POST-WAR PATENT PRACTICE:

NOTES ON

ENEMY-OWNED BRITISH PATENTS
PROLONGATION OF PATENTS
INVENTORS AND THE CROWN

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LONDON:

SWEET AND MAXWELL, LIMITED

CHANCERY LANE

Law Publishers

1921

PRINTED BY
THE EASTERN PRESS, LIMITED,
LONDON AND READING.

TABLE OF CONTENTS.

CHAPTER I.

ENEMY-OWNED BRITISH PATENTS:

	PAGE
Lapse; vesting in the Custodian; sale; infringement; war licences; post-war licences; revision of licences	1
Arts. 306, 307, 308, 309, 310, 311 of the Treaty of Versailles ...	5
S. R. O., 1920, No. 1336	11
S. R. O., 1920, No. 1371	16
Schedules to the above	19
Patent Office Forms 40, 41, 42, 43, 44, 45	20
Agreement respecting the preservation or the restoration of rights of industrial property affected by the world war ...	24

CHAPTER II.

PROCEDURE FOR PROLONGING A PATENT:	27
S. R. O., 1920, No. 413	30
S. R. O., 1920, No. 658	31
S. R. O., 1920, No. [illegible]	32
In the Matter of *Brown's Patent*	35
„ „ „ „ *Davidson's Patents*	42–45
„ „ „ „ *Gaskin's Patents*	42
„ „ „ „ an application of the *United Velvet Cutters' Association, Ltd.*	52
In the Matter of an application of the *Metropolitan Amalgamated Railway Carriage and Wagon Co., Ltd.*, and *Greg's Patent*	54

CHAPTER III.

	PAGE
INVENTORS AND THE CROWN :	58
S. R. O., 1920, No. 59	63
Royal Warrant dated March 19th, 1919	64
„ „ „ October 5th, 1920	66
In the Matter of *Hale's Patents*	69
Extracts from King's Regulations and Admiralty Instructions in regard to Patents	75
Forms : Particulars of Claim	78
Counterstatement	79

PREFACE.

We have found by practical experience that the issue of a rapid succession of S. R. O.s, proclamations, and Royal Warrants connected with patents and inventions, all arising directly out of the war and peace legislation, has rendered it almost impossible for a busy man to keep himself informed of the actual position from day to day.

This book is an attempt to render assistance under three separate heads, though we fear that the rapidly changing practice may make amendments necessary almost immediately.

The first division of the book deals with the effect on enemy-owned British Patents of such legislation, and includes the vesting of these in the Custodian of Enemy Property, and the subsequent revesting in their former owners. The second deals with the procedure under Section 7 (3) of the 1919 Patent Act, by which a prolongation of the monopoly period can be obtained, where there has been loss occasioned to the Patentee by reason of hostilities. The practice under this section has, since the decision of the Court of Appeal in *Davidson's Patents*, grievously disappointed many patentees of the class whom it was drafted to assist, but there are still sufficient cases where immediate relief can be obtained to justify the inclusion of this section.

The third chapter of the book deals with inventors and the Crown. It sets out the legal rights of the inventor, whether service man, civilian, patentee, or voluntary helper, and also indicates the circumstances in which an *ex gratia* application for an award will be considered. The procedure by which cases are brought before the Royal Commission on Awards to Inventors under Royal Warrants of March 19th, 1919, and October 5th, 1920, is dealt with fully, because the determination of the inventor's correct procedure having regard to his rights

or claims is complicated, and because proceedings of this nature seem likely to be prolonged for a considerable period. We have found that practitioners, other than specialists, have experienced considerable difficulty in piecing together information as to the practice which may be available from public documents, and we have not hesitated to give considerable space to an account of the procedure which should be adopted to obtain, without unnecessary delay, the effective presentation of a case before the Commission. Although foreign patents are not strictly within the scope of these notes, we feel that the international "Agreement respecting the preservation or the restoration of the rights of industrial property affected by the world war" is of such importance as to justify its inclusion at the end of the first chapter.

We trust that this book may be of some assistance, even though it does little more than to collect in one cover official documents of various sizes and shapes which normally encumber the desk and are never available when required.

We desire to express our sincere thanks to Mr. A. J. Martin, of the Patent Office, for much kind and valuable assistance, and to acknowledge gratefully the permission given by the Controller of His Majesty's Stationery Office to reprint the Statutory Rules and Orders and extracts from the Reports of Patent Cases.

R. M.
W. H.

January, 1921.

CHAPTER I.

ENEMY-OWNED BRITISH PATENTS.

On the outbreak of war there were numerous patents on the register, and applications pending, in the names of persons or firms who were or became enemies. Up to July 15th, 1918, English patent agents were, with Government permission, still allowed to communicate with their clients abroad and, by paying renewal fees, to maintain these patents on the register. It is only necessary here to outline the early war legislation with regard to patents; it is the peace legislation which will require detailed treatment. Briefly, as the result of orders made by the High Court of Justice or the Board of Trade, all of these patents and applications for patents were vested in the Public Trustee as custodian of enemy property; by virtue of the two Patents, etc. (Temporary Rules) Acts of 1914, power was given to the Board of Trade to revoke enemy-owned patents and to grant war licences; further, by various enactments, and in particular by the Trading with the Enemy Amendment Act, 1916, enemy-controlled firms were wound up and their property, which sometimes included their patents, was sold. The position of any one particular German, Austrian or Bulgarian patent must therefore be ascertained first, and then the effect of the peace legislation on the patent in question can be considered. This chapter is an attempt to trace the effect of such peace legislation in every case which is likely to arise.

GERMANS, AUSTRIANS, AND BULGARIANS.

We have found that there were very many more patents and applications owned by Germans than by Austrians and Bulgarians, and in this chapter the expression "the Treaty" refers to the Treaty of Versailles, and the articles of the Treaty referred to are those of the Treaty made with Germany. The references to the Treaty of Versailles can, however, *mutatis mutandis*, be taken to refer to the corresponding articles in the Treaty of St. Germain. Thus the following articles are in identical terms, with the exception that as regards dates there is a difference of a few days

at the beginning, and of a few months at the end, of the war in the two Treaties:

Treaty of Versailles.	*Treaty of St. Germain.*
Art. 296	Art. 248
297	249
306	258
307	259
308	260
309	261
310	262

In the same way the Statutory Rules and Orders correspond, though, of course, the dates are different:

Germany.	*Austria.*
Treaty of Peace Order, 1919. S. R. O., 1919, No. 1517.	Treaty of Peace (Austria) Order, 1920. S. R. O., 1920, No. 1613.
Termination of the War. S. R. O., 1920, No. 264.	Termination of the War. S. R. O., 1920, No. 1612.
Trading with the Enemy. Patents of German nationals vested in Custodian. S. R. O., 1920, No. 1336. (*p.* 11, *post*).	Trading with the Enemy. Patents of Austrian and Bulgarian nationals vested in Custodian. S. R. O., 1920, No. 2118.

It will hardly be necessary to warn anyone who is particularly concerned with an Austrian or Bulgarian patent that it is essential to refer to the actual Treaty or Order in question, though there is a very general concordance between these and the corresponding better-known German documents.

LIQUIDATED PROPERTY.

First, as regard to letters patent registered in the name of enemies or of enemy-controlled firms which were liquidated under the Trading with the Enemy Amendment Act, 1916. If the patents were sold outright by the liquidator, the 306th Article of the Treaty of Versailles (in the case of German enemies) ratifies finally the purchaser's title, and the late enemy patentee can no longer claim or obtain any further interest in his patent. It is submitted that if the liquidator of such a firm has not yet sold the German patents, Article 297 (b) enables him to do so now, and if necessary, by virtue of Article 306, to pay renewal fees and to restore the patent to the register, provided that this payment of back fees occurs before January 10, 1921.

If the patents of such a firm were not sold at the liquidation, and have not now been sold by the liquidator, the late enemy owner could, we submit, have himself restored the patent to the register before January 10, 1921, subject to the somewhat drastic provisos and restrictions imposed upon him by the Comptroller of Patents by virtue of S. R. O. 1920, No. 1336 [*pp.* 12, 13, *post.*]

AMNESTY PERIOD FOR INFRINGERS.

In many cases no particular official action was taken by the Board of Trade with regard to individual German-owned patents. Some which were the property of liquidated firms were too unimportant to attract purchasers, others, whose owners were abroad, were not the subject of war licences, and as regards both classes there was infringement, intentional or accidental, by English manufacturers. As regards this, the following dates are important: The Treaty allowed war-infringement of German patents up to June 28, 1919, and prevented any action by the German owner in respect thereof; further, the English infringer had a year more to sell his infringing articles free of penalty, but after these dates any infringement of a valid and subsisting German patent is actionable. It is to be noted that where a German patent is sought to be restored by the payment of back fees before January 10, 1921, the Comptroller will hear English manufacturers in opposition thereto, and they may very probably succeed in avoiding any substantial penalty for having infringed between 1919 and 1921, and may obtain a compulsory licence in the manner explained below. [*See also pp.* 17 *and* 21, *post.*]

WAR LICENCES.

It has been mentioned that in many cases licences were granted by the Board of Trade during the war. It is now provided by Article 307 of the Versailles Treaty that where German-owned patents are restored to the register they shall be subject to the same provisions as to licences as would have been applicable to them during the war. It follows that by virtue of S. R. O. 1914, No. 1328, or by S. R. O.'s, 1920, Nos. 1336 and 1371, the Comptroller of Patents may grant compulsory licences, thus effecting such limitations, conditions or restrictions as may be considered necessary for national defence, or in the public interest, in the case of all German-owned patents granted before or during the war.

Further, Article 310 of the Versailles Treaty enabled pre-war licensees to apply for a post-war licence before July 10, 1920. In respect of the grant of such licence, the Comptroller might take war user into account, but it is submitted that where no

post-war licence was applied for under this article no method exists for obtaining any compensation for infringement by a pre-war licensee during the war.

Where no such licence was applied for before July 10, 1920, it would seem that the pre-war licensee is in no worse position than any other applicant for a compulsory licence on the restoration of a German-owned patent, so that all cases for such applications can be considered together.

The procedure is laid down by S. R. O.'s, 1920, Nos. 1336 and 1371, which are printed at the end of this chapter and which should be referred to.

In S. R. O., 1920, No. 1336, section 3 prohibits dealings with restored patents without the consent of the Board of Trade; section 4 subjects the restored patent to the existing war licences; section 5 continues the power of the Board of Trade to grant compulsory licences, and section 6 to revise licences which have been granted. Section 7 gives power to take over, expropriate and sell restored patents.

Under section 8, the payments made by the licensees are to be allotted as follows: Where the licensee and the patentee have come to terms which have the approval of the Comptroller, 25 per cent. of the sums payable to the late enemy patentee are to be paid to him direct in sterling, and 75 per cent. thereof are to be paid to the Controller of the Clearing Office for enemy debts—the patentee obtaining thereby a claim in depreciated marks at the pre-war rate of exchange against his own Clearing Office for this 75 per cent.; and where no agreement is come to between patentee and licensee, but the terms are fixed by the Comptroller, then the whole royalty is payable to the Clearing Office.

PATENT OFFICE FORMS.

A schedule of Patent Office forms is appended to S. R. O. 1920, No. 1371, and printed at the end of this chapter.

Form 40.—For applications under Rule 5 of the Order where the patentee has agreed to the terms of an assignment, assurance or licence of patent rights.

Form 41 is for an application under Rule 6 for the consent of the Board of Trade to the devolution of title to patent rights by operation of law.

Form 42 is the application form for a licence in respect of a restored patent. The procedure is given in detail in Rule 7. The patentee is informed of the application and can deliver a counter statement. The Comptroller can call for further evidence before giving his decision.

Form 43 is an application for the revision of the terms of a licence. Rule 8 of the Order outlines the procedure. The

practice has been for the Comptroller to hear all parties: licensees who want a revision, importers with licences, manufacturers at home and abroad, and the patentee. In view of the wide powers of the Comptroller of reducing royalties, prohibiting import, and generally of controlling the industry concerned, Rule 8 is certain to have very great importance in patent procedure in the future.

Form 44 is an application for the expropriation, taking over, or sale of a restored patent. The patentee is served with notice, and may deliver a counter-statement in opposition. When the Comptroller is satisfied that he has the necessary evidence before him, he is to determine whether the application should be granted. In that case the terms of the transfer are to be decided by a special tribunal to be nominated by the Lord Chancellor.

It is to be noted that the power of expropriation is not to be exercised unless, in the opinion of the Board of Trade, the step can be justified in the interests of national defence, or as being necessary in the public interest, or for securing the due fulfilment of all obligations undertaken by Germany in the Treaty of Peace. Where it is decided to refer the application to the special tribunal for settlement of terms, such application shall be on Patents Form 45, which is the last of the forms with which we have to deal.

TREATY OF VERSAILLES.

INDUSTRIAL PROPERTY.

Article 306.

Subject to the stipulations of the present Treaty, rights of industrial, literary, and artistic property, as such property is defined by the International Conventions of Paris and of Berne, mentioned in Article 286, shall be re-established or restored, as from the coming into force of the present Treaty, in the territories of the High Contracting Parties, in favour of the persons entitled to the benefit of them at the moment when the state of war commenced or their legal representatives. Equally, rights which, except for the war, would have been acquired during the war in consequence of an application made for the protection of industrial property, or the publication of a literary or artistic work, shall be recognised and established in favour of those persons who would have been entitled thereto, from the coming into force of the present Treaty.

Nevertheless, all acts done by virtue of the special measures taken during the war under legislative, executive or administrative authority of any Allied or Associated Power in regard to the rights of German nationals in industrial, literary or artistic

property shall remain in force and shall continue to maintain their full effect.

No claim shall be made or action brought by Germany or German nationals in respect of the use during the war by the Government of any Allied or Associated Power, or by any persons acting on behalf or with the assent of such Government, of any rights in industrial, literary or artistic property, nor in respect of the sale, offering for sale, or use of any products, articles or apparatus whatsoever to which such rights applied.

Unless the legislation of any one of the Allied or Associated Powers in force at the moment of the signature of the present Treaty otherwise directs, sums due or paid in virtue of any act or operation resulting from the execution of the special measures mentioned in paragraph 1 of this Article shall be dealt with in the same way as other sums due to German nationals are directed to be dealt with by the present Treaty; and sums produced by any special measures taken by the German Government in respect of rights in industrial, literary or artistic property belonging to the nationals of the Allied or Associated Powers shall be considered and treated in the same way as other debts due from German nationals.

Each of the Allied and Associated Powers reserves to itself the right to impose such limitations, conditions, or restrictions on rights of industrial, literary, or artistic property (with the exception of trade-marks) acquired before or during the war, or which may be subsequently acquired in accordance with its legislation, by German nationals, whether by granting licences, or by the working, or by preserving control over their exploitation, or in any other way, as may be considered necessary for national defence, or in the public interest, or for assuring the fair treatment by Germany of the rights of industrial, literary, and artistic property held in German territory by its nationals, or for securing the due fulfilment of all the obligations undertaken by Germany in the present Treaty. As regards rights of industrial, literary, and artistic property acquired after the coming into force of the present Treaty, the right so reserved by the Allied and Associated Powers shall only be exercised in cases where these limitations, conditions, or restrictions may be considered necessary for national defence or in the public interest.

In the event of the application of the provisions of the preceding paragraph by any Allied or Associated Power, there shall be paid reasonable indemnities or royalties which shall be dealt with in the same way as other sums due to German nationals are directed to be dealt with by the present Treaty.

Each of the Allied or Associated Powers reserves the right to treat as void and of no effect any transfer in whole or in part of

or other dealing with rights of or in respect of industrial, literary, or artistic property effected after August 1, 1914, or in the future, which would have the result of defeating the objects of the provisions of this article.

The provisions of this article shall not apply to rights in industrial, literary, or artistic property which have been dealt with in the liquidation of businesses or companies under war legislation by the Allied or Associated Powers, or which may be so dealt with by virtue of Article 297, paragraph (*b*).

Article 307.

A minimum of one year after the coming into force of the present Treaty shall be accorded to the nationals of the High Contracting Parties, without extension fees or other penalty, in order to enable such persons to accomplish any act, fulfil any formality, pay any fees, and generally satisfy any obligation prescribed by the laws or regulations of the respective States relating to the obtaining, preserving, or opposing rights to, or in respect of, industrial property either acquired before August 1, 1914, or which, except for the war, might have been acquired since that date as a result of an application made before the war or during its continuance, but nothing in this article shall give any right to reopen interference proceedings in the United States of America where a final hearing has taken place.

All rights in, or in respect of, such property, which may have lapsed by reason of any failure to accomplish any act, fulfil any formality, or make any payment, shall revive, but subject in the case of patents and designs to the imposition of such conditions as each Allied or Associated Power may deem reasonably necessary for the protection of persons who have manufactured or made use of the subject matter of such property while the rights had lapsed. Further, where rights to patents or designs belonging to German nationals are revived under this article, they shall be subject in respect of the grant of licences to the same provisions as would have been applicable to them during the war, as well as to all the provisions of the present Treaty.

