form (securing Rent and Royalty—from Memorandum of Agreement).

The licensee shall pay to *the said licensor*, by way of licence rent for the use of the machinery, the sum of 1*l.* per calendar month, payable on the first day of every such month after the date hereof during the continuance of this licence; and in the event of the said rent's not being punctually paid, the licensee shall be chargeable with interest at the rate of 10*l.* per cent. per annum on the amount for the time being in arrear, but without prejudice to the determination clause hereinafter contained. Any fraction of a month, from

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F = *Frost's Patent Law and Practice* (*2nd ed.*).
B = *Bythewood and Jarman's System of Conveyancing* (*4th ed.*).
K = *Key and Elphinstone's Precedents of Conveyancing* (*4th ed.*).

the date hereof to the first day of the next calendar month, shall be considered as an entire month, and the whole monthly rent shall be paid in respect thereof without any deduction or apportionment.

In this case the licence was in the form of an agreement by which a patented machine was let to hire: *Cutlan* v. *Dawson*, 13 R. P. C. 711; 14 R. P. C. 250.

16d.

Another form (Minimum Royalty—from a Memorandum of Agreement).

In consideration of the granting by the said *licensors* to the said *licensees* of the licence hereby conferred [for the term of three years from the 1st April 1892] the said *licensees* agree to pay royalty upon a minimum number of one gross every month during the continuance of this agreement.

Lines v. *Usher*, 13 R. P. C. 686.

17.

Covenant to keep Accounts.

See above, p. 125.

and the licensees do also hereby covenant with the patentees that the licensees will during the continuance of this licence keep at their ordinary place of business proper accounts in separate books containing full particulars of all [products made](*a*) by them under this licence and of all other things which may be material for the purpose of showing the amounts from time to time payable to the patentees by way of royalty.

O, above, p. 363.

For other forms see T. 539; 2 K. 378; 4 B. 800; E. 826; F. 777.

17a.

Another form (to Account by purchasing Plates).

and it is hereby agreed that the said royalty shall be paid by the purchase of licence plates as hereinafter provided.

* * * * * *

and the said (licensee) covenants that he will from time to time

(*a*) This covenant occurs in a licence to manufacture and would obviously require moulding to suit the case of a licence to sell; in which case the words within the bracket would become [sales effected]; or of a royalty calculated upon profits in which case they would become [profits made] or other cases according to circumstances.

*** *It will be understood that the forms above given have been freely moulded for the purpose of adapting them to use in this connexion. The substance will be found, but not always the precise language, in the authorities referred to. In the above references:—*

O = *the official form already adopted at the Board of Trade.*

M = *Morris's Patents Conveyancing.*

during the continuance of the licence purchase from the said (licensor) at least ten licence plates every month and at the time of each such purchase pay the sum of 1*l.* sterling for each of such plates; and also that he will not use or sell or otherwise dispose of or expose to public view any machine made by virtue of the said licence without first affixing to such machine on some conspicuous part thereof one of such licence plates.

Grover v. *Millard*, 8 Jur. N. S. 714.

18.

Covenant to submit Accounts.

and will produce the said books to the licensor or to his assigns or to his or their agent or agents at all reasonable times for inspection and the taking of copies or extracts therefrom and will at his own expense obtain and give to the licensor or his assigns or to his or their agent or agents as the case may be all such information as to any item or matter contained or which ought to be contained therein as shall be reasonably required.

M. 246 (see also the official form above, p. 364) and 4 B. 801; E. 826.

19.

Covenant to render Accounts.

and that the licensees will within ten days after each and every of the half-yearly days aforesaid [and also within ten days after the day of the determination of this licence by effluxion of time or otherwise] make up their said accounts to such half-yearly or other day and send to the patentees a written statement of all products (*a*) by such accounts shown to have been made by them as aforesaid and of all royalties by such accounts shown to have accrued due to the patentees within the period covered by such statement of account and of all royalties under this licence payable to the patentees at the date to which the said statement of account is made up.

For another form see the official form of licence (9), above, p. 364.

(*a*) See note appended to Clause 17 above, p. 372.

T = *Terrell's Law of Letters Patent* (3*rd ed.*).
E = *Edmunds on Patents* (2*nd ed.*).
F = *Frost's Patent Law and Practice* (2*nd ed.*).
B = *Bythewood and Jarman's System of Conveyancing* (4*th ed.*).
K = *Key and Elphinstone's Precedents of Conveyancing* (4*th ed.*).

20.

Covenant to verify Accounts.

and will if and when required by the licensor or by his assigns but at the expense of the licensee verify or procure some fitting person [in his employ] to verify the said statement of account or any part or parts thereof by statutory declaration.

M. 247; 4 B. 800.

21.

Covenant to push the Invention.

that the licensees will at all times during the continuance of this licence advertise and push the sale of the said inventions and use their best endeavours to further their success.

Guyot v. *Thomson*, 11 R. P. C. 553.

21a.

Covenant to Work according to Specification.

See above, p. 128.

and also that the licensee will not during the continuance of this licence manufacture any article to which the said invention can be applied otherwise than [so as that the said invention shall be applied to the same] (or) [as in the said specification described].

For other forms of this covenant, see M. 248; 2 K. 379; E. 826.

22.

Covenant to permit Licensor to inspect Factory.

See above, p. 126.

and also that the licensees will permit the licensor or his assigns at all reasonable times in business hours during the continuance of this licence to enter any place of the licensees where the [manufacture] [or sale] of the said articles shall be carried on for the purpose of ascertaining the state and extent of such [manufacture] [or sale] and whether all the covenants on the part of the licensees herein contained have been or are being duly performed.

M. 248; F. 777. See also the official form (9), above, p. 364.

23.

Covenant to Mark licensed Goods.

See above, p. 128.

and will mark every article manufactured by him under this licence with the words "——'s patent."

It must be borne in mind in connexion with this covenant that the marking of goods with the word "patent" may prove

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*** *It will be understood that the forms above given have been freely moulded for the purpose of adapting them to use in this connexion. The substance will be found, but not always the precise language, in the authorities referred to. In the above references:—*

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M = *Morris's Patents Conveyancing.*

an obstacle to their exportation to foreign countries where they may be unpatented.

A very elaborate form of this covenant is given in M. 247.

For another form see 2 K. 378.

23a.

Another form (intended to facilitate Accounting).

and each such brougham shall have printed or stamped thereon a number to be given by the said (licensor).

Redges v. *Mulliner*, 10 R. P. C. 22.

23b.

Another form (from a Memorandum of Agreement).

the licensee will at all times during the licence term keep affixed to the machinery in a permanent and substantial manner the metal plate or plates now affixed thereto, upon which are the number of the machine and the name of *F. Cutlan*.

This term was introduced for the security of the licensor in a case in which the licence was to use a patented sewing machine, the machine itself being let to hire to the licensee. *Cutlan* v. *Dawson*, 13 R. P. C. 711.

Other Covenants by the Licensee.

In addition to the foregoing covenants the following are very commonly found in licences:

(a) A covenant not to assign the licence or to grant sub-licences—which seems to be superfluous. *Bower* v. *Hodges*, 22 L. J. C. P. 198; *Lawson* v. *Macpherson*, 14 R. P. C. 696.

(b) A covenant not to dispute the validity of the patent—which seems to be either superfluous or improper. See above, p. 128.

(c) A covenant to notify the licensor of infringements coming to the knowledge of the licensee—a very *special provision not suitable for any ordinary case of* a concurrent licence. Forms, if required, can be found in M. 248 and T. 541. See above, p. 128.

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K = *Key and Elphinstone's Precedents of Conveyancing* (*4th ed.*).

(d) A covenant to communicate to the licensor any improvements upon the patented invention which may come to the licensee's knowledge. This again is a provision of a very special and not generally applicable character. For form see M. 249. See also the reciprocal covenant by the licensor, below, Clause 29, p. 379.

24.

Covenant for Licensor's Title.

and the licensor doth hereby covenant with the licensee that notwithstanding anything by him the licensor done omitted or knowingly suffered the said letters patent are now valid and subsisting and not void or voidable and that notwithstanding as aforesaid he the licensor now hath power to grant the premisses in manner aforesaid.

M. 247. This is not commonly used in licences unless granted upon payment of a lump sum or annuity and demands careful consideration in view of the circumstances of the individual case. See above pp. 119, 120.

For a form of *testatum* implying covenants for title by the use of the technical words "as beneficial owner," see Clause 13c above p. 368. This form was held not suitable to the creation of a mere licence. See the judgment of Lindley, L.J., in *Guyot* v. *Thomson*, 11 R. P. C. 554.

25.

Covenant for quiet Enjoyment.

and the *licensor* covenants with the *licensees* that the *licensees* paying the said sum during the residue of the said term they shall peaceably and quietly hold, exercise and enjoy the licence hereby granted [with power to sublet and authorise others to use the said invention] without any legal interruption or disturbance by the licensor or any other person whomsoever.

Semble the covenantor must indemnify the covenantee against the consequences of allowing the patent to lapse: *Mills* v. *Carson*, 10 R. P. C. 16.

This covenant is quite unusual in licences and might prove very onerous in case the licensee were attacked by the owner of an earlier patent. But it is one that has a special import-

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ance in circumstances such as those which will usually give rise to applications for compulsory licences and should be carefully considered on both sides. Probably the result intended to be secured by it would be better attained by a power of revocation similar to that found in the official form but arising in case the working of the invention is prevented by right paramount to that of the patentee. See below Clause 32c, p. 381.

25a.

Another form (limited to the Acts of the Licensor).

and further that the right to use the said invention to the extent and in the manner and subject to the covenants herein contained shall be quietly and peaceably exercised used and enjoyed by the licensees without any interruption or disturbance whatsoever by or from the patentee or any person claiming under or in trust for him.

4 B. 804.

25b.

Another form (limited to particular Acts of the Licensor).

and the *licensor* will not at any time during the term exercise or use or authorise others to exercise or use the said invention within the United Kingdom or elsewhere without the consent in writing of the *licensees* first had and obtained.

Mills v. *Carson*, 9 R. P. C. 345.

It is not usual for the licensor to enter into this covenant except in the case of an exclusive licence but there is special and cogent reason why in the case of a compulsory licence a covenant in the general sense of this one, but moulded so as to protect the licensee only against unfair—not against all—competition should be introduced. See above p. 130. The exigency is largely met by a covenant to grant most favourable terms; Clause 26 below p. 378; but circumstances may well arise calling for a still larger measure of protection for the licensee.

25c.

Another form.

The patentee undertakes not to deal with his patents in the United Kingdom or with any patent right granted or to be granted in France in respect of his inventions, or to grant any licences in

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tho United Kingdom or France in respect of these inventions without making proper provision for protecting and preserving (the licensee's) rights to construct under the agreement.

Basset v. *Graydon*, 14 R. P. C. 713.

26.

Covenant to grant the most favourable terms to the Licensee.

See above, p. 130.

If whilst this licence is in force the patentee shall at any time grant any licence or permission to any other person or persons for the use of tho said invention in the United Kingdom, and shall reserve any annual payment or charge any price for the said licence or permission lower than the annual payments and price reserved under and by virtue of this indenture, then the annual payments and price thenceforward payable to tho patentee shall be reduced to an amount equal to the lowest price reserved and payable for the use of the said invention by such other person.

T. 542. For other forms of this covenant see M. 231, and 4 B. 803.

27.

Undertaking to restrain Infringement (from a Memorandum of Agreement).

See above, p. 130.

The *patentees* shall during the continuance of this agreement at their own costs and charges by all means in their power protect and defend tho said letters patent from all infringements by any person.

Held that the patentee was obliged (1) to keep the patent in force by payment of renewal fees. (2) To take action against infringers: *Lines* v. *Usher*, 14 R. P. C. 209.

For other forms of this covenant see 2 K. 380; F. 778.

28.

Covenant to keep the Patent on foot.

See above, p. 131.

The licensor will during the continuance of this licence pay all fees necessary for the renewal of the said letters patent ——— days at least before the latest times appointed for the payment thereof respectively [and will if and when required by the licensee produce the certificate to him of any payment thereof or permit the licensee to pay any one or more of such fees and to deduct the amount of the same if and when so paid by him from the amount of royalties

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or other sums for the time being due hereunder] and also will generally perform and observe the conditions of the said letters patent and the licensor will at all times during the continuance of this licence at his own cost defend every proceeding for revocation of the said letters patent.

M. 238.

It may be proper in some cases to supplement this covenant with a covenant not to amend the specification without the licensee's consent.

For a covenant ancillary to the above restricting the patentee from hazarding the patent in litigation without the consent of the licensor see *Guyot* v. *Thomson*, 11 R. P. C. 553.

29.

Covenant to communicate and licence Improvements.

See above, p. 133.

This grant is made for the whole period during which the patents shall last. The inventors bind themselves moreover, at the request of the company, to give them during the continuance of the agreement, the benefit of all improvements and modifications which they may discover in the said duplex apparatus, whether they be or be not by letters patent or otherwise legally protected, but in that case the present contract shall be prolonged for a period equal to the term of any new patents that may be taken out.

Muirhead v. *Commercial Cable Co.*, 12 R. P. C. 44.
For other forms, see M. 249; 2 K. 379.

30.

Covenant for further Assurance.

and also that the licensor will at all times hereafter at the request and expense of the licensee make do execute and perfect every such act deed matter and thing as shall be necessary for more perfectly and effectually vesting in the licensees the full and absolute licence and authority to use the said invention in manner and subject to the reservations and covenants aforesaid.

4 B. 804.

31.

Covenant for Arbitration.

See above, p. 133.

and it is hereby mutually covenanted agreed and declared that in case any dispute or question shall arise between the parties hereto [or their respective executors administrators or assigns] in

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respect of the premisses or of the construction of this deed or of any rights duties or liabilities of any party hereunder the same shall be referred to the determination of a single arbitration under the provisions of the Arbitration Act 1889 or of any statutory modification of the same.

For other forms see 4 B. 804 and M. 55 (which however were drafted before the passing of the Arbitration Act 1889).

32.

Proviso for Revocation by the Licensor.

See above, pp. 126, 127.

PROVIDED ALWAYS that if any payment of royalties [or yearly rent] under this licence shall be in arrear for one month after the same shall have become due (whether payment shall have been demanded by the patentees or not) or if the licensees shall make default of the performance of any duty on their part to be performed arising out of the premisses and shall not have made good the same within fourteen days after notice in writing by the patentees given to them so to do then the patentees may with the consent of the Board of Trade by notice in writing to the licensees revoke this licence as from the date of such last-mentioned notice without prejudice to the right of the patentees to recover any moneys then due hereunder.

O, above, p. 364.

32a.

Another form.

PROVIDED ALWAYS, that if any breach or default shall be made in the observance or performance of any one or more of the terms and conditions herein contained and expressed to be obligatory on the licensee, or if default shall be made in the payment, as and at the times hereinbefore provided, of any royalty rent or other moneys hereby made payable, then, and in any and every such case, it shall be lawful for the said licensor forthwith to determine this licence, notwithstanding that previous breaches or defaults may have been unnoticed or condoned by or on behalf of the said licensor, and the license may be determined accordingly. Provided, further, that if at any time whilst this agreement shall be in force, the person or persons who for the time being shall be

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entitled to the benefit thereof, or any or either of them, shall be adjudicated bankrupt under any law now or hereafter in force, the said agreement shall forthwith cease, determine, and become void as to any future operation thereof. See above, p. 128.