The period from August 1, 1914, until the coming into force of the present Treaty shall be excluded in considering the time within which a patent should be worked or a trade mark or design used, and it is further agreed that no patent, registered trade mark, or design in force on August 1, 1914, shall be subject to revocation or cancellation by reason only of the failure to work such patent or use such trade mark or design for two years after the coming into force of the present Treaty.

Article 308.

The rights of priority, provided by Article IV. of the International Convention for the Protection of Industrial Property of Paris, of March 20, 1883, revised at Washington in 1911 or by any other Convention or Statute, for the filing or registration of applications for patents or models of utility, and for the registration of trade marks, designs, and models which had not expired on August 1, 1914, and those which have arisen during the war, or would have arisen but for the war, shall be extended by each of the High Contracting Parties in favour of all nationals of the other High Contracting Parties for a period of six months after the coming into force of the present Treaty.

Nevertheless, such extension shall in no way affect the right of any of the High Contracting Parties or of any person who before the coming into force of the present Treaty was *bona fide* in possession of any rights of industrial property conflicting with rights applied for by another who claims rights of priority in respect of them, to exercise such rights by itself or himself personally, or by such agents or licensees as derived their rights from it or him before the coming into force of the present Treaty; and such persons shall not be amenable to any action or other process of law in respect of infringement.

Article 309.

No action shall be brought and no claim made by persons residing or carrying on business within the territories of Germany on the one part and of the Allied or Associated Powers on the other, or persons who are nationals of such Powers respectively, or by any one deriving title during the war from such persons, by reason of any action which has taken place within the territory of the other party between the date of the declaration of war and that of the coming into force of the present Treaty, which might constitute an infringement of the rights of industrial property or rights of literary and artistic property, either existing at any time during the war or revived under the provisions of Articles 307 and 308.

Equally, no action for infringement of industrial, literary, or artistic property rights by such persons shall at any time be permissible in respect of the sale or offering for sale for a period of one year after the signature of the present Treaty in the territories of the Allied or Associated Powers on the one hand or Germany on the other, of products or articles manufactured, or of literary or artistic works published during the period between

the declaration of war and the signature of the present Treaty, or against those who have acquired and continue to use them. It is understood, nevertheless, that this provision shall not apply when the possessor of the rights was domiciled or had an industrial or commercial establishment in the districts occupied by Germany during the war.

This Article shall not apply as between the United States of America on the one hand and Germany on the other.

Article 310.

Licences in respect of industrial, literary, or artistic property concluded before the war between nationals of the Allied or Associated Powers or persons residing in their territory or carrying on business therein, on the one part, and German nationals, on the other part, shall be considered as cancelled as from the date of the declaration of war between Germany and the Allied or Associated Power. But, in any case, the former beneficiary of a contract of this kind shall have the right, within a period of six months after the coming into force of the present Treaty, to demand from the proprietor of the rights the grant of a new licence, the conditions of which, in default of agreement between the parties, shall be fixed by the duly qualified tribunal in the country under whose legislation the rights have been acquired, except in the case of licences held in respect of rights acquired under German law. In such cases the conditions shall be fixed by the Mixed Arbitral Tribunal referred to in Section VI. of this Part. The tribunal may, if necessary, fix also the amount which it may deem just should be paid by reason of the use of the rights during the war.

No licence in respect of industrial, literary, or artistic property, granted under the special war legislation of any Allied or Associated Power, shall be affected by the continued existence of any licence entered into before the war, but shall remain valid and of full effect, and a licence so granted to the former beneficiary of a licence entered into before the war shall be considered as substituted for such licence.

Where sums have been paid during the war by virtue of a licence or agreement concluded before the war in respect of rights of industrial property or for the reproduction or the representation of literary, dramatic, or artistic works, these sums shall be dealt with in the same manner as other debts or credits of German nationals, as provided by the present Treaty.

This Article shall not apply as between the United States of America on the one hand and Germany on the other.

ARTICLE 311.

The inhabitants of territories separated from Germany by virtue of the present Treaty shall, notwithstanding this separation and the change of nationality consequent thereon, continue to enjoy in Germany all the rights in industrial, literary, and artistic property to which they were entitled under German legislation at the time of the separation.

Rights of industrial, literary, and artistic property which are in force in the territories separated from Germany under the present Treaty at the moment of the separation of these territories from Germany or which will be re-established or restored in accordance with the provisions of Article 306 of the present Treaty, shall be recognized by the State to which the said territory is transferred and shall remain in force in that territory for the same period of time given them under the German law.

STATUTORY RULES AND ORDERS,

1920, No. 1336.

TRADING WITH THE ENEMY.

Patents of German Nationals Vested in Custodian.

ORDER OF THE BOARD OF TRADE, DATED JULY 19, 1920, UNDER SECTION 5 (1) OF THE TRADING WITH THE ENEMY AMENDMENT ACT, 1914 (5 GEO. 5, C. 12), AS TO "VESTED PATENTS," "VESTED APPLICATIONS" AND "RESTORED PATENTS."

In the matter of divers patents and applications for patents vested in the Custodian; and
In the matter of the Trading with the Enemy Acts, 1914 to 1918; and
In the matter of the Treaty of Peace (with Germany) Act, 1919; and
In the matter of the Treaty of Peace (with Germany) Order, 1919 (*a*).

Whereas the expression "British Patent" when hereinafter used means Letters Patent which have been granted in and for the United Kingdom of Great Britain and Ireland and the Isle of Man:

And whereas prior to the Order of the Board of Trade of the 30th October, 1918, hereinafter recited, divers British Patents which had been granted to or for the benefit of German Nationals (as defined by the Treaty of Peace (with Germany) Order, 1919), the shares and interests of German Nationals in divers other British Patents and also the benefit so far as the same belonged to German Nationals of or in divers applications which had been made by or on behalf or for the benefit of German Nationals, either alone or jointly with other parties, for grants of such patents were by or by virtue of Orders which were made by the High Court of Justice or the Board of Trade under the Trading with the Enemy Acts, 1914-1918, or some or one of such Acts duly vested in the Public Trustee, the Custodian for England and Wales under the Trading with the Enemy Amendment Act, 1914 (hereinafter called "the Custodian"):

And whereas by an Order dated the 30th October, 1918, and so made by the Board of Trade as aforesaid, after reciting that the expression "hostile person" when thereinafter used meant and included (a) a

(*a*) S.R. & O., 1919, No. 1517.

person, firm, body or company being an enemy or enemy subject within the meaning of the Trading with the Enemy Amendment Acts, 1916 and 1918 (*b*), (b) a Company with respect to which an Order had been made under section 1 of the Trading with the Enemy Amendment Act, 1916, or section 3 of the Trading with the Enemy Amendment Act, 1918, and (c) a Company being an enemy controlled corporation within the meaning of the Trading with the Enemy Amendment Act, 1918, it was amongst other things ordered that (1) all and every the interest, share and right of every hostile person in, of or to any British patent, and (2) the benefit of every application which had been made by or on behalf or for the benefit of any hostile person for any British patent should, except in so far as the same should already have been vested by any Order made under the Trading with the Enemy Amendment Acts, or any of them, vest in the Custodian:

And whereas as regards certain of the said applications patents have in pursuance of the Trading with the Enemy Amendment Act, 1916, been duly granted to the Custodian:

And whereas the expression "vested patent" as hereinafter used means such interest, share, rights or title in, of or to a British patent as may by reason or on account of the late war between the United Kingdom and Germany have been so vested in or granted to the Custodian as aforesaid, and the expression "vested application" as hereinafter used means such benefit and rights of or in respect of any application for the grant of a British patent as may by reason or on account of the said late war have been so vested in the Custodian as aforesaid:

And whereas it is expedient that such Order or Orders and directions as are hereinafter contained shall be made and given in regard to vested patents and vested applications:

Now, therefore, the Board of Trade in exercise of the powers conferred upon them by section 5, sub-section 1 of the Trading with the Enemy Amendment Act, 1914, and/or the Treaty of Peace (with Germany) Order, 1919, and of all other powers (if any) them hereunto enabling do hereby order and direct as follows:—

1. (i) Subject to the provisions hereinafter contained the Custodian shall forthwith divest himself of the vested patents and of the vested applications in favour as the case may be of the respective persons who were at the commencement of the late war between the United Kingdom and Germany or would but for such war and the relative Vesting Orders now be entitled thereto.

Provided always that if by any Order made under the Trading with the Enemy Amendment Acts, or any of them which may affect any vested patent or vested application, any condition was imposed upon the Custodian which might operate so as to prohibit him from dealing with such patent or application, the prohibiting condition shall be and stand discharged upon the Board of Trade certifying to that effect, but so nevertheless that such divesting as aforesaid shall not take effect as regards such patent or application unless and until the Board of Trade shall so certify:

(*b*) 5-6 G. 5. c. 105 and 8-9 G. 5. c. 31.

(ii) In the subsequent provisions of this Order the following expressions shall mean and be construed as follows, that is to say: "restored patent" shall mean and include any vested patent of which the Custodian shall have divested himself under the directions in the preceding sub-clause contained and also such interest, share, rights or title in, of or to any British patent as may be or may have been granted upon or in pursuance or by virtue of a restored application: "restored application" shall mean and include any vested application of which the Custodian shall have divested himself as aforesaid and also to the extent to which the same may be or may have been revived as next hereinafter mentioned any application for the grant of a British patent which may be or may have been revived under the provisions of the Treaty of Peace between the United Kingdom and Germany (hereinafter referred to as the "Treaty of Peace"): "patentee" shall mean and include the person for the time being entitled to the benefit of a restored patent: "licensee" shall in relation to a licence mean and include any person for the time being entitled to the benefit of the licence.

2. Subject to the provisions of this Order dealings in regard to a restored patent are permitted between British Nationals and German Nationals (as respectively defined by the said Treaty of Peace Order).

3. An assignment or assurance *inter vivos* of a restored patent or a restored application shall not be made nor shall any licence be granted under a restored patent except after notice to and with the consent of the Board of Trade, and any such purporting licence which may be made or granted except after such notice and with such consent shall be void and of no effect. And any devolution of a restored patent or of a restored application otherwise than by an assignment or assurance *inter vivos* shall not be operative unless and until assented to by the Board of Trade.

4. A restored patent shall remain and be subject to any licence under or in respect thereof which may have been granted by the Board of Trade under the Patents, Designs and Trade Marks (Temporary Rules) Acts, 1914, (*c*) or by the Custodian under section 5, subsection 1 of the Trading with the Enemy Amendment Act, 1914, and any such licence shall with the additional rights, powers and privileges next hereafter conferred upon the Licensee, be and remain as valid and effectual as if this Order had not been made:

Provided always that in addition to any other rights, privileges or powers to which he may be entitled the Licensee, exclusive or otherwise as the case may be, shall be deemed to have and shall have all the rights, privileges and powers of such a Licensee under the provisions of section 1 of the Patents and Designs Act, 1919 (*d*):

Provided further that all powers which by or under any such licence as aforesaid may have been given to or vested in the Board of Trade or the Custodian shall as regards any powers given to or vested in the Custodian be and be deemed to have been transferred to the Board of Trade and as to all such powers whether given to or vested in the Board of Trade or given to or vested in the Custodian shall be and remain exercisable by the Board of Trade.

(*c*) 4-5 G. 5. cc. 27 and 73. (*d*) 9-10 G. 5. c. 80.

5. The Board of Trade have and shall continue to have power upon the application of any person to grant to or in favour of the applicant a compulsory licence under any restored patent upon such terms as to Royalty or otherwise as may be thought fit (a) if in the opinion of the Board of Trade it is in the public interest that such licence shall be granted, or (b) if the Patentee shall refuse to grant to the applicant a licence upon reasonable terms. And for the purpose of and in connection with the exercise of such power the Board of Trade shall have all the powers of the Comptroller of Patents, Trade Marks and Designs (hereinafter called the Comptroller) under the Patents and Designs Act, 1919, in a case in which abuse of the monopoly rights has been established.

6. The Board of Trade shall as regards any licence which has been or may be granted under any restored patent, whether the licence is granted as mentioned in clause 4 hereof or as mentioned in clause 5 hereof, have power upon the application of the Licensee or of the Patentee to make such revisions or amendments in the licence as may be thought fit whether as regards the Royalty payable thereunder or otherwise, and any such revision or amendment may consist of or include a provision which will preclude the Patentee (a) from importing into the United Kingdom any goods the importation of which would if effected by a person other than the Patentee be an infringement of the patent, and/or (b) from working or using the patented invention in the United Kingdom.

7. Notwithstanding anything herein contained the Board of Trade shall as regards any restored patent or restored application have power either without or upon the application of any person interested to expropriate, take over or sell any such patents or the patent rights under any such application on such terms as to indemnity, purchase, consideration or otherwise as may be determined by a special Tribunal to be nominated by the Lord Chancellor for the time being but so that the President or Chairman of such Tribunal shall be a high judicial officer or a barrister of not less than ten years' standing, and in such case the Board of Trade shall be deemed to have all the powers of the patentee or proprietor and may make a good title to any transfer, licence or other assurance provided always that the power hereby conferred shall not be exercised unless in the opinion of the Board of Trade the exercise thereof is necessary for the National Defence or in the public interest or for securing the due fulfilment of all the obligations undertaken by Germany in the Treaty of Peace.

8. All Royalties and/or other monies which but for this provision would by virtue of anything done under or in pursuance of any provision contained in this Order be payable to a German National shall be divided and paid as follows, namely :—

(a) in the case of voluntary dealings—75 per cent. of such Royalties and/or other monies shall be paid to the Controller of the Clearing Office for the purposes of such Office and the remaining 25 per cent. thereof shall be paid to the other party or parties who may be concerned :

(b) in every other case the whole of such Royalties and/or other monies shall be paid to the Controller of the Clearing Office for the purposes of such Office.

Provided always that any Royalties under any such licence as is mentioned in clause 4 hereof which have accrued prior to the date upon which the patent shall have become a restored patent or which may thereafter accrue shall be retained by or paid to the Custodian as the case may be.

9. The conditions imposed by and other provisions contained in clauses 3 to 8 of this Order upon or in regard to restored patents and restored applications shall not, except as hereafter mentioned, apply as regards vested patents or vested applications of which the Custodian shall have divested himself under the directions contained in clause 1, sub-section 1 herein in favour of persons who, by or by virtue or in pursuance of the Treaty of Peace, have ceased to be German nationals: Provided nevertheless that as regards such patents as last mentioned—

(i) The patents shall remain and be subject to any licence under or in respect thereof which may have been granted by the Board of Trade under the Patents, Designs and Trade Marks (Temporary Rules) Acts, 1914, or by the Custodian under section 5, sub-section 1 of the Trading with the Enemy Amendment Act, 1914, and any such licence shall be and remain as valid and effectual as if this Order had not been made.

(ii) The Board of Trade shall as regards any licence which has been granted as aforesaid under the patent have power upon the application of the licensee or of the patentee to make such revisions or amendments in the licence as may be thought fit whether as regards the royalty payable thereunder or otherwise.

10. Any application to be made under any provision herein contained shall be made to the Comptroller.

11. The Board of Trade may from time to time make such rules as may be necessary or expedient for the purpose of carrying out the provisions of this Order and by any such rules may regulate the procedure to be followed and may prescribe the payment of fees and fix the amount thereof and any such rules whilst in force shall be of the same effect as if the same were contained in this Order.

12. This Order shall not nor shall anything herein contained apply to any patent or application for the grant of a patent which has been effectually dealt with in or for the purpose of the liquidation of any business or company as regards which a Winding-up Order has been made under or in pursuance of the Trading with the Enemy Acts, 1914 to 1918, or any of them.

13. The Board of Trade may at any time revoke or vary this Order and any provisions herein contained as well as any rules made under clause 11 hereof.

Dated this 19th day of July, 1920.

R. S. Horne,
President of the Board of Trade.

STATUTORY RULES AND ORDERS,

1920, No. 1371.

PATENTS FOR INVENTIONS.

THE PATENTS (TREATY OF PEACE) RULES, 1920. DATED JULY 24, 1920.

By virtue of the provisions of the Trading with the Enemy Acts, 1914 to 1918, the Treaty of Peace Act, 1919, (*a*) the Treaty of Peace Order, 1919, (*b*), and the Order of the Board of Trade, dated 19th July, 1920, (*c*) the Board of Trade do hereby make the following Rules:—

PRELIMINARY.

1. These Rules may be cited as the Patents (Treaty of Peace) Rules, 1920, and shall come into operation from and immediately after the 19th day of July, 1920.

INTERPRETATION.

2. In the construction of these Rules any words herein used, the meanings of which are defined by the Order of the Board of Trade dated the 19th day of July, 1920, shall have the meanings thereby assigned to them respectively.

FEES.

3. The fees to be paid under these Rules shall be those specified in the first Schedule to these Rules.

FORMS.

4. The forms herein referred to are the forms contained in the second Schedule to these Rules. Such forms shall be used in all cases to which they are applicable and may be modified as directed by the Comptroller to meet other cases.