In this case the patented machine was let to hire. *Cutlan* v. *Dawson*, 13 R. P. C. 712; 14 R. P. C. 250.

For other forms of this proviso see E. 827.

32b.

Proviso for Revocation by the Licensee.

PROVIDED ALSO that if the said letters patent or either of them shall become void or shall be declared by a Court of law to be void the licensees may with the consent of the Board of Trade by notice in writing to the patentees revoke this licence [as from the date of such notice]. See above, p. 128.

O, above, p. 364.

32c.

Another form.

PROVIDED ALSO that if the said letters patent or either of them shall become void or ineffectual to secure to the licensee the privileges by this licence conferred on him or purported so to be conferred by reason of prior patent right or of unrestrained use of the said invention by persons not licensed thereunder or for any other cause then and in any such case the licensees may with the consent of the Board of Trade by notice in writing to the patentees revoke this licence, the said consent of the Board of Trade to be signified by a certificate to that effect under the hand of the president or a secretary or under-secretary of the said Board. See above, p. 128; also p. 376 (note to Clause 25).

32d.

Another form.

IN case the licensees shall at any time hereafter be desirous of determining the licence hereby granted and of such desire shall give six calendar months' notice in writing to the patentee at his last known place of abode in England, then and in such case the licence hereby granted shall at the expiration of such period of six calendar months' notice absolutely determine.

Guyot v. *Thomson*, 11 R. P. C. 553.

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32e.

Proviso for Revocation by either Party.

THIS agreement may be terminated at the end of three years from the date hereof by either party upon six calendar months' notice to that effect and after the expiration of three years it may be terminated in like manner upon six calendar months' notice to expire on the 1st day of April.

Lines v. *Usher*, 13 R. P. C. 686.
For other forms of this proviso see 2 K. 381; F. 778.

33.

Proviso for averaging Yearly Payments.

See above, p. 125.

PROVIDED ALWAYS that if the rent for any half-year shall exceed the total amount of the royalty calculated *pro ratâ* in the same half-year the licensee shall be entitled in the succeeding half-year and for any one or more half-years thereafter (so far as necessary for the purpose) for which respectively the total amount of royalty due shall exceed the rent to a remission of so much of the excess of such royalty over such rent as will make up to him the excess of payment in the half-year for which the rent shall have exceeded the royalty calculated *pro ratâ* as aforesaid.

M. 230.

34.

Proviso for Mutuality of Covenants.

PROVIDED ALWAYS, that the covenants herein contained are to be deemed mutual covenants and that the performance by either party of all his covenants aforesaid under which any duty shall as at any time have become due for performance shall be a condition precedent to the enforcement by such party at such time of any covenant on the part of the other party to be performed.

There is, so far as the author is aware, no precedent for a proviso in this form but it is worthy of consideration in view of *Mills* v. *Carson*, 10 R. P. C. 16.

35.

Proviso for Delivery of Notices.

PROVIDED ALSO, that any notice statement of account or other writing intended to be given hereunder may be given to the licensor or licensee as the case may be personally or by leaving the same addressed to him at his usual or last known place of abode or by sending the same through the post in a registered letter addressed

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as aforesaid and if sent by post it shall be deemed to have been received at the time when it would be delivered in the ordinary course of post.

For another form see M. 242.

Note as to other Provisoes.

Other powers than those already provided for above which are sometimes reserved by proviso—or as a matter of form by agreement—are

(a.) To suspend payment of royalties while the licensor omits to take proceedings to restrain infringement - - - - - -	M. 231
(b.) To licensor to use his own discretion as to taking action against infringers - - -	T. 542
(c.) To licensor to amend the specification - -	T. 543
(d.) To licensor to grant concurrent licences -	M. 242
(e.) To licensee to commute royalties - - -	M. 234

36.

Declaration (Interpretation Clause).

In the construction of this licence, unless repugnant to the context, the singular shall include the plural, and the masculine the feminine, and *vice versâ;* and the words and expressions interpreted by this clause shall have the meanings assigned to them by this clause—that is to say

Here followed definitions of the expressions "The Machinery" and "Licence Term."

Cutlan v. *Dawson*, 13 R. P. C. 712; 14 R. P. C. 251.

As to the abuse of interpretation clauses see the observations of Esher, M.R., in the above case.

Note as to Exclusive Licences.

It is conceived for reasons stated above at p. 104 that the Board of Trade will probably not make an order for an exclusive licence. If a precedent in that form be required several such may be found in Morris's Patents Conveyancing,

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K = *Key and Elphinstone's Precedents of Conveyancing* (*4th ed.*

pp. 250 to 287. Precedents are also given in Terrell's Law of Letters Patent (3rd ed.), p. 544, in Edmunds on Patents (2nd ed.), p. 827, in Bythewood & Jarman's Conveyancing (4th ed.), Vol. 4, p. 812. A very elaborate exclusive licence, covering four different patents to various grantees and limited to the County of Lancaster with the exception of the town of Liverpool, is recited in *Chanter* v. *Leese*, 4 M. & W. 295; a very simple and extremely inaccurate one, in the form of an agreement, is set out in *Lines* v. *Usher*, 13 R. P. C. 686, and again at 14 R. P. C. 207; and another, equally imperfect, is set out in *La Société* v. *Midland Lighting Co.*, 14 R. P. C. 419.

[PATENT.] (Patent Office Form M.)

37.

Form of Request to enter Notification of Licence in the Register of Patents.

See P. R. 77, above, p. 347.

SIR,

I hereby transmit an attested copy of a licence granted to me by ——— under Patent No. ——— of 188—, as well as the original licence for verification, and I have to request that a notification thereof may be entered in the register.

I am, Sir,

Your obedient Servant,

———.

(*a*) ———.

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

(*a*) Here insert full address.

(Crown Office Form No. 37.)

38.

Writ of Mandamus.

VICTORIA, by the Grace of God, &c. to ——— of ——— greeting.

Whereas by [*here recite Act of Parliament, or Charter, if the act required to be done is founded on either one or the other*]. And whereas we have been given to understand and are informed in the Queen's Bench Division of our High Court of Justice before us that [*insert necessary inducement and averments*]. And you the

said —— were then and there required by [*insert demand*] but that you the said —— well knowing the premises, but not regarding your duty in that behalf then and there wholly neglected and refused to [*insert refusal*] nor have you or any of you at any time since —— in contempt of Us and to the great damage and grievance of —— as we have been informed from their complaint made to Us. Whereupon we, being willing that due and speedy justice should be done in the premises as it is reasonable, do command you the said —— and every of you firmly enjoining you that you [*insert command*] or that you show Us cause to the contrary thereof, lest by your default the same complaint should be repeated to Us and how you shall have executed this our writ make known to Us in our said Court at the Royal Courts of Justice, London, forthwith then returning to Us this our said writ, and this you are not to omit.

Witness, &c.

To be indorsed.

By Order of Court [*or* of Mr. Justice ——].

At the instance of ——.

This writ was issued by, &c.

No precedent exactly in point for the filling up of this form has yet appeared but several precedents that may usefully be consulted will be found in Short & Mellor's Crown Office Practice, pp. 688 to 703. See in particular Form CCXII. p. 694.

Endorsement of Writ of Summons for a Mandamus under O. 53 of R. S. C. 39.

See above, p. 143 and p. 321.

The plaintiff's claim is for a mandamus commanding the defendant forthwith to execute in favour of the plaintiff a deed of licence under a certain patent No. —— of 18— granted to the defendant and to deliver the said deed by depositing it at the office of the Board of Trade in accordance with the exigency of an order made against the defendant by the Board of Trade on the —— day of —— under the provisions in that behalf of the Patents Designs and Trade Marks Acts 1883 to 1888.

Notice of Motion for Interlocutory Mandamus. 40.

(*Title of Action.*)

See above, pp. 153, 321.

Take notice that the Court will be moved on *Monday* next the —— day of —— at —— o'clock in the forenoon or so soon

thereafter as counsel can be heard by Mr. ——— of counsel for the *plaintiff* that a mandamus may be granted to command you forthwith to execute in favour of the plaintiff a deed of licence under a certain patent No. ——— of 18— of which you are now the grantee and to deliver the said deed by depositing the same at the office of the Board of Trade in accordance with the exigency of an order made against you by the Board of Trade on the ——— day of ——— under and by virtue of the provisions in that behalf of the Patents Designs and Trade Marks Acts 1883 to 1888.

Dated the ——— day of ———.

——— Solicitor for the *plaintiff*.

To the defendant and to
Mr. ——— his solicitor.

N.B.—It may be that O. 52 r. 4 as to motions to enforce awards will be held to apply to this case. See above, p. 333.

(Crown Office Form No. 199.)

41. Affidavit of Service of Notice.

In the High Court of Justice,
Queen's Bench Division.

[*When in a cause on the Crown side of the Court, insert the title of the cause, but not otherwise.*]

I, A. B., of, &c., make oath and say :—

[*When not personal.*] 1. That I did on the ——— day of———, serve C. D., one of the persons to whom the notice hereunto annexed is directed, with the said notice, by delivering a copy of the said notice to ———, and leaving the same with [*the wife, clerk, or servant of*] the said ——— at the residence of the said ———, situate at ——— in the county of ———.

[*When personal.*] 2. That I did on the ——— day of ———, also serve E. F., another of the persons to whom the said notice is directed, with the said notice, by delivering a copy of the said notice personally to the said ——— at ———, in the county of ———.

Sworn, &c.

(Crown Office Form No. 200.)

Affidavit of Personal Service of Order. **42.**

[*Heading as in No.* 199, *i.e. Form No.* 41.]

I, A. B., of, &c., make oath and say:—

That I did on the ——— day of ——— 188—, personally serve C. D., mentioned in the order hereunto annexed, with the said order, by delivering a true copy of the said order to the said C. D. personally at ——— in the county of ———. And at the same time showing to the said C. D. the said original order.

Sworn, &c.

(Crown Office Form No. 201.)

Affidavit of Service of Order not Personal. **43.**

[*Heading as in No.* 199, *i.e. Form No.* 41.]

I, A. B., of, &c., make oath and say:—

That I did on ——— the ——— day of ——— 188—, serve C. D., mentioned in the order hereunto annexed, with the said order, by delivering a true copy of the said order to ———, and leaving the same with [*the wife, clerk, or servant*] of the said C. D. at the dwelling-house [*or* office] of the said C. D., situate at ———, in the county of ———. And at the same time showing to the said ——— the said original order.

Sworn, &c.

(Crown Office Form No. 202.)

Affidavit of Personal Service of Writ. **44.**

[*Heading as in No.* 199, *i.e. Form No.* 41.]

I, A. B., of, &c., make oath and say:—

That I did on the ——— day of ———, personally serve C. D. named in the writ of ——— hereunto annexed with the said writ, and which said writ appeared to this deponent to be duly and regularly issued out of, and under the seal of this honourable Court, by delivering a true copy of such writ to the said ——— personally, at ——— in the county of ———. And at the same time showing to the said C. D., the said original writ.

Sworn, &c.

(Crown Office Form No. 39.)

45. Writ of Prohibition.

VICTORIA by the grace of God &c. to the Lords of the Committee of the Privy Council appointed for the consideration of matters relating to trade and plantations commonly called the Board of Trade greeting:

Whereas we have been given to understand that you the said Board of Trade have received a petition in the matter of ——'s Patent No. —— from one —— of —— for an order for a compulsory licence under the said patent in favour of the said ——. And that you the said Board of Trade have no jurisdiction to hear and determine the said petition by reason that (*here state the facts showing want of jurisdiction*).

We therefore prohibit you from further proceeding in the matter of the said petition.

Witness, &c.

This writ was issued by, &c.

(Patents, &c. Act, 1883, 1st Schedule, Form **D.**)

46. Form of Patent.

See Patents Act, s. 33, above, p. 298.

VICTORIA, by the grace of God, of the United Kingdom of Great Britain and Ireland, Queen, Defender of the Faith: To all to whom these presents shall come greeting:

Patentee.

Whereas *John Smith*, of 29, *Percy Street*, *Birmingham*, in the county of *Warwick*, *Engineer*, hath by his solemn declaration represented unto us that he is in possession of an invention for "*Improvements in Sewing Machines*," that he is the true and first inventor thereof, and that the same is not in use by any other person to the best of his knowledge and belief:

Recital of patentee's petition.

And whereas the said inventor hath humbly prayed that we would be graciously pleased to grant unto him (hereinafter together with his executors, administrators, and assigns, or any of them, referred to as the said patentee) our Royal letters patent for the sole use and advantage of his said invention:

Complete specification

And whereas the said inventor hath by and in his complete specification particularly described the nature of his invention:

And whereas we being willing to encourage all inventions which may be for the public good, are graciously pleased to condescend to his request: Inducement.

Know ye, therefore, that we, of our especial grace, certain knowledge, and mere motion do by these presents, for us, our heirs and successors, give and grant unto the said patentee our especial licence, full power, sole privilege, and authority, that the said patentee by himself, his agents, or licensees, and no others, may at all times hereafter during the term of years herein mentioned, make, use, exercise, and vend the said invention within our United Kingdom of Great Britain and Ireland, and Isle of Man, in such manner as to him or them may seem meet, and that the said patentee shall have and enjoy the whole profit and advantage from time to time accruing by reason of the said invention, during the term of fourteen years from the date hereunder written of these presents: Grant.

And to the end that the said patentee may have and enjoy the sole use and exercise and the full benefit of the said invention, We do by these presents for us our heirs and successors, strictly command all our subjects whatsoever within our United Kingdom of Great Britain and Ireland, and the Isle of Man, that they do not at any time during the continuance of the said term of fourteen years either directly or indirectly make use of or put in practice the said invention, or any part of the same, nor in anywise imitate the same, nor make or cause to be made any addition thereto or subtraction therefrom, whereby to pretend themselves the inventors thereof, without the consent licence or agreement of the said patentee in writing under his hand and seal, on pain of incurring such penalties as may be justly inflicted on such offendors for their contempt of this our Royal command, and of being answerable to the patentee according to law for his damages thereby occasioned: Inhibition.

Provided that these our letters patent are on this condition, that, if at any time during the said term it be made to appear to us, our heirs, or successors, or any six or more of our Privy Council, that this our grant is contrary to law, or prejudicial or inconvenient to our subjects in general, or that the said invention is not a new invention as to the public use and exercise thereof within our United Kingdom of Great Britain and Ireland, and Isle of Man, or that the said patentee is not the first and true inventor thereof within this realm as aforesaid, these our letters patent shall forthwith determine, and be void to all intents and purposes, notwithstanding anything hereinbefore contained: Defeasance—if contrary to law, &c.

Another defeasance—for failure to pay fees;

—*to supply* public service.

Provided also, that if the said patentee shall not pay all fees by law required to be paid in respect of the grant of these letters patent, or in respect of any matter relating thereto at the time or times, and in manner for the time being by law provided; and also if the said patentee shall not supply or cause to be supplied, for our service all such articles of the said invention as may be required by the officers or commissioners administering any department of our service in such manner, at such times, and at and upon such reasonable prices and terms as shall be settled in manner for the time being by law provided, then, and in any of the said cases, these our letters patent, and all privileges and advantages whatever hereby granted shall determine and become void notwithstanding anything hereinbefore contained:

Saving for licences.

Provided also that nothing herein contained shall prevent the granting of licences in such manner and for such considerations as they may by law be granted:

Grant of favourable construction.