(*a*) 9-10 G. 5. c. 33. (*b*) S.R. & O., 1919, No. 1517.
(*c*) S.R. & O., 1920, No. 1336

Voluntary Dealings in or under Restored Patents, &c.

5. Where any assignment or assurance of a restored patent or of the benefit of a restored application or any licence under a restored patent has been agreed between parties, application for the consent of the Board of Trade to any such assignment, assurance, or licence shall be made on Patents Form No. 40 before the execution of the document effecting such assignment, assurance or licence. Such application shall be accompanied by a copy of the draft document proposed to be executed.

Devolution of Title by Operation of Law.

6. Where any person claims to be entitled to the benefit of or any interest in a restored patent or restored application by virtue of operation of law, arising after the outbreak of war, he shall make application for the consent of the Board of Trade to his title as claimed being recognised upon Patents Form No. 41. Such application shall be accompanied by a copy of the instrument or other document under which the applicant claims title.

Application for Licence under Restored Patent other than under Rule 5.

7. An application for the grant of a licence under a restored patent or a patent granted upon a restored application shall be made upon Patents Form No. 42. Such application shall be accompanied by an unstamped copy and a statement in duplicate setting out fully the reason for making the application, the facts upon which the applicant bases his case and the terms of the licence which he is prepared to accept. A copy of the application and of the statement will be transmitted by the Comptroller to the patentee at his address for service on the Register of Patents.

Upon such application being made and copy thereof transmitted to the patentee, the latter, if desirous of contesting the application, shall within one month of the receipt of such copy at his address for service, or such further time as the Comptroller may allow, leave at the Patent Office a counter-statement fully setting out the grounds upon which the application is contested and, on so leaving, shall deliver to the applicant a copy thereof.

Upon receipt of such counter-statement, and/or any further evidence the Comptroller may require, the Comptroller shall proceed to determine the application.

Application for Revision of Licence.

8. An application for the revision of a licence whether granted by the Board of Trade, the Custodian, or under these Rules under a restored patent shall be made upon Patents Form No. 43. Such application shall be accompanied by an unstamped copy and a statement in duplicate setting out fully the facts upon which the applicant bases his case and the terms of such licence as he is prepared to accept or grant. A copy of the application and of the statement will be

transmitted by the Comptroller to the patentee, at his address for service on the Register of Patents or the Licensee concerned, as the case may be.

Upon such application being made and copy thereof transmitted, the patentee or licensee, as the case may be, if desirous of contesting the application, shall within one month of the receipt of such copy at his address for service, or such further time as the Comptroller may allow, leave at the Patent Office a counter-statement fully setting out the grounds upon which the application is contested and, on so leaving, shall deliver to the applicant a copy thereof.

Upon receipt of such counter-statement and/or any further evidence the Comptroller may require, the Comptroller shall proceed to determine the application.

Application for the Expropriation, taking over or selling any Restored Patent.

9. An application for the expropriation, taking over or sale of any restored patent or a patent granted upon a restored application shall be made upon Patents Form No. 44. Such application shall be accompanied by an unstamped copy and a statement in duplicate setting out fully the reason for making the application and the facts upon which the applicant bases his case. A copy of the application and of the statement will be transmitted by the Comptroller to the patentee at his address for service on the Register of Patents.

Upon such application being made and copy thereof transmitted to the patentee, the latter, if desirous of contesting the application, shall, within one month of the receipt of such copy at his address for service, or such further time as the Comptroller may allow, leave at the Patent Office a counter-statement fully setting out the grounds upon which the application is contested and on so leaving, shall deliver to the applicant a copy thereof.

Upon receipt of such counter-statement and/or any further evidence the Comptroller may require, the Comptroller shall proceed to determine whether the application should be granted and be referred to a special tribunal for the settlement of terms.

Where it is decided to grant the application and refer it to a special tribunal for the settlement of terms application to be heard by the special tribunal shall be made upon Patents Form No. 45.

Hearings.

10. Before deciding any issue raised under Rules 7, 8, and 9 of these Rules or before exercising any discretionary power given to the Comptroller under the Order of the Board of Trade, dated 19th July, 1920, or these Rules, adversely to any party the Comptroller shall give ten days' notice, or such longer notice as he may think fit to the party or parties as the case may be of the time when he is prepared to hear such party or parties or their representatives.

Evidence.

11. In lieu of or in addition to any oral evidence that may be given at a hearing the Comptroller may require any party to file evidence by way of statutory declaration and allow any declarant to be cross-examined on his declaration.

Costs.

12. The Comptroller may award costs in any proceedings under these Rules, and direct how and by what parties they are to be paid. Further, in any case in which he thinks fit, the Comptroller may require any person initiating proceedings to give security for costs, and in the event of such security not being forthcoming, may dismiss the application in question.

Dated this 24th day of July, 1920.

R. S. Horne,
President of the Board of Trade.

First Schedule.

Fees.

Subject or Proceeding.	Amount.	Corresponding Form.
	£ s. d.	
On application under Rule 5 for consent of Board of Trade to assignment, assurance or licence of patent rights.	2 0 0	Patents Form No. 40.
On application under Rule 6 for consent of Board of Trade to devolution of title to patent rights by operation of law.	2 0 0	,, ,, No. 41.
On application for licence under restored patent.	2 0 0	,, ,, No. 42.
On application for revision of licence ...	5 0 0	,, ,, No. 43.
On application for expropriation, taking over, or selling any restored patent rights.	5 0 0	,, ,, No. 44.
On application for hearing by tribunal in respect of the expropriation, taking over, or selling of restored patent rights.	5 0 0	,, ,, No. 45.

Second Schedule.

FORMS.

PATENT, £2.

PATENTS FORM No. 40.

THE PATENTS (TREATY OF PEACE) RULES, 1920.

Application under Rule 5 for consent of Board of Trade to Assignment, Assurance, or Licence of Patent Rights.

(a) Give in full, name, address, and nationality of applicant(s).

(a) I (or We) .....
.....
hereby apply for the consent of the Board of Trade to an (Assignment) / (Assurance) / (Licence) in respect of (application) / (Letters Patent) No. of being executed.

A copy of the document in question, the terms of which have been agreed between .....
of the one part and .....
of the other, accompanies this application.

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

(b) To be signed by the applicant(s).

(b) Signature of Applicant(s) .....
.....

To the Comptroller,
The Patent Office,
25, Southampton Buildings,
Chancery Lane,
London, W.C.2.

PATENT, £2.

PATENTS FORM No. 41.

THE PATENTS (TREATY OF PEACE) RULES, 1920.

Application under Rule 6 for consent of Board of Trade to devolution of title to Patent Rights by operation of Law.

(a) Give in full, name, address, and nationality of applicant(s).

(a) I (or We) .....
.....
.....
hereby apply for the consent of the Board of Trade to the benefit of (Application) / (Letters Patent) No. of devolving upon me.

I (We) claim to be entitled to (*b*) ..... (*b*) Here insert nature of claims.

by virtue of an instrument dated .....
a copy of which accompanies this application.

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

.....

.....

.....

(*c*) Signature of Applicant(s) ..... (*c*) To be signed by applicant(s).

.....

To the Comptroller,
The Patent Office,
25, Southampton Buildings,
Chancery Lane,
London, W.C.2.

PATENTS FORM NO. 42.

PATENT, £2.

THE PATENTS (TREATY OF PEACE) RULES, 1920.

Application for Licence in respect of restored Patent under Rule 7.
(To be accompanied by an unstamped copy and also a statement of case (in duplicate)).

(*a*) I (We) ..... (*a*) Give in full, name, address, and nationality of applicant(s).

.....

.....

hereby apply for a licence in respect of Letters Patent No.
of

A draft licence embodying the terms which I (We) am (are) prepared to accept is annexed.

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

.....

.....

.....

(*b*) Signature of Applicant(s) ..... (*b*) To be signed by applicant(s).

.....

To the Comptroller,
The Patent Office,
25, Southampton Buildings,
Chancery Lane,
London, W.C.2.

PATENT.
£5.

PATENTS FORM No. 43.

THE PATENTS (TREATY OF PEACE) RULES, 1920.

Application under Rule 8 *for Revision of the Terms of a Licence.*
(To be accompanied by an unstamped copy and also a statement of case (in duplicate)).

(a) Give in full, name, address, and nationality of applicant(s).

(a) I (We) .....
.....
hereby request that the terms of the Licence in respect of Letters Patent No. of which licence is dated , and was granted by .....
.....
to .....
may be revised.

(b) Here state briefly the nature of the revision desired.

The modifications which I (We) desire to have effected are (b) .....
.....
.....

A draft licence embodying the terms which $\frac{\text{(we are)}}{\text{(I am)}}$ prepared to accept (or grant) is annexed.

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

(c) To be signed by the applicant(s) whether patentee(s) or licencee(s).

(c) Signature of Applicant(s) .....
.....

To the Comptroller,
The Patent Office,
25, Southampton Buildings,
Chancery Lane,
London, W.C.2.

PATENT.
£5.

PATENTS FORM No. 44.

THE PATENTS (TREATY OF PEACE) RULES, 1920.

Application under Rule 9 *for the Expropriation, Taking Over, or Selling of restored Patent Rights.*
(To be accompanied by an unstamped copy and also a statement of case (in duplicate)).

(a) Give in full, name, address, and nationality of applicant(s).

(a) I (We) .....
.....
.....

hereby apply for the expropriation, taking over or sale (*b*) of (*c*) .....
.....
No. of
My (Our) address for service in the United Kingdom is .....

(*b*) Strike out words which do not apply.

(*c*) Here insert particulars of letters patent, or application.

.....

.....

.....

Signature of Applicant(s).....

.....

To the Comptroller,
The Patent Office,
25, Southampton Buildings,
Chancery Lane,
London, W.C.2.

PATENTS FORM No. 45.

THE PATENTS (TREATY OF PEACE) RULES, 1920.

PATENT.
£5.

Application to be heard by Tribunal in Respect of the Expropriation, Taking Over, or Selling of Restored Patent Rights.

(*a*) I (We) .....
.....
.....
hereby apply to be heard by the Tribunal in respect of the application to (*b*) *expropriate, take over, or sell* (*c*) .....
No. of
My (Our) address for service in the United Kingdom is .....

(*a*) Give in full, name, address, and nationality of applicant(s),

(*b*) Strike out words which do not apply.

(*c*) Here insert particulars of letters patent or application.

.....

.....

.....

Signature of Applicant(s).....

.....

To the Comptroller,
The Patent Office,
25, Southampton Buildings,
Chancery Lane,
London, W.C.2.

Dated this 24th day of July, 1920.

R. S. Horne,
President of the Board of Trade.

FOREIGN PATENTS.

TREATY SERIES, 1920.
No. 18.

AGREEMENT RESPECTING THE PRESERVATION OR THE RESTORATION OF THE RIGHTS OF INDUSTRIAL PROPERTY AFFECTED BY THE WORLD WAR.

THE undersigned Plenipotentiaries of the countries members of the International Union for the Protection of Industrial Property, duly authorised by their respective Governments, have unanimously, and subject to ratification, adopted the following Agreement intended to guarantee and to facilitate the ordinary exercise of the rights of industrial property affected by the world war:—

ARTICLE 1.

The periods of priority provided for by Article 4 of the International Convention of Paris of the 20th March, 1883, revised at Washington in 1911, for the deposit of applications for patents or the registration of utility models, trade-marks, designs and models which had not yet expired on the 1st August, 1914, and those which would have been created during the war or which it would have been possible to create had the war not occurred, shall be extended by each of the High Contracting Parties in favour of the lawful holders of the rights recognised by the above-mentioned Convention, or their representatives, until the expiration of a period of six months from the coming into force of the present Agreement [*that is, until the* 31*st March*, 1921; *but see* NOTE, *p.* 26.]

Nevertheless, this extension of period shall not prejudice the rights of any High Contracting Power or of any individual who, at the time of the coming into force of the present Agreement, may be possessed *bonâ fide* of rights of industrial property conflicting with those applied for when claiming the period of priority. They shall retain possession of their rights either personally, or through all agents or holders of licence which may have been granted to them before the coming into force of the present Agreement without any liability to be disturbed or prosecuted as counterfeiters.

ARTICLE 2.

A period of one year from the coming into force of the present Agreement [*that is, up to* 30*th September*, 1921], without additional charge or penalty of any description, shall be allowed to the lawful holders of the rights recognised by the Convention in order to complete every

act, to fulfil every formality, to pay every charge and generally to comply with every obligation prescribed by the laws and regulations of each State in order to preserve or to obtain the rights of industrial property already acquired on 1st August, 1914, or which, had the war not occurred, it would have been able to acquire since that date, consequent on an application made before the war or in the course of its duration.

The industrial property rights which may have lapsed owing to the failure of accomplishment of an act, of execution of a formality or of payment of a charge shall be restored in efficiency under reserve of the rights possessed by third parties *bonâ fide* in patents or utility models or in industrial designs or models.

ARTICLE 3.

The time included between the 1st August, 1914, and the date of the coming into force of the present Agreement [*that is, on 30th September*, 1920], shall not be reckoned in the period provided for the working of a patent or for the usage of trade-marks or for the working of industrial designs and models; moreover, it is agreed that any patent, trade-mark or industrial design or model which was actually in existence on the 1st August, 1914, shall not be liable to forfeiture or cancellation solely for failure to work or non-usage before the expiration of a period of two years from the coming into force of the present Agreement [*that is, not before 30th September*, 1922.]

ARTICLE 4.

The provisions of the present Agreement only imply a minimum of protection; they do not prevent a claim to the application of more extensive measures which may be decreed by the domestic legislation of a contracting country; they also allow the existence of agreements more favourable and not inconsistent which the Governments of the signatory countries may have concluded or shall conclude between themselves in the shape of special treaties or reciprocity clauses.

ARTICLE 5.

The provisions of the present Agreement in no way affect the stipulations agreed to between the belligerent countries in the Treaties of Peace signed at Versailles on the 28th June, 1919, and at Saint-Germain on the 10th September, 1919, in so far as those stipulations may contain reserves, exceptions or restrictions.

The present agreement shall be ratified and the ratifications shall be deposited at Berne within a period of three months at most. It shall come into force as between the High Contracting Parties who shall have ratified it on the date when the *procès-verbal* of the deposit of ratifications shall be drawn up, and for any other Power on the date of the deposit of its ratification.

The countries which shall not have signed the present Agreement can adhere on making application [*see note below.*] Such accession shall be notified in writing to the Government of the Swiss Confederation, and by the latter to all the others. It will entail, as a matter of right

and without delay, adhesion to all the clauses and admission to all the advantages stipulated in the present Agreement.

It shall have the same force as the General Convention, and it will cease to be effective by simple resolution of a Conference (Article 14 of the Convention) when it shall have fulfilled its temporary object.

The present Agreement shall be signed in a single copy, which shall be deposited in the archives of the Government of the Swiss Confederation. A certified copy shall be forwarded by the latter to each of the Governments of the signatory countries.

Done at Berne, the 30th June 1920.

For Germany:
KÖCHER.

For France:
H. ALLIZÉ.

For the Netherlands:
VAN PANHUYS.

For Poland:
J. PERLOWSKI.

For Portugal:
A. M. BARTHOLOMEU FERREIRA.

For Sweden:
P. DE ADLERCREUTZ.
(Under the reserve noted in the *procès-verbal.*)

For Switzerland:
MOTTA.

For Czecho-Slovakia:
DR. CYRILL DUČEK.

For Tunis:
H. ALLIZÉ.

[NOTE.—Since the publication of the above the following countries have with certain reservations acceded to the above agreement: Great Britain, France, Germany, Morocco, Austria, Brazil, Spain, Czecho-Slovakia, Poland, Sweden, Switzerland, and Tunis. This list is being extended by fresh accessions. The most important reservation is the British qualification, which is: "The extended periods provided for by Articles 1 and 2 of the Agreement will terminate, as regards the United Kingdom, on the 10th January, 1921."]

CHAPTER II.

PROCEDURE FOR PROLONGING A PATENT.

By section 18 of the Patents, Designs and Trade Marks Act, 1907, the principal Act, it was possible for a patentee to present a petition to the Court before the date six months before the time limited for the expiration of a patent and it was necessary to show special merit, and, by the production of accounts, insufficient remuneration.

When the 1919 Act was passed, the opinion of the profession was that section 7, sub-section 3 of the new Act would provide a sweeping measure of relief to English patentees who had lost a portion of their monopoly period by reason of the war, and, further, that the procedure would be cheap and expeditious, and that it would obviate the necessity of the tedious and wasteful accumulation of figures intended to demonstrate the insufficiency of the patentee's remuneration; and in particular it was hoped that where, as a direct result of the war, four or five years had been lost, at the outset, from the possible monopoly period, the war patentee would almost as of right obtain an immediate prolongation of the patent.

One of the first decisions under section 7 was in *Brown's Patent*, 37 R. P. C. 52, 142, and in this case it was held that the words in section 7, sub-section 1: "Provided that the Court may in its discretion extend such period within which such petition may be presented" could be held to cover the case where a patent had expired and the patentee sought to apply under section 7, sub-section 3, by originating summons for a prolongation [*p.* 31, *post.*]

This liberal interpretation of the circumstances in which such originating summons could be heard, led patentees to believe that their hopes would be realised. It was, however, decided in *Davidson's Patents*, 37 R. P. C. 145, that except towards the end of the monopoly period, no such extension would be granted now, and that the summons could be used only as a suit to perpetuate testimony for use just before the expiry date. This case was taken to the Court of Appeal, where more than one of the Judges evinced a strong desire to review the decision which they clearly thought would almost render section 7, sub-section 3, a dead letter. They felt themselves, however, precluded

altogether from entertaining the appeal by reason of the words of section 92, sub-section 2 of the Act of 1907, as amended by the Schedule of the 1919 Act. The decision of Sargant, J., was therefore not argued; it is doubtful whether this judgment of the Court of Appeal will or can be reviewed in the House of Lords, and, therefore, in its broad essentials the judgment in *Davidson's Case* stands [*pp.* 41, 45, *post.*]

Not unnaturally, the result has greatly disturbed the business community, and it is not unlikely that amending legislation may follow. It should be added that in the recent cases of *The United Velvet Cutters' Association, Ltd.*, 37 R. P. C. 261, and *The Metropolitan Amalgamated Railway Carriage and Wagon Co.*, Mr. Justice Sargant has exercised his discretion under the sub-section in a manner somewhat more liberal to the patentee than might have been anticipated from the judgment above referred to.

As, however, there must be a considerable number of cases where the expiry date of a patent is so near, that the rule in *Davidson's Case* would not prevent an application by originating summons being heard in the near future, the following general observations may usefully be offered.

In the first place, as a general rule, such summonses will be heard on affidavit evidence only, unless special circumstances render oral examination and cross-examination of witnesses desirable.

Secondly, accounts will not in general be demanded by the Board of Trade or ordered by the Judge.

Thirdly, evidence of exceptional merit will not be required as in the ordinary procedure by petition.

Fourthly, questions as to adequate remuneration as a rule will not be material.

Brown's Case, 37 R. P. C. 52, which is an authority for these propositions, and the subsequent cases, indicate that if the circumstances are such that a patentee appears to have already derived very extraordinary remuneration or, *à fortiori*, to have earned from the very circumstances of the war sums in excess of those likely to have been earned if the war had not occurred, the topics above excluded will become highly material.

The serious limitation upon the sub-section, however, to be derived from the judgment of the cases already decided, is that the words in brackets in section 7, sub-section 3, "including loss of opportunity of dealing in or developing his invention owing to his having been engaged in work of national importance connected with such hostilities," are to be taken as *exclusive* of any other form of war loss. In other words, Sargant, J., has decided that the only circumstances entitling the patentee to relief are that he should have lost a portion of his monopoly period by being *himself*

engaged in work of national importance. Cases such as his licensee and sole manufacturer being so engaged and debarred from exploiting the patent, or weaker still, cases where, by lack of raw material or finances due to the war, nothing could be done during hostilities, appear to be excluded. Further, it must be observed that the patentee "as such" must have suffered the loss. Now, "patentee" is defined in section 19 of the new Act as the person for the time being entered upon the register as the grantee or proprietor of the patent, and it would seem that the case of an unregistered assignee and similar cases where the disability is real, but has been suffered by a person other than the registered proprietor, are not provided for.

Interesting and difficult questions may arise in the case of an application under this sub-section where the other circumstances would entitle the applicant to relief, but where he is or was the subject of an allied or neutral nation during the war—*e.g.*, A., a Frenchman, invents a machine in 1913, patents it in England in 1914, and from August, 1914, to 1919 is in the French Army, and his only existing machine is in territory occupied by Germans. *Quære*, has he a claim for an extension of his monopoly period? It is submitted that the proviso to sub-section 3, by expressly excluding enemy subjects and British companies under enemy control, has impliedly answered the question in favour of such patentees.

The procedure under section 7, which was at first governed solely by the views of the Court as expressed on the analogy of originating summonses in other matters, and of petitions under the old section 18, with necessary modifications, is now regulated by special rules added to Order LIIIA. by S. R. O., 1920, No. $\frac{713}{L\,20}$ which are printed, together with the judgments referred to above, at the end of this chapter.

An originating summons is drafted according to the provisions of Order LIIIA, rule 3A.* and an affidavit is drawn showing the material facts. The summons and affidavit are served on the Comptroller of Patents. The Master in Chambers directs such advertisements as seem to him to be necessary, and a date is fixed before which the summons shall not come into the list. At the hearing of the summons the Court may extend the monopoly period, or refuse finally to do so; or it may treat the summons as a suit to perpetuate testimony, in which case the patentee may come before the Court again when his patent is on the point of expiry and seek a prolongation.

* *p.* 32, *post.*

STATUTORY RULES AND ORDERS,
1920, No. 413.

PATENTS FOR INVENTIONS.

ORDER OF THE BOARD OF TRADE, DATED MARCH 15, 1920, UNDER SECTION 22 (2) OF THE PATENTS AND DESIGNS ACT, 1919 (9 & 10 GEO. 5, C. 80), FIXING DATE OF OPERATION OF SECTIONS 1 AND 2 OF THAT ACT.

Whereas section 1 of the Patents and Designs Act, 1919 (9 & 10 Geo. 5, c. 80), which was passed on the 23rd day of December, 1919, provides that the section therein contained shall be substituted for section 27 of the Patents and Designs Act, 1907 (7 Edw. 7, c. 29) (hereinafter referred to as the principal Act);

And whereas section 2 of the Patents and Designs Act, 1919 (9 & 10 Geo. 5, c. 80), provides that the section therein contained shall be substituted for section 24 of the principal Act;

And whereas section 22 of the Patents and Designs Act, 1919 (9 & 10 Geo. 5, c. 80), provides, *inter alia*, as follows:—

> "The provisions of sections one and two of this Act substituted for sections twenty-seven and twenty-four of the principal Act shall not come into operation until such time, not being later than one year after the passing of this Act, as may be fixed by Order of the Board of Trade, except so far as the provisions so substituted for the said section twenty-four are by sub-section (2) of section six of this Act applied to the patents therein mentioned":

Now, therefore, the Board of Trade do hereby order that sections one and two of the Patents and Designs Act, 1919 (9 & 10 Geo. 5, c. 80), shall come into operation on the 1st day of April, 1920.

Dated this 15th day of March, 1920.

A. C. Geddes,
President of the Board of Trade.

STATUTORY RULES AND ORDERS,
1920, No. 658.

PATENTS FOR INVENTIONS AND DESIGNS.

ORDER OF THE BOARD OF TRADE, DATED APRIL 23, 1920, UNDER SECTION 22 (2) OF THE PATENTS AND DESIGNS ACT, 1919 (9 & 10 GEO. 5, C. 80), FIXING DATE OF OPERATION OF SECTION 29 (1) (2) AND (4) OF THE PATENTS AND DESIGNS ACT, 1907 (7 EDW. 7, C. 29), AS AMENDED BY SECTION 8 OF THE 1919 ACT (RELATING TO PATENTS), AND OF SECTION 15 OF THE 1919 ACT (RELATING TO DESIGNS).

Whereas section 8 of the Patents and Designs Act, 1919 (9 & 10 Geo. 5, c. 80), which was passed on the 23rd day of December, 1919, provides that the section therein contained shall be substituted for section 29 of the Patents and Designs Act, 1907 (7 Edw. 7, c. 29) (hereinafter referred to as the principal Act);

And whereas section 15 of the Patents and Designs Act, 1919 (9 & 10 Geo. 5, c. 80), provides that the section therein contained shall be inserted after section 58 of the principal Act);

And whereas section 22 of the Patents and Designs Act, 1919 (9 & 10 Geo. 5, c. 80), provides, *inter alia*, as follows:—

> "*The provision of this Act relating to the terms on which an* invention or registered design can be made, used or exercised by or on behalf of a Government department shall not come into operation until such time as may be fixed by order of the Board of Trade."

And whereas the Board of Trade on the 21st day of January, 1920, made an Order (S. R. & O. 1920, No. 59), directing that section 29 (3) of the principal Act, as amended by section 8 of the Patents and Designs Act, 1919 (9 & 10 Geo. 5, c. 80), should come into operation on the 21st day of January, 1920;

Now, therefore, the Board of Trade do hereby order that section 29 (1) (2) and (4) of the principal Act, as amended by section 8 of the Patents and Designs Act, 1919 (9 & 10 Geo. 5, c. 80), and section 15 of the Patents and Designs Act, 1919 (9 & 10 Geo. 5, c. 80), shall come into operation on the 23rd day of April, 1920.

Dated this twenty-third day of April, 1920.

R. S. Horne,
President of the Board of Trade.

STATUTORY RULES AND ORDERS,

1920. No. 713
L. 20.

SUPREME COURT, ENGLAND.

PROCEDURE.

THE RULES OF THE SUPREME COURT (No. 2), 1920. DATED MAY 10, 1920.

We, the Rule Committee of the Supreme Court, hereby make the following rules:—

LIIIA.

2. The following Rule shall be inserted in Order 53A immediately after Rule 3, that is to say:—

3A. (*a*) The originating summons for the extension of any Letters Patent under section 7 of the Patents and Designs Act, 1919 (hereinafter called the Amending Act) shall be intituled in the Matter of the Amending Act and in the Matter of the Letters Patent in question and shall be served on the Comptroller and shall so long as the Court is a Judge of the Chancery Division be marked with the name of that Judge.

(*b*) At least 7 days before the day on which the originating summons is returnable the applicant shall file and serve on the Comptroller an affidavit stating all material facts on which the applicant relies. Such Affidavit shall in particular state facts sufficient to show the district or districts wherein advertisements of the intended hearing of the summons should appear.

(*c*) On the return of the summons or on any adjournment thereof caused by the insufficiency of the applicant's evidence to comply with the requirements aforesaid or otherwise directions shall be given for public advertisement of the application which shall include unless the Judge in Chambers shall otherwise specially direct at least one advertisement in the *London Gazette* and one advertisement either in some London daily newspaper if the applicant's principal place of business in the United Kingdom is situated within 15 miles of Charing Cross, or if such principal place of business in the United Kingdom is outside that distance then in some local newspaper published or circulating in the town or district in which such place of business is situated. And thereupon the Summons shall be adjourned to a day (herein-

after called the appointed day) not being less than 4 weeks from the estimated date of the forthcoming appearance of the advertisement in the *London Gazette*.

(*d*) The form of advertisement shall be approved by the Judge in Chambers and shall state the object of the application and name the day fixed as the appointed day. Every such advertisement shall also state an address for service on the applicant of any document requiring service under this rule and shall also give notice that Notices of Objection must be lodged as hereinafter provided at least 7 days before the appointed day. A copy of such advertisement shall be served by the applicant on the Solicitor to the Board of Trade at the same time that the advertisement is sent to the *London Gazette* and the Board of Trade shall thereupon cause such advertisement to be inserted in the two following issues of the *Illustrated Official Journal* (*Patents*).

(*e*) Except with the leave of the Judge in Chambers no affidavit shall be filed by the applicant between the appearance of his advertisement in the *London Gazette* as aforesaid and the appointed day other than an affidavit or affidavits to prove compliance with the directions given as to advertisement.

(*f*) Any person desirous of opposing the relief sought by the originating summons shall at least 7 days before the appointed day lodge at the Chambers of the Judge a notice stating that he intends so to oppose and giving an address within the United Kingdom for service of any document requiring service under this rule. Such person shall at the same time serve upon the applicant a copy of such notice. After lodgment of such notice the opponent shall be entitled to be supplied on the usual terms with copies of the originating summons and of any affidavit filed by the applicant in support.

(*g*) Upon the appointed day and on any adjournment directions shall be given for the delivery by any opponent of particulars of objection and for the filing of any affidavits and the matter shall in general proceed and be heard and dealt with in the like manner as an originating summons in the Chancery Division in which the applicant is plaintiff and the Comptroller and any opponents are defendants.

(*h*) The Court may excuse applicants and opponents from compliance with any of the requirements of these rules and may give such directions in matters of procedure and practice under section 7 of the Amending Act as it shall consider to be just and expedient.

(*i*) The Comptroller if he elects or is directed to appear upon the question of the relief sought by any originating summons under section 7 of the Amending Act shall not be required to give notice of the grounds of any objection he may think fit to take or of any evidence he may think fit to place before the Court.

(*j*) The Court may in cases where opposition has been entered to the relief sought by the originating summons under section 7 of the Amending Act give costs to or against the opponents.

(*k*) In the event of the Court refusing the relief sought by the originating summons the Court shall not except under special circumstances give more than one set of costs amongst all the opponents.

(*l*) The Comptroller and the Board of Trade shall not be entitled to any costs on or in relation to their appearance opposition or intervention in the matter of any such originating summons as aforesaid.

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

(*n*) In the event of any person desiring to obtain relief under section 7 of the Amending Act together with relief under section 18 of the Act it shall not be necessary for him to take out a separate originating summons but he shall be at liberty to make a combined application by a Petition headed in the Matter of both Acts. And in that event his application shall conform to and be regulated by the more elaborate procedure prescribed by Rule 3 of this Order and not by the procedure presented by the foregoing sub-heads of this Rule.

3. These Rules may be cited as the "Rules of the Supreme Court (No. 2), 1920," and shall come into operation on the 1st day of June, 1920.

Dated the 10th day of May, 1920.

Birkenhead, C.
Reading, C.J.
Sterndale, M.R.
Henry E. Duke, P.
R. M. Bray, J.
A. T. Lawrence, J.
C. H. Sargant, J.
P. O. Lawrence, J.
T. R. Hughes.
E. W. Hansell.
C. H. Morton.
Roger Gregory.

IN THE HIGH COURT OF JUSTICE.—CHANCERY DIVISION.

Before MR. JUSTICE SARGANT.

April 15th, 1920.

IN THE MATTER OF BROWN'S PATENT.

On December 29th, 1902, Letters Patent (No. 28,683 of 1902) were granted to William Brown for an invention of "Improvements in Hopper Barges and Dredgers." The patent therefore expired in December, 1916. In February, 1920, the patentee applied by originating summons that, if necessary, the period within which application might be made for the extension of the term of the patent or for the grant of new Letters Patent in respect thereof might be extended, and that the term of the patent be extended, or that an order be made granting to the patentee a new patent for such a term as might be specified therein. The summons was adjourned into Court, and came before Mr. Justice Sargant on April 15th, 1920.

R. Moritz (instructed by Bristowe, Cook and Carpmael) appeared for the applicant; *J. Austen-Cartmell* (instructed by the Solicitor to the Board of Trade) appeared for the Comptroller-General.

Moritz, for the applicant.—Under section 7, sub-section (1) of the Patents and Designs Act, 1919, the Court has power to extend the time for presenting a petition for extension of a patent. That section amends section 18 of the Patents and Designs Act, 1907. [The originating summons was referred to.] The applicant's patent expired in December, 1916. The Comptroller has been served. [SARGANT, J.—It will be necessary to have advertisements issued as other people may be interested in opposing.] Certainly. There are preliminary points of some importance arising on this summons.

Austen-Cartmell, for the Comptroller.—There are certain points on which I ask for the decision of the Court. First, whether the proviso as to extending the time applies to the new procedure by originating summons, and, secondly, whether an extension of time can be given after the patent has expired. I suggest that the provision only empowers the Court to extend the time before the whole six months mentioned in section 18 has expired. It seems, however, that the power applies to an application made by summons under sub-section (6) which is added by section 7, sub-section (3) of the Act of 1919. But if a patent has expired, I submit that the Court cannot extend the time. [SARGANT, J.—The Court has always a discretion as to granting an extension.] That may be the answer. [SARGANT, J.—There is no "period," but a *punctum temporis*, and the Court may make that a later date. Why cannot it make it after the expiration of the patent?] Section 18, sub-section (1) enables a "patentee" to apply. After a patent is expired there is no longer a patentee or a patent. On the other point, I feel a difficulty in arguing that the power does not apply to a summons. I suggest that sub-section (6) is alternative to sub-section (4) and forms a code in the cases within it, and that sub-section (5) will remain in force. I

suggest that the patentee must show inadequate remuneration. [SARGANT, J.—I must leave that point over at present.] In this case the patent expired over three years ago. [SARGANT, J.—Although the Court might in its discretion allow extension of a patent where a short time only had elapsed after its expiration, it may be that it would not allow extension after three years.]

Moritz, for the applicant.—The summons was issued shortly after the Act of 1919 was passed. The power to grant an extension of time is not, I submit, limited to the period of six months. Section 7 was intended to relieve inventors who have been interfered with by the war. Here the business of the company of which the patentee is managing director became a controlled business. No difference is intended between patents expiring, say, in 1918 and those expiring in 1919. As to the exercise of the discretion, patents lapsed for non-payment of fees are being restored at the Patent Office. The rights of third persons can be adequately guarded. There should, of course, be advertisements; and perhaps Rules might provide for that. [SARGANT, J.—I do not see any need for Rules as to the rights of third persons; the Court can impose terms on granting extension.]