And lastly, we do by these presents for us, our heirs and successors, grant unto the said patentee that these our letters patent shall be construed in the most beneficial sense for the advantage of the said patentee. In witness whereof we have caused these our letters to be made patent this ——— one thousand eight hundred and ——— and to be sealed as of the ——— one thousand eight hundred and ———.

Seal of Patent Office.

[PATENT.] (Patent Office Form **Q.**)

47. Certificate of Comptroller-General.

Patent Office, London,

———, 18—.

I, ———, Comptroller-General of Patents, Designs, and Trade Marks, hereby certify

To (*a*) ———.

(*a*) Here insert name and full address of person requiring the information.

[PATENT.] (Patent Office Form R.)

Form of Notice for Alteration of an Address in Register. 48.

SIR,

(*a*) —— hereby request that —— address now upon the register may be altered as follows :—

(*b*) ——.

—— Sir,
Your obedient Servant,
——.

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

(*a*) Here state name or names and full address of applicant or applicants.
(*b*) Here insert new address.

APPENDIX V.

See above, p. 43.

CONSTITUTION OF THE BOARD OF TRADE.

(*Extract from the* London Gazette *from Tuesday September 5 to Saturday September* 9, 1786, p. 419.)

At the Court at St. James's the 6th day of September 1786.

PRESENT

THE KING'S MOST EXCELLENT MAJESTY IN COUNCIL.

* * * * * *

HIS MAJESTY having thought fit to revoke his Order in Council bearing date the fifth day of March 1784 appointing a Committee of Privy Council for the consideration of all matters relating to trade and foreign plantations and to declare the said Committee dissolved has been pleased to appoint a new Committee of Privy Council for the business above mentioned to consist of the following members, viz. :—

The Lord Archbishop of Canterbury,
The First Lord Commissioner of the Treasury,
The First Lord Commissioner of the Admiralty,
His Majesty's Principal Secretaries of State,
The Chancellor and Under-Treasurer of the Exchequer, and
The Speaker of the House of Commons.

And also such of the Lords of his Majesty's Most Honourable Privy Council as shall hold any of the following offices, viz. :—

The Chancellor of the Duchy of Lancaster,
The Paymaster or Paymasters-General of his Majesty's Forces,
The Treasurer of his Majesty's Navy,
The Master of his Majesty's Mint.

And his Majesty was at the same time pleased to order, That--

> The Speaker of the House of Commons of Ireland and such persons as shall hold offices in his Majesty's Kingdom of Ireland and shall be members of his Majesty's Most Honourable Privy Council in this kingdom should be members of the said Committee.

And also that

> Lord Frederick Campbell,
> Robert Lord Bishop of London,
> Lord Grantley,
> Sir Lloyd Kenyon, Master of the Rolls,
> The Honourable Thomas Harley,
> The Honourable Sir Joseph Yorke, K.B.,
> Sir John Goodricke, Bart.,
> William Eden, Esq.,
> James Grenville, Esq.,
> Thomas Orde, Esq.,

should be members of the said Committee.

And that the Right Honourable Lord Hawkesbury Chancellor of the Duchy of Lancaster and in his absence the Right Honourable William Wyndham Grenville be President of the said Committee (*a*).

The composition of the Board has altered since its formation rather through the course of nature and events than as the result of any intentional remodelling. By an Act of Parliament passed in 1867 (*b*) the office of Vice-President of the Committee was abolished and a parliamentary secretaryship to the Board of Trade was created instead and in 1835 the office of Treasurer of the Navy was abolished by Royal Warrant issued under 5 & 6 Will. 4, c. 35. The members of the Committee originally nominated have of course all been removed by death and not more than forty persons in all have been appointed to supply the vacancies which have arisen except in so far as these have been automatically supplied by the accession of *ex officio* members. The latest of the personal appointments was made in 1848 and at the present time the Board consists, except for the President, of *ex officio* members only.

(*a*) The terms of this Order, but with the commonly received date—23rd Aug. 1786—assigned to it, are extracted in Haydn's Book of Dignities (Ockerby's Edit. 1890), p. 267.

(*b*) 30 & 31 Vict. c. 72.

Its composition at the present moment (May 1899) would seem to be as follows:—

President	Mr. Ritchie.	
Members of the Board.	The Archbishop of Canterbury.	
	Mr. Arthur Balfour—First Lord of the Treasury.	
	Mr. Goschen—First Lord of the Admiralty.	
	Lord Salisbury—Foreign Secretary.	
	Lord Lansdowne—Secretary at War.	
	Mr. Chamberlain—Colonial Secretary.	
	Lord Geo. Hamilton—Secretary for India.	
	Sir Matthew White Ridley—Home Secretary.	
	Sir Michael Hicks-Beach—Chancellor of the Exchequer Under-Treasurer and Master of the Mint.	
	Mr. Gully—Speaker of the House of Commons.	
	Lord James of Hereford—Chancellor of the Duchy.	
	Lord Hopetoun—Paymaster-General.	
	Lord Cadogan—Lord Lieutenant of Ireland.	
	Lord Ashbourne—Lord Chancellor of Ireland.	

If membership of the Irish Privy Council be an office in Ireland within the meaning of the Order there would be several other names including those of the Prince of Wales and two royal dukes to be added to the list.

APPENDIX VI.

A PATENT COMPARED WITH A TRADE CHARTER.

See above, p. 8 and p. 33.

(*Reprinted from "Monopolies by Patents," p. 249.*)

FOR the purpose of this illustration the patent to John Gilbert for a water plough, granted by King James I. in 1618, is set out as a model, and the various extracts which it is proposed to bring to bear upon it by way of illustration are interpolated at appropriate places.

The patent to Jno. Gilbert is taken from Rymer's Fœdera, vol. 17, fo. 102. Rymer's reference to the original enrolment is A.D. 1618, Pat. 16, J. 1, p. 5.

De concessione libertatis Johanni Gilbert super machina ad promendum aquas inventa.

James by the grace of God &c. to all to whom theso presents shall come, Greeting,

Whereas our wellbeloved subject John Gilbert through his great Industry Travaile and Chargo in forraigne kingdoms and countries hath attayned invented and found out a certain new engine or instrument called or termed a water plough for the taking up of Sand Gravell Shelves or Banckes out of the River of Thames and other Havens Harbors Rivers or Waters wherewith they are choaked for the freer passage and safety of shipps and other vessells and whereas our said subject hath at his like Industrie Travaile and charges invented another Engine or Instrument for the raising of Waters in a greater quantitie and to a greater height than heretofore hath bin knowne or practised in these our Realmes which said Engin for raising of Waters is to be moved and driven either by some Current or Streame of Water, or, for want thereof, by strength of Horses and is very necessarye for the drawing and draining of Coal Pits and other Mines. And whereas it is supposed

Recital of the invention.

Dredger.

Pump.

Utility.

that the said several Engines are the proper invention of the said John Gilbert and are likely to prove of good and necessary use for the Service and Benefit of this our Realme.

Know ye therefore that Wee

Consideration.

Public good.

Bounty.

Tendring the common Good and Benifit that may redound hereby to our said Realme and Subjects and intending to reward and recompence the Industrie Travaile and Charges of the said John Gilbert bestowed and expended in and about the investigation and fynding out of the said Inventions Ensigns or Instruments above mentioned and the better to incourage other of our Subjects in such lawfull and commendable Labours and Indeavors as may tend to good Use and Service in this our Realme, without just cause of

Petition.

Greivance to anie our Subjects, at the humble Petition of the said John Gilbert, and in consideration of the yerelie Rent in and by these Presents reserved and payable to Us our Heires and Successors,

> This recital of the Royal regard for the public good in the grant of the patent may be compared with the considerations recited as leading up to the grant of an ordinary trade charter, and the following extract from the charter of Edward III. to the Drapers' Company of London may serve as an illustration :—
>
> (*a*) And whereas it has been shown to us and to our Council that people of divers mysteries of the City of London intermix themselves with the *Mystery of Drapery* and cause divers deceits and frauds in the use of the same mystery to the great damage of us and of our people. . . .