Austen-Cartmell, in reply.—The case of lapsed patents is different. It is argued that however long a patent has expired the Court has jurisdiction to allow a new patent to be granted. If that be admitted, the only protection is that given by the discretion in the Court. The point is whether it is limited to a time when there is still a patent and a patentee. Sub-section (5) is general and applicable to all cases. [SARGANT, J. referred to sub-section (3).] Whatever sub-section (1) of section 7 means, it applies I think to procedure by summons. Then as to the discretion—[SARGANT, J.—I cannot deal with that now.] The intention was to assist patentees unable to develop their patents, but I shall argue at the proper time that the patentee ought to have applied in 1916.

SARGANT, J.—This is an application under the new section of the Patents and Designs Act, 1919, by originating summons for the extension of certain Letters Patent which expired as long ago as December, 1916. There are one or two points that are of some general interest upon which I can decide now, before I have ultimately to deal with the general merits of the application.

The first point that is taken on behalf of the Comptroller is this: that although section 7, sub-section (1) of the Act of 1919 has this provision, that there shall be inserted in sub-section (1) of section 18 of the Act of 1907 the following proviso:—"Provided that the Court may in its discretion extend such period within which such a petition may be presented," that power only enables the Court to abridge the period of six months prior to the expiration of the patent, before which, under the Act of 1907, a petition had to be presented, so that a petition should be good, although it was presented five, four, three, two months, or one month, or any time prior to the expiration of the patent; but that it does not enable the Court to allow a petition to be presented after the patent has expired, and the patentee has ceased to be a patentee.

I must look at the language of the two sections. Section 18, sub-section (1) of the Act of 1907 is in these terms:—"A patentee may, after advertising in manner provided by Rules of the Supreme Court his intention to do so, present a petition to the Court praying that his patent may be extended for a further term, but such petition must be presented at least six months before the time limited for the expiration of the patent." There there is a *punctum temporis*, six months before the expiration of the patent, before which the petition has to be presented, and there is a period of six months from that *punctum temporis* down to the expiration of the patent. The language of section 7, sub-section (1) of the Act of 1919 is curiously inappropriate to that state of things. The words to be inserted are:—"Provided that the Court may in its discretion extend such period within which such a petition may be presented." There is no period which was to be extended. There was a period of time prior to which a petition had to be presented. But I think looking at the language the true meaning of "extend such period" is "enlarge the time," and that the words must read "Provided that the Court may in its discretion enlarge the time within which such a petition may be presented." That is to say, it may allow the petition to be presented after the *punctum temporis*, six months before the expiration of the patent.

If that is so, is there any sufficient reason for putting a limit on the discretion of the Court, and saying that the Court is debarred in its discretion from enlarging that time beyond the date of the expiration of the patent? The only suggestion, when once that construction has been put upon the language, is that the patentee is no longer a patentee. I do not think that that is sufficient. He was a patentee, his rights are in respect of that which was a patent, and, in my opinion, having regard to the object of section 7, which obviously is to protect patentees who lost, or omitted to exercise, their rights owing to the state of war that had been existing, and looking to the fact that the whole matter is within the discretion of the Court, I see no sufficient reason for limiting that power to enlarge the time, to a power to enlarge it merely up to the date of the expiration of the patent. In my judgment it is left to the discretion of the Court to enlarge the time to any extent that the Court in its discretion may think fit.

There is a subsidiary point which has been also put before me, and that is this: that, although that may be so with regard to a petition under section 18, sub-section (1), it does not apply to an originating summons under section 7 of the Act of 1919. The provisions as regards originating summonses were by that section introduced by way of addition to the other sub-sections of section 18. There are five sub-sections of section 18, and section 7 by sub-section (3) introduces a fresh sub-section (6) by way of addition to the sub-sections of section 18. In my judgment the result of the language of the addition is this: that *primâ facie* the other sub-sections of section 18 apply to a proceeding by way of originating summons under the new sub-section substantially as they apply to an application by way of petition under the original section 18, and, therefore, I am of opinion that the Court has jurisdiction to hear and deal with this application, although it is

some three years after the expiration of the patent, and although it is by originating summons, and not by way of petition.

The question whether the Court ought to exercise its discretion is one which will depend entirely upon the facts of the case, and I do not now propose to say anything about that. What must take place is that the application be now referred to Chambers for the purpose of advertisements being issued in order to give an opportunity to persons who would be affected by the extension of the Letters Patent of coming in and having their objections heard. I think that there should be ample opportunity given for that purpose. This has some bearing on the question whether the Court ought to say, straight off, that an application three years after the expiration of the patent is too late. I do not think the Court ought to say that. I think that the Court ought to rely upon this, that any persons who will be affected by the extension will have an opportunity of being heard after the advertisements have been issued, and that the Court will be able, if an extension is granted, to make the extension upon terms which will protect persons who may have started manufacture and so on, or otherwise acted in reliance upon the circumstance that the patent had expired.

Moritz.—Will your Lordship give any direction now as to whether accounts will be necessary? Your Lordship raised a doubt as to whether accounts would be necessary. I should like to argue that.

SARGANT, J.—I quite see the matter might possibly stand in this way—it is a mere suggestion—that *primâ facie* a patentee coming by originating summons is not bound to furnish accounts if he chooses to keep within the express provisions of the sub-section. On the other hand, there may be special circumstances in a particular case which render accounts necessary.

Moritz.—At some future stage.

Austen-Cartmell.—No, I hope that point may be left open.

SARGANT J.—I will certainly leave it open as to whether, supposing very large profits had been made out of a patent, and then there had been some loss sustained, so that the profits had not been as large as they would have been, that is a case in which the patentee is given a right.

Austen-Cartmell.—That would be my contention.

SARGANT, J.—I want to leave that entirely open. I think it is a most important point.

Austen-Cartmell.—If your Lordship pleases, because my contention is that sub-section (5) is independent of the new sub-section which is substituted for sub-section (4).

SARGANT, J.—I quite appreciate that, but I can quite see that there are certain cases in which the furnishing of accounts might not be necessary. I will not say that generally the furnishing of accounts is not necessary.

Moritz.—Does your Lordship intend that these cases should go into the Witness List?

Austen-Cartmell.—I hope so.

SARGANT, J.—I should think that the cases would be put in the Witness List, just as cases by petition are.

Austen-Cartmell.—I think as a general rule it would be better that it should be taken just as a petition.

SARGANT, J.—Yes.

Moritz.—It is simply a question of expense.

SARGANT, J.—I want to do everything to diminish expense. It is quite obvious that the intention of this statutory provision was that in these particular cases there should be less costs incurred, as a rule, than in proceedings by petition. But I do not think I could possibly hear an originating summons of that kind in Chambers.

Austen-Cartmell.—No, not in Chambers.

SARGANT, J.—I could not hear it on Monday in Chambers; that would mean it being adjourned into Court.

Moritz.—My enquiry was whether simply in the first instance your Lordship would not say that it could be tried on affidavit evidence, and then, if necessary, have witnesses.

SARGANT, J.—I think, *primâ facie*, being by originating summons, it would be tried on affidavit evidence.

Austen-Cartmell.—I was going to suggest that.

SARGANT, J.—That would of course probably save expense. The case would be made by affidavit, but of course an application might be made to cross-examine.

Austen-Cartmell.—That is what I was going to suggest.

SARGANT, J.—In a particular case it would be competent to the Court to say that it should be adjourned into Court to be heard with witnesses, but *primâ facie* it would be first on affidavit evidence.

Austen-Cartmell.—*Primâ facie* it would be on affidavit evidence, with a right on the part of the Law Officer or any other person to make any application to cross-examine. In fact the same procedure would be adopted, I apprehend, or I suggest, as is adopted in Trade-Mark Cases, where many of them go without cross-examination, but the Registrar has always been allowed to cross-examine.

SARGANT, J.—That may practically be so. What occurs to me is this—that, when the Legislature said that these applications were to be made by way of originating summons, it was intended that the general procedure of the Chancery Division with regard to originating summonses should be followed.

Austen-Cartmell.—Yes, but I understand that these summonses would, as a matter of course, be adjourned into Court.

SARGANT, J.—I think so. It might be that in any particular case where no one appeared, and there may be a good many I should think, where nobody opposes, and where the Comptroller does not oppose, it could be dealt with in Chambers.

Austen-Cartmell.—Yes, but I expect those cases would not be very numerous.

SARGANT, J.—No. I think I can say that the ordinary practice of originating summonses would be followed.

Austen-Cartmell.—I think really what my friend had in his mind was that your Lordship would take them in the same way that you take petitions—fix a special day for them, or something of that sort, in case the Law Officers appeared.

Moritz.—No, I was only seeking to avoid, unless necessity arises for it, having oral evidence.

SARGANT, J.—I think that in a great many cases oral evidence will not be necessary.

On February 24th, 1920, the patentee applied by originating summons asking that, if necessary, the period within which application might be made for the extension of the term of the patent, or for the grant of a new patent in respect thereof, might be extended; and that the term of the patent might be extended, or that an order might be made granting to the patentee a new patent for such a term as might be specified therein. An affidavit in support of the summons was made by the patentee. The summons was adjourned into Court, and came before Mr. Justice Sargant on April 15th, 1920. It was held that the Court had jurisdiction to enlarge the time for application to any extent that it might in its discretion think fit, although the application was made by originating summons. The application was referred to Chambers for the purpose of advertisements being issued in order to give to persons who would be affected by the extension of the term of the patent an opportunity of having their objections heard.

The summons, which first came into the List on June 16th, 1920, when the date for hearing was settled, came before Mr. Justice Sargant on July 7th, 1920.

R. Moritz (instructed by Bristowe, Cooke & Carpmael) appeared for the patentee; *J. Austen-Cartmell* (instructed by the Solicitor to the Board of Trade) appeared for the Comptroller-General.

Moritz, for the patentee.—The Court has decided that the mere fact that the patent expired three years ago is not necessarily fatal to an application for extension under the new enactment. No one has come in to oppose the application. Patents are being renewed at the Patent Office to the extent of thirty or forty a day, under the Emergency Rules and the Peace Treaty. Under the Rules, the Court has power to impose conditions. The patentee is the managing director of Wm. Simons & Co., Ltd., by whom all vessels embodying the inventions forming the subject of the patent have been constructed. He did not make any attempt to apply by petition for extension because he thought he would not have any chance under that procedure. His shipbuilding yard was a controlled establishment up to the issue of the summons. He gave a free licence to his company, and got his payment from his 80 per cent. of the profits. [SARGANT, J.—He did not suffer any damage as patentee.] All that that means is in connection with the patent; if he had assigned the patent to his company and he and the company had come forward, there would not have been any objection. [SARGANT, J.—No one ever took a licence; the shipbuilders do not seem to have appreciated the value of the patent; so there is not much force in the fact that no one has come forward to oppose.] Want of merit is not material. [SARGANT, J.—The patentee's interest is that of a shareholder, not of a patentee.] If the words of the sub-section are to be strictly construed, the effect of the sub-section will be narrowed very much; and the interpretation will count against many

patentees. The patentee says that the patent would be valuable to him.

Austen-Cartmell, for the Comptroller.—An application at so long a time after the expiration of the patent cannot be entertained. [SARGANT, J.—I do not want to decide broadly that in no case will I grant an extension after the patent has expired.] If the patent had been worth very much, an application would have been made by petition to extend it. An application for extension must be based on what happened before the patent expired. It has not been shown that there has been any loss at all. The patentee has not shown that his company could have built a vessel a year.

SARGANT, J.—This is an application under the new Act for an extension of the term of a patent. I do not propose to decide this on any very general principles, because I think, on the particular facts of the application, it is a very weak case to say the least of it. The application is by Mr. William Brown, who is a large shareholder in, and, with his family, owns about 80 per cent. of the capital of, a company called William Simons & Co., Ltd., and he had a patent in connection with the building of dredging vessels. His patent expired in December, 1916, and his case for relief is expressed in this way. He says:—"Up to the outbreak of hostilities the said company built on an average about one dredging vessel a year embodying my patent, and in the ordinary course of business completed one such vessel in 1914 and another by special permission of the Ministry in 1915." In July, the company became a controlled establishment. That practically, I think, shows what his loss was. The loss was that one vessel, if the former practice of the company had been maintained, would have been built in 1916, and in consequence of the war that vessel was not built.

But, beyond that, it does not appear to me that any loss that he suffered was his loss as patentee or was other than his loss as a shareholder of the company, in common with the other shareholders in the company. His position as patentee was obviously not very strong, in this sense that he never seems to have licensed any other person or company to build under the patent. Furthermore, he never licensed his own company and, in the concluding paragraph of his affidavit, he says:—"My interest in profits derived from working under the said patent or any extension thereof consists in the fact that I permitted and should continue to permit the said company to manufacture thereunder as sole and exclusive licensees and gained and would continue to gain my advantage from the enhanced profits of the company thereby earned. My brothers and I and my family own about 80 per cent. of the issued ordinary share capital of the said company." It is perfectly clear that what he is claiming is a loss which he has sustained, not as patentee but as one of the shareholders in the company, and a loss sustained, as I think, because his company, in common with other shipping companies, was precluded from building a ship, not because the company was precluded from building a ship with certain patent rights attaching to the ship so built.

I think I ought to add this. Without saying that it is impossible to grant a renewal of a patent under this legislation when the patent

has expired three years before the application, it seems to me that it would have to be a very special case indeed for such a grant to be made at that distance of time. I do not know whether any such case could ever be made. Without saying more, I am quite clear that this case is not a special case of that kind, and that I should not be doing right in extending this patent now for the term of one year, or possibly eighteen months, which would be the very utmost to which, on any showing, the patentee could be entitled. I am compelled therefore to refuse this application.

IN THE HIGH COURT OF JUSTICE.—CHANCERY DIVISION.

Before MR. JUSTICE SARGANT.

June 16th, and July 7th and 30th, 1920.

IN THE MATTER OF DAVIDSON'S PATENTS.
IN THE MATTER OF GASKIN'S PATENTS.

Judgment was reserved, and was delivered on July 30th, 1920.

SARGANT, J.—Both these applications are made by originating summons under the additional provisions which, by section 7 of the Patents and Designs Act, 1919, have been introduced into section 18 of the Patents and Designs Act, 1907, as sub-section (6) of that section. In the first case the application is for the extension of eight several patents granted in the years 1911 to 1915 inclusive; and in the second case the like application is made in respect of three patents dated in the years 1912 to 1916 inclusive. In each case, therefore, the application is made a long time before the expiration of any of the patents in question, and in each case objection is taken by the Comptroller that the question of extension ought not to be dealt with till shortly before the expiration of the patents sought to be extended. The question thus raised is one that will affect a large number of applications pending and prospective, and on which I understand that there has been some difference of opinion amongst those specially conversant with, or engaged in, these matters. It is for this reason, rather from any real doubt, that I have reserved judgment.

In considering the effect of section 7 of the Act of 1919, the first and most important feature is that the section operates not by way of independent enactment but by way of addition to and insertion in section 18 of the Act of 1907. And further, in making this addition, the Legislature had definitely in mind the question of the appropriate time for making applications for extension since a proviso is added to sub-section (1) of the original section for the purpose of extending the time previously fixed for the presentation of petitions. It is therefore reasonably clear that, except so far as alterations are expressly introduced, or are necessarily involved, an extension under the new procedure by originating summons was intended to be applied for and granted on the same general lines, in relation to time and otherwise, as those on which extensions had previously been dealt with, though

no doubt by a cheaper procedure. Nothing was better settled as regards the existing practice in relation to extensions than that they ought not to be applied for until very shortly before the six months prior to the expiration of the patents in question. And there is therefore strong *primâ facie* ground for concluding that extensions by originating summons should also be sought at or about the same period.

But it was argued that the sole reason for insisting that petitions should be presented shortly before the expiration of a patent was that the Court might be in a position to judge of the adequacy of the remuneration of the patentee, and that, in the case of applications under the new sub-section (6), inadequacy of remuneration is not a relevant factor. This argument involves reading the word "may" towards the end of the new sub-section as being equivalent to "shall," and I do not think that this construction is admissible. In my view the word "may" in the new sub-section (6) is used in express contrast with the word "shall" towards the beginning of sub-section (4); and the effect of sub-section (6) is merely to give the Court a power and discretion to disregard in appropriate cases the considerations which the Court is otherwise bound to regard under sub-section (4). There may thus be many cases in which the Court will, in the exercise of its discretion, have regard solely to the loss and damage suffered by the patentee. On the other hand, there may well be other cases under sub-section (6) where the remuneration of the patentee has been altogether excessive, or the patentee has been quite inert, or the extension might be likely to be injurious to the industry of the country, or where there are other circumstances markedly unfavourable to an extension; and in such cases the Court might not be justified in arriving at its decision in considering solely the loss or damage suffered by the patentee. And it is in general impossible to judge in which way the Court should exercise its discretion until a patent has nearly expired. Further, when the new sub-section (6) speaks of its appearing to the Court that the patentee as such has suffered loss or damage, it seems to me that the sub-section must be taken to refer to loss or damage suffered during the whole term of the patent, and not merely to loss or damage suffered during a portion of that period. It may well be that, in certain cases, though a patentee has, down to the present time, suffered loss or damage by reason of the war, the loss or damage may, prior to the expiration of the patent, be made good in whole or part, or even be converted into a gain by reason of subsequent circumstances also arising out of or in connection with the war. I do not think that a reading of the section would be justified under which a patentee, who thought he was approaching the end of his losses as a patentee and had expectations of recouping the whole or part of those losses, should be at liberty to select such a time for his application to the Court as would enable him to prove the maximum amount of loss and obtain the maximum extension of his patent.

It may further be observed that a system under which applications of the kind should be entertained at a comparatively early period in the life of a patent would result in the prolongation of a large number of patents with very little ultimate benefit to the patentees, but with considerable inconvenience to the public. Many patents which seem,

in their early years, to be worth an application for extension, may, towards the end of their original lives, be recognised as being obsolete or superseded or otherwise not worth the trouble and expense of any such application. It would be highly inadvisable that the lives of patents of this kind should have been prolonged previous to the discovery of their comparative worthlessness.

The advantages urged for considering the matter at once were mainly these: First, that it would be, or might be, more easy to prove loss or damage shortly after it had occurred than at a later period; and, secondly, that it would be convenient to the patentees to know at an early stage what commercial interest they had to dispose of to purchasers. I feel the weight of those considerations, but they are considerations of convenience only and I do not think that they are sufficient to counterbalance the reasons already given.

For these reasons I am of opinion that, as a general rule, at least, applications under the new sub-section should, like those under the previous practice, be made quite a short time before the expiration of the patents in question; and I do not find, in either of the cases now in question, any special circumstances sufficient to justify a departure from the general rule. Indeed, the cases in which such a departure would be justified are probably very rare, to say the least.

As these applications are the first of the kind, and the practice has not hitherto been settled, I do not dismiss them, but merely direct that they stand over generally, with liberty to the applicants in each case to apply to restore at a later date.

Sir Arthur Colefax, K.C.—My Lord, that simply means there will be no Order, except that the application stands over till a date, as your Lordship has indicated, nearer the time for the expiration of the patent.

SARGANT, J.—Yes.

Sir Arthur Colefax, K.C.—There is one question that I desire to raise, that is, I ask your Lordship for leave to appeal. I know there is some question about the right to appeal. Of course, I quite appreciate that, so far as your Lordship's decision as to the result of an application is concerned, of refusing extension, or extension for two years or three years or whatever it may be, there is no appeal as to that; but, on the other hand, the question here is, as your Lordship appreciates, of great importance.

SARGANT, J.—I do not know whether I can give leave to appeal so as to be an effective leave to appeal or not; but I recognise it is a case of great importance, and I should desire that, if possible, the applicants should have the opinion of the Court of Appeal.

Sir Arthur Colefax, K.C.—We must take our own risk.

SARGANT, J.—So far as I can give leave to appeal, I give leave in both the cases.

In the Court of Appeal.

Before The Master of the Rolls and Lords Justices Warrington and Younger.

October 25th and 26th, 1920.

In the Matter of Davidson's Patents.

Counsel for the respondent were not called upon.

Lord Sterndale, M.R.—I regret extremely the decision to which I feel bound to come in this case, and if there is any way of discovering that we are wrong, and it is discovered that we are, I shall certainly not be sorry, because the result is that the point raised cannot be considered in the Court of Appeal, and therefore, of course, cannot be considered in the House of Lords. The point is, to my mind, a very important one indeed, as it was to the mind of the learned Judge in the Court below; it is whether there is, or is not, an appeal from what Mr. Justice Sargant did—to use a neutral term for the moment—on the hearing of a summons under the Patents and Designs Act of 1919. The summons was taken out for the prolongation of the appellant's patents on the ground of his having sustained loss or damage by reason of hostilities between His Majesty and a foreign State. Mr. Justice Sargant came to the conclusion, for reasons which he gave, and to which I shall refer so far as it is necessary and proper, considering that we are not hearing the appeal, that on the construction of the Statute before him, the summons had been taken out too soon, and that it was right that it should be dealt with under the old practice as to petitions for prolongation of patents, namely, that such a petition should not be heard until some time near to the expiration of the patent. He thought that was a general rule, and saw no special circumstance in this case to take it out of the rule. He therefore made an order in the following terms:—"This Court doth not now think fit to make any order on the said application, but doth order that the same do stand over until a day nearer to the expiration of the above-mentioned Letters Patent with liberty to apply to restore." That order is, to my mind, a decision that the application was premature, and for that reason ought to stand over.

The first point, perhaps, with which I ought to deal is this: Is that a decision? In my opinion, it clearly is. A decision that an application is premature and therefore must stand over is, in my opinion, a decision on the application.

The sections under which the matter arises are section 18 of the Patents and Designs Act, 1907, section 92, sub-section (2) of the same Act, and section 7, sub-section (3) of the Patents and Designs Act, 1919, which is an amending section to section 18. I need not read section 18 at any length. It enables a patentee to ask for an extension of his patent. By sub-section (4) it is provided that "the Court, in considering its decision, shall have regard to the nature and merits of the invention in relation to the public, to the profits made by the patentee as such, and to all the circumstances of the case." Therefore, the Court in hearing the application has to consider all the circumstances of the case, including

those which are specially mentioned. Section 92, sub-section (2), as it stood originally, was to this effect: that "Where by virtue of this Act a decision of the Comptroller is subject to an appeal to the Court, or a petition may be referred or presented to the Court, the appeal shall, subject to and in accordance with rules of the Supreme Court, be made and the petition be referred or presented to such Judge of the High Court as the Lord Chancellor may select for the purpose, and the decision of that Judge shall be final, except in the case of an appeal from a decision of the Comptroller revoking a patent on any ground on which the grant of such patent might have been opposed." The Act of 1919 by section 7 (after making certain amendments which are not relevant to this matter) provides in sub-section (3): "At the end of the same section"—that is, section 18 of the principal Act—"the following sub-section shall be added:—(6) Where, by reason of hostilities between His *Majesty* and *any* foreign State, the patentee as such has suffered loss or damage (including loss of opportunity of dealing in or developing his invention owing to his having been engaged in work of national importance connected with such hostilities) an application under this section may be made by originating summons instead of by petition, and the Court in considering its decision may have regard solely to the loss or damage so suffered by the patentee . . ." It seems to me that the matters mentioned in the new sub-section (6), namely, the suffering of loss or damage would have been circumstances which the Court without any such sub-section would have considered, amongst others, under section 18 of the principal Act; and the result of this enactment in this sub-section seems to me to be this: formerly, the matters could, amongst others, have been brought before the Court by petition; they could not have been brought in any other way. The sub-section provides, first, that they can be brought in another way, namely, by originating summons instead of by petition; and, secondly, that, when so brought, the Court may have regard solely to the circumstances of loss or damage, and is not obliged to consider the other circumstances which are mentioned or alluded to in section 18. That seems to me to be the meaning of that sub-section.

There is a further provision in the Schedule to the Act of 1919, which is called a Schedule of minor amendments, and the result is that sub-section (2) of section 92 of the principal Act now reads in this way: "Where by virtue of this Act a decision of the Comptroller is subject to an appeal to the Court, or a petition may be referred or presented to the Court, the appeal shall, except in the case of a petition for the revocation of a patent under section 25 of this Act, and subject to and in accordance with rules of the Supreme Court, be made and the petition referred or presented to such Judge of the High Court as the Lord Chancellor may select for the purpose; an appeal shall not lie from any decision of such Judge except in the case of an order revoking or confirming the revocation of a patent." The learned Judge decided, as I understand, that the word "may" in section 7 of the Act of 1919, or rather, I should more correctly say, in sub-section (6) of section 18 of the principal Act, which is enacted by section 7, sub-section (3) of the Act of 1919, was not to be construed as imperative, as was argued before him; it was not to be construed as

"shall have regard solely to the loss or damage so suffered by the patentee"; he, therefore, thought that he could consider the other circumstances mentioned in section 18 of the principal Act, and that, as he could consider them, the proper thing was not to hear the summons until near the expiration of the patent, because he thought that he might have to take into consideration the advantages to the patentee after the cessation of hostilities as qualifying or modifying the loss or damage sustained during the period of hostilities. The matter has not been argued before us, and therefore I shall say nothing more about that part of the decision than this: that it is a matter of very great importance, and that it is a matter upon which there may very well be different opinions; and it is unfortunate, in my opinion, that there can be no appeal against it; but I think there cannot be for this reason. This, as I have already said, is to my mind a decision. A decision that a summons is premature and must therefore stand over to be heard at a future date is, in my opinion, a decision on the summons. I though at one time that something might have been made of the words "the decision" in section 92, sub-section (2) of the principal Act. I thought it might be said—and I was rather attracted by it, as I should prefer that there should be an appeal—that "the decision" meant the final decision, and that the appeal was only taken away in the case of the final decision. That would have led, of course, to a very anomalous result, because it would have meant this: That there was no appeal from the final decision on a very important point, but there might be an appeal to this Court, and to the House of Lords, upon every insignificant point decided on an interlocutory application on the same matter. But it seems to me that any argument that could be drawn from that expression is entirely got rid of by the amendment mentioned in the Schedule to the Act of 1919. I do not know that it was intended to make any alteration of the law: it may have been intended simply to deal with the same decision as the principal Act; but, however that may be, it makes it quite clear that it is not one decision, and one decision only, which has to be considered, but any decision of the Judge on a summons, because it is "an appeal shall not lie from any decision of such Judge except in the case of an order revoking or confirming the revocation of a patent." That seems to me to make it clear that there is no appeal in this case. It is a decision of the Judge upon the summons, and it comes directly within the words "an appeal shall not lie from any decision of such Judge"—except in one particular case.

The effect of the new sub-section is, as I have said, only to do two things; to enable the applicant to proceed by summons instead of being bound to proceed by petition, and to enable the Judge to deal with only certain circumstances, instead of all the circumstances. It does not give any new jurisdiction, except in allowing the Judge to deal with one set of circumstances only: it merely gives a new procedure. The words of the sub-section are too strong for us to get over, and, for these reasons, I think that no appeal lies against this decision, and that this appeal must be dismissed.

WARRINGTON, L.J.—I am of the same opinion. I join in the regret expressed by the Master of the Rolls at being compelled to hold that

no appeal lies in the present case; because the decision of Mr. Justice Sargant is one of the utmost importance to patentees who have suffered the particular losses referred to in section 7 of the Act of 1919, inasmuch as, if it is acted on, it prevents them from obtaining immediate relief in respect of those losses, and it is a decision about which, inasmuch as we have not heard the argument, I will say no more than the Master of the Rolls has said, namely, that it is a decision as to which there may well be different opinions; but I feel myself compelled to come to the conclusion that no appeal from it lies to this Court.

The question, and the only question, I think, is this: Whether on the true construction of section 92, sub-section (2) of the Patents and Designs Act, 1907, as amended by the Patents and Designs Act, 1919, and in the events which have happened, an appeal lies from the order in question, which directs, for reasons of weight, founded on the construction and effect of section 7, sub-section (3) of the Act of 1919 and the other material sections, and of expediency, having regard to the nature of the jurisdiction with which the Judge was dealing, that the application before him should stand over generally as having, in his view, been presented prematurely.

The question turns, as I have said, on the true construction of section 92, sub-section (2) of the Patents and Designs Act of 1907 as amended by the Act of 1919; but in order to understand the true construction of that section it is necessary to refer to the section under which the application in question was made to the Court. That section is section 18 of the Act of 1907 as amended by section 7, sub-section (3) of the Act of 1919; and I propose to read that section as amended, not to read the section first as unamended and then the amendment, but to read it as it stands at the present time, omitting, of course, immaterial provisions. Section 18 runs in these terms: "(1) A patentee may, after advertising" in the manner mentioned, "present a petition to the Court praying that his patent may be extended for a further term, but such petition must be presented at least six months before the term limited for the expiration of the patent." I will omit sub-sections (2) and (3), as being irrelevant to the present question, and I come to sub-section (4): "The Court, in considering its decision, shall have regard to the nature and merits of the invention in relation to the public, to the profits made by the patentee as such, and to all the circumstances of the case." It therefore prescribes in imperative terms to what the Judge shall have regard in considering his decision, and, in particular, the Court is to have regard to all the circumstances of the case. I omit sub-section (5), which provides for the relief which the Court may grant in such cases; and I come to sub-section (6), which is the sub-section introduced by amendment: "Where, by reason of hostilities between His Majesty and any foreign State, the patentee as such has suffered loss or damage (including loss of opportunity of dealing in or developing his invention owing to his having been engaged in work of national importance connected with such hostilities) an application under this section"—that is, an application under sub-section (1), which is for an extension of the patent—"may be made by originating summons instead of by

petition, and the Court in considering its decision may have regard solely to the loss or damage so suffered by the patentee." There are two points of importance which arise upon that sub-section. The first of these is that, where the patentee has suffered a particular loss, he may make his application for extension not only by petition, as was provided in the original Act, or as is provided in the existing sub-section (1), but he may make the application, if he pleases, by originating summons instead of petition; and under that provision the originating summons for extension may be for extension on any of the grounds on which, under section 18, he may be entitled to extension, and is not limited to the particular ground mentioned in sub-section (6). The second point which arises upon the construction of the section as a whole, as amended, is this: it is contended that on this particular form of application by originating summons under sub-section (6) the Judge is compelled to have regard only to the particular loss or damage mentioned in the sub-section. I cannot accept that contention. It seems to me again, when one adopts what to my mind is the only legitimate course, and reads the section as a whole, as amended, the true effect of sub-sections (4) and (6), together, is this: that, whereas if the patentee has not proceeded as is provided by sub-section (6), or, at any rate, if he has not suffered the particular loss or damage there specified, the Court is bound to have regard to all the circumstances of the case where he does bring himself within sub-section (6) the Court is at liberty, if it pleases, to reject all the other circumstances and to have regard to this particular circumstance only; but there is nothing to prevent the Judge, if he pleases, from having regard to all the circumstances of the case, and for obvious reasons, because there may be circumstances which would materially affect the importance of the particular loss or damage which the patentee is said to have suffered.

With those preliminary observations as to the construction of section 7, sub-section (3), which seem to me to be material on the construction of section 92, sub-section (2), I come to section 92, sub-section (2), and I propose to take the same course with regard to that as I have taken with regard to the other section, and to read it as amended by the Act of 1919. The amendment is done in a curious way. Section 20 of the Act of 1919 is in these terms: "The amendments specified in the second column of the Schedule to this Act, which relate to minor details, shall be made in the provisions of the principal Act specified in the first column of that Schedule." I will read section 92, sub-section (2) as amended: "Where by virtue of this Act as decision of the Comptroller is subject to an appeal to the Court, or a petition may be referred or presented to the Court, the appeal shall, except in the case of a petition for the revocation of a patent under section 25 of this Act, and subject to and in accordance with rules of the Supreme Court, be made and the petition referred or presented to such Judge of the High Court as the Lord Chancellor may select for the purpose; an appeal shall not lie from any decision of such Judge except in the case of an order revoking or confirming the revocation of a patent."

Before I come to the question we have to decide, I will point out one or two things which seem to me to be of importance under that

section. In the first place, the petitions which are to be referred to the special Judge are not to include petitions for revocation of a patent under section 25. That takes away, therefore, from the generality of the petitions which are to be referred to the particular Judge, petitions for revocation; they may go to any Judge; they are not confined to the special Judge; and that has a considerable bearing on the exception from the provision that no appeal shall lie from any decision. There is only one exception, and that is in the case of an order revoking or confirming the revocation of a patent. It is obvious why that exception was inserted; because, otherwise, inasmuch as an order revoking or confirming the revocation of a patent might be made by any Judge, it would be a most extraordinary thing that such an order made by this particular Judge should not be subject to appeal, whereas an order made by any other Judge would. I think the reason why that exception has been inserted is clear. The second point is this: that in other respects the amendment of section 92, sub-section (2) increases the class of cases in which the decision of that particular Judge is not subject to appeal, because there is now struck out from the section the exception in the case of an appeal from the decision of the Comptroller revoking a patent on any ground on which the grant of the patent might have been opposed. It may come back again under the general words of the exception, but it is struck out so far as that particular provision is concerned. The general effect is that the Legislature appears to have intended that orders for revocation of a patent should be subject to appeal, but that no other decision of the Judge should. The words are that no appeal shall be brought "from any decision of such Judge."