Especial grace, &c.

Grant of power to make.

Of our especial Grace, certain knowledge and meere Motion, have given and graunted, and, by these Presents, for Us our Heires and Successors, doe give and graunte full and sole Licence, Power, Priviledge and Authoritie unto the said John Gilbert his Executors Administrators and Assignes, that he the said John Gilbert, his Executors Administrators and Assigns, onely and none other by him or themselves or by his or their deputies servants workemen or agents, at all tymes and from tyme to tyme for and during the term of yeres hereafter in and by those presents graunted shall and may within this our Realme of England and dominion of Wales freelie and lawfully (b) make forme erect and frame the said Engine or Instrument called a Water-Plough or by what other name the same shall be called or soe many of the same as he shall think meete for taking upp sandes gravell shelves or bankes out of the said River of Thames and other havens harbors or rivers wherewith

(*a*) 1 Herbert, History of Livery Companies, 480.

they are hindered or choked; and alsoe the said other Engine or Instrument to be moved or driven by some Current of Water, or in default thereof by the Strength and Labor of Horses, for the raysing of Waters and drawing and drayning of Colepits and other Mynes herein before mentioned;

(b) Freelie and lawfully.

"Freely and lawfully make," &c.

This licence to carry on the industry *freely* signifies, I apprehend, unfettered by any trade regulations such as the Fellowships imposed upon their members and sometimes upon other craftsmen. The idea is expressed in many different ways in patent grants. In Ramsay's patent, for example, the King grants "full and free licence, privilege, power and authority" (*b*). In Mansell's Glass Patent (21 Ja. 1) it was "full and free liberty licence, &c., at his will and pleasure . . . to use, exercise, practise, set up and put in use the art, feat and mystery of melting and making all manner of drinking glasses, &c. and throughout this our Realme . . . and within every and any part of them . . . to make, erect and set up . . . furnaces &c. (*c*).

The Smalt patent is even more explicit. There the patentees have "full, free and lawful power, licence, &c., in all *and every county, city, town corporate and other towns*, villages, hamlets, and other places exempt as not exempt to make work and compound the said stuff called Smalt, and the same . . . to utter, sell and put to sale . . . to any painters, limners or other persons whatsoever within this our Realm or any part thereof . . . any law, statute, Act of Parliament, proclamation, restraint or any other matter, cause, or thing whatsoever to the contrary notwithstanding" (*d*).

A counter-vailing privilege.

Bearing of the grant on trading privileges.

That such powers operated in derogation of trading privileges is quite clear upon the history of trade in the Middle Ages. The petition from the Citizens of London and others mentioned in the following passage, extracted from Viner, may serve the purpose of illustration (*e*):—

Similarly Rot. Parl. 43 E. 3, ij. The City of London and other Cities and Boroughs petition that in accordance with their ancient franchises none should sell merchandises nor victual at retail if they were not enfranchised within the City, and "it was assented that those of London and no other sell at retail victual only, and this of the especial grace of the King till the next Parliament that it be well ruled and governed in the meantime to the common profit, and it is the intention of the King that no prejudice be done to the aliens who have franchises by charters of Kings."

The Complaint of the Stationers' Company concerning

(*b*) Ry. 17 Fœd. 122, misnumbered 722 in the original edition.
(*c*) 1 W. P. C. 21.
(*d*) 1 W. P. C. 9.
(*e*) Vin. Ab., *tit. Prerogative of the King* (U. c.) 5.

Roger Wooddo's patent mentioned above (*f*) is another case in point.

Nature of trading privileges.

On the other hand the importance to the patentee of being freed from interference on the part of the Fellowships and Guilds in the development of a new industry is manifest at a glance. It has only to be borne in mind that a trading company's charter quite commonly conferred power upon the Court of Assistants to "frame, constitute, ordain and make from time to time reasonable laws, statutes, ordinances, decrees and constitutions which to them [twelve] shall seem to be good, wholesome, useful, honest and necessary according to their sound discretions for the good rule, direction, government and correction of . . . . all other persons . . . . exercising and using the said mystery" (*g*).

An inventor whose invention had any merit from the point of view of the great public would be pretty sure to be corrected out of existence by the petty public whose trade he proposed to improve under a discipline of this domestic order.

Grant of power to use.

And the same Engines and Instruments, so to be made formed and framed, shall and may lawfullie and solye exercise, use and ymploye to and for the intents and purposes aforesaid within our said Realme of England and Dominion of Wales, and in everie part thereof, to and for his and there most Benifit Profit and Advantage, and the said Sands, Gravell, Banks or Shelves, by the use and helpe of the said Water Plough so to be taken upp as aforesaid, to land and lay on Shore, or otherwise to dispose of at his or their Will and pleasure, and for his and there best Benifit and Advantage.

Grant of power to sell or otherwise dispose of.

And that he the said John Gilbert his Executors Administrators and Assignes, by him or themselves, or his or their Deputyes, Servants, Workmen or Agents, after the same severall Engines and Instruments or either of them shall be by him or them made formed and framed as aforesaid, shall and may lawfullie for his or there Benifit, and at his and their Wills and Pleasures, within this our Realme of England and Dominion of Wales, graunte or dispose of the same to anie Person or Persons that shall bee desirous or willing to have or use the same for anie the intents and purposes aforesaid.

And,

Inducement.

To the ende that the said John Gilbert his Executors Administrators and Assignes may have and enjoye the full and sole Benifit and Commoditie of the making, forming, framing, using and

(*f*) See above, p. 34.
(*g*) Drapers' Charter of 4 Ja. 1; 1 Herbert, History of Livery Companies, 489.

disposing of tho said severall Engins or Instruments, by him devised and invented as aforesaid, within our said Realmo of England and Dominion of Wales for tho termo of Yeres by theis Presents graunted, as a Recompenco which We intend the said John Gilbert for his Labor Industry and Chargo expended and employed in and about tho attaynement of tho premisses.

To the end that. Tho importance of this clause as settling tho logical connection between the different parts of the patent is worthy of consideration. As here expressed, it indicates quite clearly that the grant made by the patent is to take effect by virtue of the prohibition following, thus assigning to what has gone before the rank of a declaration of intention as against the effectual act which is embodied in what follows. This significance was more fully developed in the later form of the patent grant, and is quite unmistakeable in the form prescribed by the Patent Law Amendment Act of 1852 (*h*), which at this place ran as follows:—"And to the end that he, the said [*inventor*], his executors, administrators and assigns, and every of them, may have and enjoy the full benefit and the sole use and exercise of the said invention according to our gracious intention hereinbefore declared," &c.

Our Will and Pleasure is, and We doe, by theso presents, and in favor of the said John Gilbert his Executors Administrators and Assignes, for Us our Heires and Successors, straitely charge require and comaunde all and everie Person and Persons, of whatsoever Estate, Degree or Condition he or they bee, other then the said John Gilbert his Executors Administrators or Assignes, that they or anie of them shall not or doo not, within this our Realmo of England and Dominion of Wales, or in any parte thereof, for and during the terme of Yeres hereafter in and by these Presents granted, make, erecte, formo or framo the said severall Engins or Instruments herein before mentioned, or either of them, nor shall counterfeite imitate or resemble the samo, or either of them, in all or any the Parts or Members of the samo, nor shall use exercise or employe, for any the Uses Intents and Purposes aforesaid, any such Engins Instruments or Devises whatsoever made or to be made in resemblance or imitation of the said Engins and Instruments of the said John Gilbert herein before mentioned, without the Licence and Consent of the said John Gilbert his executors Administrators and Assignes in that behalfe first had and obteyned in Writing under his or there Hands and Seales, uppon payne of the Losse and Forfeiture of all and everie such Engins Instruments

Inhibition.