Two points have been taken in support of the contention that an appeal will lie. The first is that a proceeding by way of originating summons does not come within the section, because the section only provides for the reference to the particular Judge of petitions presented to the Judge; but in my opinion that point is answered when one goes back to the new sub-section of section 18 of the principal Act and finds that the procedure by originating summons is to be instead of the petition, sub-section (1) providing for the presentation of the petition, and sub-section (6) providing that the procedure may be by originating summons instead of by petition. I think that the true effect of that is that in all other respects the proceeding by originating summons shall be subject to the same provisions and to the same rules as the proceeding by petition, and accordingly the originating summons must, under section 92, sub-section (2) as amended, in my opinion be assigned to the particular Judge, just as the petition is required to be presented to that Judge. The other point taken is that the learned Judge has given no decision at all. In my opinion he has given a decision. He has, after argument on both sides, come to the conclusion, for reasons of principle which appeared to him to weigh, that the argument on the one side ought to prevail and the argument on the other ought not. To my mind that is giving a decision, and though, as I have said, I do so with regret, I cannot get out of the words providing that "an appeal shall not lie from any decision of such Judge": and it is still more difficult to get out of these words than it might otherwise have

been by reason of the fact that they are substituted for the words "the decision of that Judge shall be final." "The decision of that Judge" might possibly have meant the decision on the merits, but here the words substituted are so much wider that it is impossible, in my opinion, to give them that limited construction.

The result is, in my opinion, that no appeal lies from the order in the particular case, and the appeal must therefore be dismissed.

YOUNGER, L.J.—I feel constrained, most reluctantly, to arrive at the same conclusion, and I will confine the few observations which I desire to make to an expression of my reasons for that reluctance. An applicant who is given the benefit of what I may call the 1919 Act sub-section is an applicant who must be of a particular quality. He must be free of all enemy character and association, and it will or may be all the better for him, if during the hostilities referred to in the sub-section he has been engaged on work of national importance. On the other hand, that applicant may have no *locus* to apply for an extension of the patent under section 18 of the Act of 1907 unamended: because he may, before the time for making that application arises, have assigned his patent. Further, an applicant who may be entitled to apply for extension under section 18 as unamended may be entirely precluded, by reason of the disability to which I have already referred, from applying for any relief at all under the sub-section of the Act of 1919. In these circumstances—and many others tending in one direction and in the other may be mentioned which are deserving of most serious consideration—it is clearly of very great importance to determine whether the true view of sub-section (6) of the Act of 1907 is, as the learned Judge has held, that *primâ facie* an application under that sub-section should stand over to be dealt with on the final application for extension, when that application may never be made at all, and when the application, when made, may be one which the applicant under the new sub-section may himself never be competent to make. That is a question of very great importance. It is recognised by the learned Judge as being a question of very great importance. It is further a question upon which, as he says, different opinions have been entertained by those who are competent to hold opinions on the question, and the learned Judge has himself desired that, for his assistance in dealing with future applications under this sub-section, he may have the benefit of the views of this Court. In these circumstances, it is most unfortunate that, upon what one is constrained to say is the true construction of section 92, sub-section (2), as amended by the Act of 1919, this Court is precluded from affording to the learned Judge the assistance which he desires.

Sir Arthur Colefax, K.C.—There is one point I ought to mention. Your Lordship said the appeal would be dismissed with costs.

LORD STERNDALE, M.R.—That was wrong.

Sir Arthur Colefax, K.C.—If your Lordship pleases, because in the rules relating to the procedure by originating summons, rule (*l*) provides as follows:—"The Comptroller and the Board of Trade shall not be entitled to any costs on or in relation to their appearance, opposition or intervention in the matter of any such originating summons as aforesaid."

IN THE HIGH COURT OF JUSTICE—CHANCERY DIVISION.

Before MR. JUSTICE SARGANT.

November 2nd, 1920.

IN THE MATTER OF AN APPLICATION BY THE UNITED VELVET CUTTERS' ASSOCIATION, LTD.

SARGANT, J.—This is an application for the extension of a patent which expired in May, 1919, and is made under the provision introduced by the Patents and Designs Act, 1919, as sub-section (6) into section 18 of the Patents and Designs Act, 1907, the material words of which are: "Where, by reason of hostilities between His Majesty and any foreign State, the patentee as such has suffered loss or damage (including loss of opportunity of dealing in or developing his invention owing to his having been engaged in work of national importance connected with such hostilities) an application under this section may be made by originating summons instead of by petition, and the Court in considering its decision may have regard solely to the loss or damage so suffered by the patentee." The applicants are coming for an extension solely on the ground of the loss or damage suffered by reason of the hostilities, and the Crown has not taken any objection to that cause being segregated from the other causes by virtue of which applications are made for extension. It seems to me eminently a proper case to be brought under the particular sub-section, and in respect of that one source of loss or damage.

The patent in question was in respect of certain machinery for cutting the pile of wool, velvet, or the like, or carded pile velvet fabrics. The patentees, who are coming for relief, are the assignees of the original patent, and were themselves engaged in the production of the goods in question by means of the patented process. They also expected, as patentees, to derive, and were deriving, some profit from the sale of machines to foreign countries for the purpose of use abroad, but they kept a monopoly of the production of these goods within the United Kingdom in their own hands. The evidence is clear that the result of the war was gradually to restrict the number of machines that they could have manufactured and delivered to them for the purpose of using their process, and there is also uncontradicted evidence that the number of machines which were exported diminished. The main objection raised by the Crown is that the loss or damage was suffered by the patentees not as patentees, but as manufacturers. I agree with that contention to this extent, that a considerable part of the loss or damage suffered by the patentees was undoubtedly suffered by them in their capacity of manufacturers as well as in their capacity of patentees. In a case where the effect of a patent is to reduce the cost of production of the goods, as was done here, without, as far as I know, affecting their quality, it is clear that the profits of the manufacturer, who is a monopolist in the use of that patent, can be divided into two heads, namely, first the ordinary manufacturing profits which

he enjoys in common with his competitors, and assuming that he sells at the normal prices current in the trade; and secondly the extra profits which he gains by reason of his costs of production being cheapened *by the employment of the patent. I think it would be wrong to say* that, because those profits are not in fact segregated from each other in his accounts, his loss is a loss simply and solely as a manufacturer, and is not a loss as a patentee. It seems to me that he is suffering in such a case a loss as a patentee as well as a loss as a manufacturer. Of course, the matter is still clearer with regard to the loss that was suffered in regard to the manufacture of machines to be sold abroad.

Then it is said on behalf of the Crown: But here this patentee was only suffering loss in *common* with all His Majesty's subjects who had their trade and business interfered with by the occurrence of the war. That is quite true, but nevertheless relief is provided under the section in spite of that. The section expressly provides, as I read it, that in respect of the particular loss of a patentee as such, the Court may and ought to grant relief, although the patentee has suffered his loss in common with the other losses suffered by other members of the community. If the function of the Court in such a case as this were to be to assess the compensation which ought to be paid to the patentee, no doubt the problem would be an exceedingly difficult and complicated one; but it is to be observed that the compensation which is to be granted by the Court to the patentee is of the same restricted character as the character of the capacity in which the patentee has suffered loss. The result of the conclusion that the patentee has suffered loss as such is that the Court is to grant an extension to the patentee of his rights as patentee as such: and if the result will be that the patentee will then, by reason of that extension, be able also to make profits in his capacity as manufacturer, there seems after all no objection to that, because incidentally, he did previously suffer loss not only as a patentee, but as a manufacturer. It seems to me that in this case the patentees have suffered a loss which, on the best estimate that I can form on the affidavits, may be considered as equivalent to about three and a half years' loss of the working of the patent, and I propose to grant an extension down to November 30th, 1922, practically a little over two years from this date, which would be exactly equivalent to three and a half years from the expiration of the patent. The patent expired on May 30th, 1919, and by granting an extension until November 30th, 1922, I shall be granting an extension of three and a half years. It seems to me that in the interval, as far as I can judge, and nothing has been said to the contrary, between the expiry of the patent and the present date, the position of the patentees has been completely preserved; they have not been exposed to any competition by other persons, and therefore will, by virtue of the extension I now propose, practically get a three and a half years' extension.

IN THE HIGH COURT OF JUSTICE.—CHANCERY DIVISION.

Before MR. JUSTICE SARGANT.

November 2nd, 1920.

IN THE MATTER OF THE METROPOLITAN AMALGAMATED RAILWAY CARRIAGE & WAGON CO., LTD. AND GREG'S PATENT.

In the Matter of *Davidson's Patents*, [1920] 37 R. P. C. 145, *distinguished.*

SARGANT, J.—In this case the applicants are seeking for an extension of five years of a patent, which is dated October 6th, 1906, for the production of railway coaches by means of the use of pressed steel with flanges, and of a certain definite character. The invention appears to be of the nature of a pioneer invention in this sense, that although the use of pressed steel for many purposes has been known for a long time, there had been no proposals at all for its use in such a connection as this. The applicants are the inventor, Mr. Greg, who is the co-patentee with the Metropolitan Amalgamated Railway Carriage & Wagon Co., Ltd., and it appears that, for the production of articles in accordance with the patent, extremely expensive plant is required. The modern railway coach is said to cost at the present time between £3,000 and £5,000, and it is quite clear that the plant for the production of articles of that kind must be necessarily elaborate and expensive.

The application is under the new sub-section, and the applicants are putting forward their case simply and solely upon their having suffered loss or damage by reason of hostilities, including loss of opportunity of dealing in or developing the invention owing to the patentee having been engaged in work of national importance connected with such hostilities. It appears that Mr. Greg, who was a Territorial officer, was called up immediately on the outbreak of hostilities, and that he remained mobilised till towards the end of the year 1915, and from that time forward he was engaged on behalf of his company in the manufacture of munitions of war, including in particular the tanks, and by reason of that he was entirely unable to devote any time or attention to the development of his invention. It also appears that before the commencement of hostilities, while he and his company had made every effort to cause railway companies to adopt this particular mode of construction, they had not up to that time met with success to the point of the actual adoption of the system, although progress had been made; and that down to that time they had not made any profit, in fact there had been a certain amount of loss. It seems to me that this is a case which comes absolutely and completely within the terms of the sub-section and especially of those words which are in brackets in the section, namely: "including loss of opportunity of dealing in or developing his invention owing to his having been engaged in work of national importance connected with such hostilities."

The only objection to the application is that it was made rather more than two years before the expiration of the patent, and that even

now the time of expiration is nearly two years from to-day. In *In re Davidson's Patent** I came to the conclusion that as a general rule the applications under this sub-section ought to be made in the same way or at the same period as applications by petition under the old practice, that is to say, shortly before the expiration of the patent, in order that the Court might be able to judge all the circumstances of the case; and I indicated that it would be only under exceptional circumstances that applications would be entertained before that period. In my judgment this is one of the cases in which the circumstances are sufficiently exceptional to justify the application at the time that it has been made. It is perfectly clear that, in view of the circumstances, no profit can possibly be made before the term when the patent would ordinarily expire within the next two years. The Court is here able to judge quite sufficiently certainly of what will be the position of the patentee at the end of the term of the patent. Furthermore, in view of the exceptionally expensive character of the plant that would have to be laid down, in order to enable the advantages of the patent to be reaped, the probability is that, unless some extension were granted now, any such expenditure would have to be deferred until the renewal of this application some eighteen months later, if, indeed, it were not abandoned altogether. It appears to me that that would be neither in the interest of those engaged in developing the invention or in the interest of the public. I think that I ought to deal with this application at the present time, and that the term of extension that I should grant is the full term of five years mentioned in the Act. In the present case it seems to me that there has been a total loss to the company of the whole period between the outbreak of war on August 4th, 1914, and the termination of hostilities at the time of the Armistice, and that probably an even longer period than that has been wiped out from the effective existence of the patent, and I think I ought to put the company and the patentee as far as possible in the position they previously occupied by granting the full term of extension.

* [1920] 37 R. P. C. 145.

CHAPTER III.

INVENTORS AND THE CROWN.

The practice under section 29 of the principal Act is well known; it was not even novel in 1907, but was reproduced in the Act of that year as a modification of the earlier practice. Briefly, the Crown was placed on the same footing as a private infringer as far as rights were concerned, but as regards procedure there was an important difference in that there was substituted for an ordinary patent action a highly inconvenient form of procedure before the Treasury. In point of fact, such matters were tried before the Chancellor of the Exchequer in cases where the validity of the patent and the infringement by the Crown were not disputed, but where there was a dispute on either point the rights of the patentee were vague. In rare instances, *e.g.*, in the famous patent of the Wright Brothers, the Government department concerned consented to put up a nominal defendant in order that the question might be tried.

The activity of all Government departments during the war made some simpler procedure necessary. There existed in various departments committees who recommended service inventors to small awards under certain circumstances, but it was felt that there should be established a public tribunal where all persons who had by their inventions assisted the Crown during the war could establish their claims either to royalties lawfully due or to the financial recognition of their services in the form of *ex gratia* awards.

Such a tribunal was set up by Royal Warrants dated March 19th, 1919, and October 5th, 1920. It is provided that the patentee shall have the option, which is *not extended to the Crown*, of following the old section 29 procedure before the Treasury, or of prosecuting his claim before the Royal Commission. Further, the Commission has most important additional powers—

(*a*) where under Art. 415 of the King's Regulations the patentee is expressly precluded from claiming royalties; and

(*b*) where the claim does not rest on a patent at all, but merely on inventive services rendered to the Crown. These cases are dealt with under clause 3 of the Royal Warrant of March 19th,

1919, which gives power to treat these cases otherwise than on a royalty basis by the granting of awards commensurate with the services rendered. The majority of cases which come before the Royal Commission are clause (3) cases.

Cases not infrequently arise where the Crown does not consider the patents in question to be valid, or if valid, to have been infringed. In these cases the Royal Commission has held that it has no jurisdiction; and it would be obviously inconvenient to try an issue of validity of a patent before a Commission set up for a different purpose. A practical working compromise can be reached in many cases in the following way: The department concerned, by their counter-statement or by correspondence, indicate that, on a clause (1) application being preferred, an admission of a qualified nature will be made as to the validity of the patent. The form of the admission is believed to have been approved by the Commission, and is in the following terms: "The validity of the letters patent in paragraph 3 of the particulars of claim mentioned is admitted upon these terms and these terms only, viz.: that the Commission shall not be bound by the strict terms of section 29 of the Patents and Designs Act, 1907, but shall be entitled to consider the case broadly having regard to the inventive merit of the said invention and all the circumstances of the case." This admission permits the investigation to proceed on a quasi-royalty basis, and an inventor with a meritorious case has every reason to be thankful for this highly-convenient but rather illogical course of procedure. Naturally this does not always commend itself to inventors, especially to those who, in their dealings with Government departments, have felt themselves to have been unfairly treated. Where a department is unable to admit either the validity of the patent in respect of which an award is claimed, or the infringement by the Crown, and the inventor does not consent to being treated as a clause (3) applicant for an *ex gratia* award, the legal position is complicated. Before April 23rd, 1920, the applicant had not the benefit of section 8 of the new Patent Act, and it has been held in *Hale's Patents*, 37 R. P. C. 171, by Sargant, J., that this section of the Act is not retrospective, so that for all Crown infringements up to April 23rd, 1920, patentees are relegated to the somewhat vague remedies which were open to them before that date. It is submitted that there were, and are, at least two practicable remedies:—

(a) The patentee could bring an action in the Chancery Division, presumably against the Attorney-General, for a declaration that the patent was valid and infringed, and, armed with such declaration, reappear before the Royal Commission as a clause (1) applicant for an award on a royalty basis;

(*b*) He could bring a similar action against some firm or manufacturer who had been infringing to Government order, and then proceed to the Royal Commission in the same way.

As was indicated above, section 8 of the 1919 Act appeared to solve the difficulty, inasmuch as it gave power to the patentee to bring such disputed questions by consent before the ordinary Courts for decision; and it does not appear from the Act that such action would necessarily be heard by the specially-assigned Judge, or, indeed, in the Chancery Division at all. However this may be, the practical effect of the section is diminished by the rule in *Hale's Patents*, which makes the procedure inapplicable to the war infringements of the Crown. The decision is apparently not to be appealed, and further legislation is indicated. The position has been made to some extent less unfavourable for the patentee who claims that his patent was infringed during the war, by the issue of a Royal Warrant dated October 5th, 1920. By virtue of this the Royal Commission *may by consent of both parties* "investigate and determine so far as may be necessary for the purposes of proceedings before them all questions of infringement and validity of the patent or design involved." This is not free from ambiguity when its effect on the patentee is considered, for the two reasons that it is chiefly where the inventor is in a state of indignation with a department that the consent of both parties is least likely to be forthcoming, and that the restrictive effect of the decision in *Hale's Patents* may possibly be held to limit the jurisdiction of the Royal Commission to infringements after April 23rd, 1920.

PROCEDURE BEFORE THE ROYAL COMMISSION ON AWARDS TO INVENTORS.

Though the procedure at the hearing of a case before the Royal Commission presents in itself no difficulties, it may be useful to claimants and to their advisers to indicate the preliminary steps necessary to secure a hearing without waste of time. It is sufficient to say that the Commission sits on nearly every Monday in the legal term, though a lengthy case may in exceptional circumstances be heard on two or more successive days, and that as a rule the hearing is at Martlett House, Bow Street, W.C.2. Summonses are heard at 10.45 in another room, and the Commission sits at 11. The evidence is, as a rule, given orally, and witnesses are not sworn.