Saving of licensees.

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

Forfeiture of contraband. See below, p. 402.

and Devises as shall be so made, erected, framed, used, or imployed contrarie to the true intent and meaning of these Presents; and also uppon such further Paynes, Penalties, Fynes and Imprisonments, as by the Lawes and Statutes of this our Realme, or otherwise by our Prerogative Royall, can or may be inflicted uppon everie such Offendor or Offendors for his or there Contempt Disobedience or Neglect of our Royall Pleasure and Commandement in that behalfe.

The exclusive rights here granted and the penalties by which they are safeguarded, are in all respects parallel to those conferred by a trade charter, as the following extract from the Drapers' charter already mentioned will show :—

Drapers' privileges.

(*i*) We . . . have, by the assent of the great and others of our Council, ordained and granted that none shall use the Mystery of Drapery in the City of London, nor in the suburbs of the same unless he has been apprenticed in the same mystery, or in other due manner been admitted by the common assent of the same mystery. And that each of the mysteries of tenterers, tisters and fullers keep himself to his own mystery and in no way meddle with the making, buying or selling of any manner with (? of) cloth or drapery on pain of imprisonment and loss of all the cloth so by them made, bought, or sold, or the value thereof, to us.

Skinners'.

Queen Elizabeth, by her charter to the Skinners' Company (*k*), granted similar forfeiture of "all manner of fur found manufactured contrary to these ordinances," but the forfeits accrued to the mayor and commonalty of the City.

Fishmongers'.

Edward III., by his charter to the Fishmongers' Company of London, "ordained, declared, and granted that no man, foreign or denizen, under pain of our great displeasure, meddle in any part of the kingdom with the trade of the Fishmongers, except those only who are of the Mystery of Fishmongers and of the Fish Inquest, and that it shall be in the hands of the Fishmongers in London, and sold in the said three places (*l*), and that all fish which comes or shall be sold in the said City of London be discharged nowhere but between Billingsgate and London Bridge, on the bridge, and above the said London Bridge, and between Dibble's Wharf and the Fresh Fish Wharf, and be warehoused, &c. . . . . and no stranger bring fish to the same city, nor take any stand for selling fish if he is not of the folk enfranchised in the said Mystery of Fishmongers." . . . (*m*).

At the date of this patent the grant of licence and authority might be of more or less to suit the occasion varying in different patents within considerable limits. This may be illustrated here. The present patent, to Gilbert, grants authority to "form, erect and frame, to exercise, use and

(*i*) 1 Herbert, History of Livery Companies, 480; Char. of E. III.
(*k*) 2 Herbert, History, &c. 375.
(*l*) *I.e.*, at Bridge Street, Old Fish Street and the Stocks.
(*m*) 2 Herbert, History, &c. 119.

employ and to grant or dispose of" the two machines which the patentee had invented. The iron smelting patent to Lord Dudley of nearly contemporary date conveyed authority to "use, exercise, practice, and put in use the mystery, art, way, and means of melting iron ore . . . and to make, erect and set up any furnace . . . or engine . . . concerning the said mystery, &c., and the iron so made to utter and sell in gross or by retail, or otherwise to do away at his . . . free will and pleasure to his . . . best commodity and profit" (*n*).

The authority conferred by the Smalt patent has been set out above in illustration of the point that these grants were intended to countervail grants of privilege to the Trade Guilds. It may suffice here to add a single extract from a printer's patent. It will of course be borne in mind that the copyright patents, although relating to a matter so very different from inventions, were nevertheless patents affecting trade and tending to monopolies, and were, as such, within the purview of the Statute of Monopolies, so that they needed to be saved by the exception created by the tenth section of the Act. The following is from the patent granted to Helen Mason for printing the Book of Martyrs. It grants "full, free and sole liberty, license, power, privilege and authority, to print or cause to be imprinted, the said book and to publish, utter, sell, and put to sale, or cause to be published, &c. to her most and best benefit" (*o*). Copyright.

This form was apparently more accurately settled than the form applicable to inventions, and reappears in substantially identical terms in other similar grants (*p*). But in the grant to Jno. Speede of the copyright in a certain "Genealogy of the Holy Scriptures and map or chart of the Land of Canaan," the patentee is limited to the personal selling of his copies and at scheduled prices (*q*). The grant, therefore, unlike our modern statutable form was framed to suit the individual case when it stood simply on the Common Law.

To have, hold, use, exercise and enjoy all and everie the said Licences, Powers, Priviledges and Authorities, Benifits, Profits and other the Premisses, unto the said John Gilbert his Executors Administrators and Assignes from the Date of these Presents, for and during the terme, and unto the full ende and terme of One and Twentie Yeres from thence next ensuing fullie to bee compleate and ended; Habendum.

Yielding and paying therefore unto Us our Heires and Successors, the yerely Rent or Somme of Six Poundes thirteen Shillings and eight Pence of lawfull Money of England at the Receipt of the Exchequer of Us our Heires and Successors at Westminster at the Reddendum.

(*n*) 1 W. P. C. 14 and 15.
(*o*) Ry. 17 Fœd. 295.
(*p*) See, *e.g.*, Ry. 17 Fœd. 111.
(*q*) Ry. 17 Fœd. 484.

Feests of the Birth of our Lord and the Nativitie of Saint John the Baptist, by even and equal Portions.

The very modest rent reserved in this case goes to show that this was in fact, as it appears from its terms to have been, an unexceptionable patent. The oppressive patents yielded much larger revenues to the King. For example, under the glass patent of 1613, an annual rent of £1,000 was reserved (*r*). The gold wire monopoly was estimated capable of yielding £10,000 a year to the Crown (*s*). But whether the rent were large or small it made the patentee an Accountant of the Crown, and as such gave him a privileged position before the law.

Power of search.

And, for the better execution and accomplishment of this our Graunte and gracious intente and meaning to the said John Gilbert, his executors, administrators, and assignes, Wee do by these presents for Us, our heires, and successors, give and graunt unto the said John Gilbert, his executors, administrators, and assignes, and to everie of them, full power and authoritie that he and they and his and there deputies, servants, and agents, shall and may lawfullie from tyme to tyme during the tearme hereby graunted with the assistance of a Constable, Tithing Man, Headborough or other lawfull officer of anie place or places whatsoever respectivelv within our said Realme of England and Dominion of Wales as well within liberties as without at his and their wills and pleasures at fit and convenient tyme or tymes, go and enter into anie House, Shopp, Workehouse, or Yard or other place or places whatsoever, which shall be probably suspected, and there to search and see if any Engins, Instruments or Devises shall be made formed, framed, used or imployed in resemblance or imitation of the said Engins or Instruments herein before mentioned and invented by the said John Gilbert as aforesaid, contrarie to the true meaning of these presents, and the same see founde in the name of Us, our Heires, and Successors to seise take and carrie awaye the one moyetie of which said premisses so forfeyted as aforesaid Wee doe by these Presents give and graunte to the said John Gilbert his Executors Administrators and Assignes to his and there owne proper Use and Benifit, without any Accompt or other thing to bee yielded rendred or paied to Us our Heires or Successors for the same, other then the Rent herein before reserved; and the other Moyetie thereof to be from tyme to tyme to the Use and Benifit of Us our Heires and Successors.

Forfeiture of contraband.

See above, p. 400.

The like power of

The power of search was commonly conferred by charter upon the incorporated trade fellowships. Thus the Drapers

(*r*) 1 W. P. C. 19.

(*s*) 41 Archæologia, 256.

have power to "onter into all houses, shops, cellars, booths, and other places now or hereafter used or appointed for the keeping or exposing of cloths, of every person or persons, as well free of the same fraternity as free of any other society, or also foreigners using the art or mystery of Drapers within the City of London or the liberties of the same, to search, view and measure, by a sealed standard . . . all yards, ells, godes and other measures whatsoever by which any cloth . . . exposed to salo is or shall be measured," &c., with powers of fine and forfeiture (*t*). Similarly, the Goldsmiths "have the search, inspection, trial, and regulation of all sorts of gold or silver wrought or to be wrought" (*u*), and when counterfeits are found, "to arrest, seize, and to break and spoil them" (*x*). The Skinners have a right of search "as well over the men of the mystery of Skinners and over all others whomsoever, the merchandise and merceries of the same mystery, selling, manufacturing or working, as well in our City of London and the suburbs of the same, and elsewhere without as in whatsoever places, sheds, fairs, and markets throughout our Kingdom of England" (*y*).

search and forfeiture in the trade charter.

Drapers.

Goldsmiths.

Skinners.

These instances may suffice for the present purpose. The reader who may be interested to pursue the subject further will find abundant material in Mr. Herbert's book.

And, of our further especiall Grace, certaine Knowledge, and meere Motion, Wee doe, for Us our Heires and Successors, straitely charge and commaund as well all and everie our Justices of Peace, Mayors, Sheriffs, Constables, Bayliffs, Headboroughes, and others our Officers and Ministers within our said Realme of England and Dominion of Wales, that they and everie of them shall, from time to time during the terme of Yeares hereby graunted, be ayding favoring and assisting unto the said John Gilbert his Executors Administrators and Assignes and everie of them, and to his and there Deputies, Servants, Workemen and Agents in and about the due execution of all and singuler the Premisses according to the true intent and meaning of these Presents; And these our Letters Patents, or the Inrollment thereof, shall be to them and everie of them a sufficient Warrant and Discharge in that behalfe, without any further or other Warrant from Us our Heires and Successors to be had or obteyned in that behalf.

Authority to magistrates, &c. to assist the patentee.

This clause also is commonly found in the trade charters. For example, the Goldsmiths' charter contains the following clause: "We also . . . command that all bailiffs, reeves and other officers whatsoever in fairs, markets, cities, boroughs,

The like authority in trade charters.

(*t*) 1 Herbert, History of Livery Companies, 495.
(*u*) 2 Herbert, History, &c., 292.
(*x*) *Ibid.* 297.
(*y*) *Ibid.* 380; and see the Merchant Taylors' charter, 2 Herbert, 524.

towns and other places where such search shall happen to be made be ready to aid and assist the said wardens and every of them making such search as aforesaid in the execution of the premises" (*z*). Similarly the Grocers' charter firmly enjoins orders and commands "all and singular, mayors, justices, bailiffs and constables, officers of the mystery and all other our subjects whatsoever that they be aiding, assisting and comforting to the said Wardens and Assistants . . . in the making having keeping and executing of all and singular by us to the said Wardens and Commonalty of the Mystery aforesaid . . . granted by these our letters patent and every part and parcel thereof" (*a*).

Grant not to fail for uncertainty.

And further, of our like especiall Grace, certaine Knowledge and meere Motion, Wee doe, for Us our Heires and Successors, grant unto the said John Gilbert his Executors Administrators and Assignes, that these Presents, or the Inrollment of the same shall be in and by all things good firme effectuall, and of validitie in the Lawe, to all the intents and purposes aforesaid, and shall bee adjudged most strong against Us our Heires and Successors, and most available for the Benifit of the said John Gilbert his Executors, Administrators and Assignes, in all our Courts of Justice in our said Realme of England and Dominion of Wales or elsewhere, for and during the terme hereby granted, and without any other or further Confirmations Licenses or Tollerations to be from Us our Heires or Successors procured, sued for or obteyned in that behalfe; notwithstanding the not describing, or not perfect or particular describing of the said severall Engins or Instruments herein before mentioned, or the manners, formes, or fashion of there use or working; and notwithstanding anie other defect or uncerteintie whatsoever in these our Letters Pattents or anie Act, Statute, Ordinance, Provision or Restriction to the contrarie in anywise notwithstanding.

In this form the clause expresses only what was well ascertained to be the legal effect of the words *ex certâ scientiâ* in the King's grant, namely, that they cured uncertainties (*b*), *i.e.*, that if in any part it was ambiguous, the ambiguity should not be pressed to the disadvantage of the patentee.

In some cases an endeavour was made to control the administration of the law by the phraseology of patents in the most undisguised fashion. For example, in the contemporaneous grant to Ramsey and Wildgosse, to which allusion has been already made, there is a clause conferring exclusive jurisdiction upon the Privy Council in the following terms:—

"And further our express Pleasure and Command-

(*z*) 2 Herbert, History of Livery Companies, 293.

(*a*) 1 Herbert, History, 376.

(*b*) Sav. 5, pl. 14.

mont is, that for the avoyd- (*c*) *of all subtill malicious* perverse and cautelous Practizes and Constructions that may be pretended or attempted to defraud and abuse the good and true meaning of these our Letters Patents, the Interpretation Correction and Punishment of all manner of Offences which shall be committed in this behalf, to the Disadvantage and Hinderance of the said David Ramsey and Thomas Wildgosse their Executors Administrators or Assignes, shall be referred to the Pryvy Councell of Us our Heirs and Successors for the time being, by theire honorable Dyrection to be punished according to Justice" (*d*).

David Ramsey enjoyed the advantage of being a page of the bedchamber.

Saving of a prior grant,

Provided alwayes that these Presents, or anie thing therein conteyned, shall not extende to barr, restraine, impeach or prejudice a late Graunte by Us made to Robert Crompe, for touching and concerning the sole making and practise of an Engin by him invented for raising of Waters for Service of Townes, Castles or House, and for the drawing and drayning of Coal pitts and other Mynes, nor shall extende to restrayne anie Person or Persons of or from the making or using of any Engine Instrument or Invention touching the Premisses formerlie found out, or in knowne use or practise within this our Realme or Dominion of Wales; any thing herein conteyned to the contrarie in any wise notwithstanding.

and common right.

Defeasance.

Provided alsoe that if the said Yearly Rent or Somme of Six Poundes thirteene Shillings and eight Pence, herein before reserved, *shall happen to be behinde and unpaied, in parte or in all*, by the space of fortie Dayes next after either of the said Feasts in the which the same ought to be paied as aforesaid, that then this our present Graunt shall bee utterlie voyde and of none effect to all intents and purposes; any thing herein conteyned to the contrarye in any wise notwithstanding.

Grant of treasure trove.

And moreover We, of our like espe (*e*) Grace, certaine Knowledge and meer Motion doe, for Us our Heires and Successors, give and graunte unto the said John Gilbert his Executors and Assignes one Moyetie of all such Treasure Trove, Plate, Jewells, and other Matters and Things of Vallue, as he or they shall take upp by the use and meanes of the said Water Plough out of any Rivers, Havens or Harbors as aforesaid, after he or they shall have made appeare in the Court of Exchequer of Us our Heires or Successors

(*c*) So in Ry. The word is broken by the end of the line.

(*d*) Ry. 17 Fœd. 122. (This page is misnumbered 722 in the original edition.)

(*e*) So in Ry. The word is broken by the end of the line.

uppon his or their Oath, the full quantitye and vallewe of the same, and shall have brought unto Us our Heires or Successors the other moyetie thereof.

Habendum. To have and to hold the said Moyetye to him and them thereby intended, during the said Terme, to his and theire owne Use Benifit and Behoofe, without anie Accompte or other thing to bee therefore rendered or made to Us our Heires or Successors:

And theis our Letters shall be your sufficient Warrant and Discharge in this behalfe.

Although express mention &c.

In witnes whereof &c.

Teste. Wytnes our self at Westminster the sixteenth day of July.

Per Breve de Privato Sigillo.

JOHN GILBERT.

JUL. CÆSAR.

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