Applicants for an award, whether they have previously been before departmental awards committees and the like, or not, are first referred to the Secretary to the Commission, Mr. P. Tindal Robertson, and are invited to send in a written statement of

claim, either under clause (1) or clause (3) of the Royal Warrant. These forms are shown in the Appendix to this chapter, as is also the form of counter-statement. In many cases it is sufficient to fill in the particulars, as far as information is available, on the form supplied by the Secretary. Substantial and complicated cases may justify a printed claim, and it may be necessary to obtain further information from the department as to the user of an invention and as to the possibility of obtaining service witnesses to give evidence for the applicant. [*See pp.* 78, 79, *post.*]

As regards discovery, the rule that no discovery can be ordered against the Crown is in force before the Commission as before any other tribunal; but it is seldom that an applicant has reason to believe that the rule is being used oppressively by a department, and a summons can be taken out before the Commission to call for information on a disputed point, and in such a case, if it appears that there is no justification for the refusal of the department to supply the information required, pressure may be brought to bear on the department to make the necessary disclosure.

Witnesses whom the applicant desires to call, and who are at the date of the hearing in the service of the Crown, can be obtained for the purpose of giving evidence. It is usual to inform the Secretary of the names of these witnesses and to ask for arrangements to be made for their appearance, and, in default of a favourable reply, to take out a summons for an order that they shall be given facilities to give evidence and to attend. No subpœna can be issued.

As to the form of claim, it is unnecessary to fill in the amount of award claimed, and in doubtful cases it is better to leave the amount unspecified than to fill in an excessive figure. As a rule the Crown does not ask for particulars of the amount claimed.

If no counter-statement is delivered in a reasonable time a summons can be taken out for an order that it be delivered within a month or such other time as to the Commission seems fit.

The counter-statement is a form of pleading which is not always understood by laymen, who do not distinguish between the formal traverse of a statement, which puts it in issue, and an attempt to conceal the truth. Pleadings framed in the alternative have been known to shake whatever confidence in the good faith of the department there remained in the mind of an exasperated claimant, and it would be well for each lay applicant to realise that behind the formal drafting of the counter-statement there is a good deal of information which is, and is intended to be, of assistance to him.

Paragraph 1 contains an admission—qualified or unqualified—of the validity of the patent, or a denial of validity. For the effect on the legal claim for royalties of such denial the first section of this chapter, pp. 57 and 58 should be consulted.

Paragraph 2, in the case of denial of validity, contains something in the nature of "particulars of objections."

Paragraph 3 gives such information as to user as was before counsel for the Treasury when he settled the counter-statement. The figures are frequently given approximately, and a note may be added that details will be given at the hearing.

Paragraph 4 is the most important of the whole document, and gives the substance of the Crown case against an award. Questions of the professional status of the applicant, discussed below, are here raised in diminution or extinction of the claim.

It is not usual for the Crown to indicate on the counter-statement the amount of award which the department would consider reasonable, unless it is intended to oppose the grant of an award altogether.

Particulars of the counter-statement can be asked for through the Secretary to the Commission, and, if they are not forthcoming, the Secretary can be requested to give the applicant an appointment to ask, on a summons, for such particulars. If, when the applicant is ready for trial, no date has been fixed for the hearing by the Secretary, a summons may in special circumstances be taken out to fix a date, but as a rule the same end can be achieved as easily by writing to the Secretary; and it is only where the department concerned is delaying matters unduly that a summons should be resorted to.

STATUS.

With service inventors it is material to consider, in the case of a patented, as of a non-patented invention, whether it was within the scope of the duty of the inventor to attempt to make such inventions. Thus, a torpedo-lieutenant who invented a new device for handling torpedoes would certainly receive less consideration than a torpedo-lieutenant who invented a parachute, a folding pigeon-loft, or a trench boot. We may classify applicants in a table of decreasing merit in the following order:—

(1) A civilian whose valid patent was admittedly infringed. He would receive what a willing licensee would have paid, on a royalty basis, with the reservation that the £50,000 limit of award is not likely to be reached. Such a claim is under clause (1) of the Royal Warrant.

(2) It is submitted that where a Crown servant takes out a patent for an invention, and, in accordance with Art. 415 of the King's Regulations offers it to the Crown and *it is refused*, and no assignment is made, there is a clause (1) case for an award at least on a quasi-royalty basis, of which the amount and scale would depend on the inventor's status. [*See p. 77, post, para.* 8 (iii).]

(3) A civilian whose unpatented invention is used would come next in order. On a par with the civilian's unpatented invention is the case of an invention by a service man which is not patented, and which is altogether beyond the scope of the duty of the inventor in his service. These are clause (3) claims.

(4) Slightly lower than the above is the claim of the Crown servant who has taken out a secret patent under Art. 415 of the King's Regulations, and assigned his invention to the Crown. He has definitely renounced his right to royalties, and has only a claim to an *ex gratia* award, which will vary in amount according to the nature of the invention and the status of the inventor. The Commission does not give a man who has improved a device for the best use of which he was responsible in the course of his daily duties such consideration as to a man who invented in his spare time a device which had nothing to do with his duties, who might be handsomely rewarded.

(5) In the lowest category must be placed paid designers and draughtsmen who receive all the suggestions coming in from the fighting services and in due course produce something embodying parts of each suggestion, and who then take credit for the whole. Such applicants do not find great favour before the Royal Commission. Art. 415 of the King's Regulations is most important in these cases, and it is to be noted that the *invention*, and not merely the patent, is assigned. It is submitted that this includes the foreign rights. [*See p. 76, post.*]

It frequently happens that two or more inventors appear in the same case. Sometimes they both contributed to the same invention, and pool their claims: more often they forwarded separate information which led to the adoption of a particular device. Here difficulties arise, for the earliest information may have been pigeon-holed and the later communication may have led directly to the adoption of the invention. In such cases the Crown merely places the dates, documents, and known facts before the Commission, cross-examining each applicant and his witnesses, and leaving the facts in dispute between them to the Commission. It is not often that rival applicants are permitted to cross-examine each other, but the facts in dispute are elicited from all parties by Treasury counsel.

The decision of the Commission appears soon after the hearing; it is in writing, and is frequently published in the Press. As a result of such publication it may happen that half-a-dozen other "first and true inventors" of a particular device appear. If the award made has been for the infringement of A.'s patent by the Crown, and B. writes to the Commission to impugn the validity of A.'s patent and to claim that A.'s process was in infringement of B.'s patent, then the award to A. may be made subject to

an indemnity by A. to repay to the Crown such sum, if any, not exceeding the amount of his award, as B. may recover for the infringement of his patent by the Crown when purporting to use A.'s patented process.

Generally, no monetary award will be made to any inventor, however meritorious, unless a *nexus* can be proved between his suggestion to the department concerned and the adoption of the device in question. An example of this commonsense, but at first sight rather hard, rule is furnished by the case of the Australian soldier who furnished to the War Office before the war astonishingly complete details of the construction of, necessity for, and tactical use of the Tank. His idea was pigeon-holed and quite plainly played no part in the evolution of this weapon. He received no award.

STATUTORY RULES AND ORDERS,

1920, No. 59.

PATENTS FOR INVENTIONS.

ORDER OF THE BOARD OF TRADE, DATED JANUARY 21, 1920, UNDER SECTION 22 (2) OF THE PATENTS AND DESIGNS ACT, 1919 (9 & 10 GEO. 5, C. 80), FIXING DATE OF OPERATION OF SECTION 29 (3) OF THE PATENTS AND DESIGNS ACT, 1907 (7 EDW. 7, C. 29), AS AMENDED BY SECTION 8 OF THE 1919 ACT.

Whereas section 29 (3) of the Patents and Designs Act, 1907, as amended by section 8 of the Patents and Designs Act, 1919, provides as follows:—

> "(3) The right to use an invention for the services of the Crown under the provisions of this section or any provisions for which this section is substituted shall include and shall be deemed always to have included, the power to sell any articles made in pursuance of such right which are no longer required for the services of the Crown."

And whereas section 22 of the Patents and Designs Act, 1919, provides *inter alia* as follows:—

> "The provisions of this Act relating to the terms on which an invention or registered design can be made, used or exercised by or on behalf of a Government department shall not come into operation until such time as may be fixed by order of the Board of Trade":

Now, therefore, the Board of Trade do hereby order that section 29 (3) of the Patents and Designs Act, 1907, as amended by section 8 of the Patents and Designs Act, 1919, shall come into operation on the 21st day of January, 1920.

Dated this 21st day of January, 1920.

A. C. Geddes,
President of the Board of Trade.

Whitehall, March 19, 1919.

The KING has been pleased to issue a Commission under His Majesty's Royal Sign Manual to the following effect:—

GEORGE R.I.

GEORGE THE FIFTH, by the Grace of God, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas King, Defender of the Faith, to

Our Trusty and Well-beloved:—

Sir Charles Henry Sargant, Knight, one of the Judges of Our High Court of Justice (Chancery Division);

Robert John Strutt, Esquire, Fellow of the Royal Society (commonly called the Honourable Robert John Strutt);

Sir James Johnston Dobbie, Knight, Doctor of Science, Doctor of Laws, Fellow of the Royal Society, Principal of the Government Laboratories;

George Lewis Barstow, Esquire, Companion of Our Most Honourable Order of the Bath, a Principal Clerk in the Treasury;

William Temple Franks, Esquire, Companion of Our Most Honourable Order of the Bath, Comptroller-General of Patents, Designs and Trade Marks;

Alfred Clayton Cole, Esquire;

Halford John Mackinder, Esquire; and

Robert Young, Esquire,

Greeting!

Whereas by section 29 of the Patents and Designs Act, 1907, it is enacted as follows, that is to say:—

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

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

And whereas recently and particularly in connection with the present War there has been an exceptional user by the Navy, Army, Air Force, Ministry of Munitions and other Government Departments of inventions protected by Letters Patent:

And whereas there may also have been the like exceptional user of inventions, designs, drawings or processes which, though not protected against the Crown under the said Act or otherwise, may have been of such merit or utility as to render it proper that the inventor, author or owner thereof should receive some remuneration from the Treasury in respect of such user:

And whereas, under the circumstances aforesaid, an unduly heavy burden has been cast upon the Treasury in relation to the settlement of the terms of user of patented inventions under the aforesaid section 29, and otherwise under that section, and also in relation to

fixing any proper remuneration in respect of the other matters hereinafter mentioned:

And whereas We have deemed it expedient in the premises that a Commission should forthwith issue for the purposes and with the powers hereinafter appearing:

Now know ye that We, reposing great trust and confidence in your knowledge and ability, have authorized and appointed, and do by these Presents authorize and appoint you the said Sir Charles Henry Sargant (Chairman); Robert John Strutt; Sir James Johnston Dobbie; George Lewis Barstow; William Temple Franks; Alfred Clayton Cole; Halford John Mackinder and Robert Young to be Our Commissioners for the purposes and with the powers following, that is to say:—

(1) In any case of user or alleged user of any patented invention for the services of the Crown by any Government Department and of default of agreement as to the terms of user, the Commissioner, upon the application of the patentee and agreement to accept their determination, may proceed to settle and may settle the terms of user in lieu and place of the Treasury; Provided that the Commissioners shall not actually award to the patentee any sum or sums of money whether by way of a gross sum or by way of royalty or otherwise which shall together exceed an aggregate sum of £50,000 beyond and in addition to any allowance the Commissioners may think fit to make for outlay and expenses in connection with the invention: But the Commissioners, if of opinion that the patentee if fairly entitled to a remuneration exceeding the said aggregate sum of £50,000, may make a recommendation to the Treasury as to any such excess, with a statement of their reasons for such recommendation.

(2) In any case where terms of user of any patented invention (including any terms as to selling for use, licensing or otherwise dealing with any article made in accordance therewith, or any terms as to assignment of an invention under section 30 of the Act) have been agreed or are in course of agreement between the patentee and any Government Department, the Commissioners may on the application of the Treasury make any recommendation as to the giving or withholding by the Treasury of approval of such agreements or proposed agreement, and may assist in adjusting or determining any term or terms of any proposed agreement as to which the parties may not be fully agreed.

(3) In any case of user or alleged used for the services of the Crown by any Government Department of any inventions, designs, drawings or processes which, though not conferring any monopoly against the Crown or any statutory right to payment or compensation, may nevertheless appear from their exceptional utility or otherwise to entitle the inventor, author or owner thereof to some remuneration for such user (including user by way of selling for use, licensing or otherwise dealing with any articles made in accordance therewith) the Commissioners may, on the request of the Treasury, enquire into the circumstances of the case and may make a recommendation to the Treasury as to the remuneration (if any) that is proper to be allowed therefor.

And for the better effecting the purposes of this Our Commission, We do by these Presents authorize you to sit in two divisions, each division consisting of such three or more of you as the said Sir Charles Henry Sargant shall determine: and to allocate to the two said divisions such of the matters submitted for your consideration as you may deem expedient.

And We do by these Presents give and grant unto you full power to call before you such persons as you shall judge likely to afford you any information upon the subject of this Our Commission; to call for information in writing; and also to call for, have access to, and examine all such books, documents, registers and records as may afford you the fullest information on the subject, and to inquire of and concerning the premises by all other lawful ways and means whatsoever.

And We do by these Presents authorize and empower you to visit and personally inspect such places as you may deem it expedient so to inspect for the more effectual carrying out of the purposes aforesaid.

And We do by these Present will and ordain that this Our Commission shall continue in full force and virtue, and that you, Our said Commissioners, may from time to time proceed in the execution thereof, and of every matter and thing contained, although the same be not continued from time to time by adjournment.

Provided that, should you deem it expedient, the powers and privileges hereinbefore conferred on you shall belong to, and may be exercised by, any one or more of you.

And We do further ordain that you have liberty to report your proceedings under this Our Commission from time to time, if you shall judge it expedient so to do.

And Our will and pleasure is that you do, from time to time, report to the Lord Commissioners of Our Treasury, under hand and seal, your opinions upon the matters herein submitted for your consideration.

Given at Our Court at Saint James's, the nineteenth day of March, one thousand nine hundred and nineteen, in the ninth year of our Reign.

By His Majesty's Command.

Edward Shortt.

Warrant Extending the Powers of the Royal Commission on Awards to Inventors.

Whereas by Royal Commission, dated the 19th day of March, 1919, Commissioners were appointed to deal with claims in respect of the user of Inventions, designs, drawings or processes on behalf of the Crown in the cases and manner therein more particularly specified; and whereas by the Patents and Designs Act, 1919, it was enacted as follows, that is to say:

Section 8.—"For section twenty-nine of the principal Act, the following section shall be substituted:—

"29.—(1) A Patent shall have to all intents the like effect as against His Majesty the King as it has against a subject:

"Provided that any Government Department may, by themselves or such of their agents, contractors or others as may be authorized, in writing, by them at any time after the application, make use or exercise the invention for the services of the Crown on such terms as may, either before or after the use thereof, be agreed on, with the approval of the Treasury, between the Department and the Patentee, or, in default of agreement, as may be settled in the manner hereinafter provided. And the terms of any agreement or licence concluded between the inventor or Patentee, and any person other than a Government Department, shall be inoperative so far as concerns the making, use or exercise of the invention for the services of the Crown.

"Provided further that, where an invention which is the subject of any patent has, before the date of the patent, been duly recorded in a document by, or tried by or on behalf of, any Government Department (such invention not having been communicated directly or indirectly by the applicant for the patent or the patentee), any Government Department, or such of their agents, contractors or others as may be authorized in writing by them, may make, use and exercise the invention so recorded or tried for the service of the Crown, free of any royalty or other payment to the patentee, notwithstanding the existence of the patent. If in the opinion of the Department the disclosure to the applicant or the patentee, as the case may be, of the document recording the invention, or the evidence of the trial thereof, if required, would be detrimental to the public interest, it may be made confidentially to Counsel on behalf of the Applicant or Patentee, or to any independent expert mutually agreed upon.

"(2) In case of any dispute as to the making, use or exercise of an invention under this section, or the terms therefor, or as to the existence or scope of any record or trial as aforesaid, the matter shall be referred to the Court for decision, who shall have power to refer the whole matter or any question or issue of fact arising thereon to be tried before a Special or Official Referee or Arbitrator upon such terms as it may direct. The Court, Referee or Arbitrator, as the case may be, may with the consent of the parties, take into consideration the validity of the patent for the purposes only of the reference and for the determination of the issues between the applicant and such Government Department. The Court, Referee or Arbitrator, further in settling the terms as aforesaid, shall be entitled to take into consideration any benefit or compensation which the patentee or any other person interested in the patent may have received directly or indirectly from the Crown or from any Government Department in respect of such patent."

Section 15.—"After section fifty-eight of the principal Act the following section shall be inserted:—

"58A.—The registration of a design shall have to all intents the like effect as against His Majesty the King as it has against a subject:

"Provided that the provisions of section twenty-nine of this Act shall apply to registered designs as though those provisions were herein re-enacted and in terms made applicable to registered designs."

Section 22 (2).—" . . . . . the provisions of this Act relating to

the terms on which an invention or registered design can be made, used, or exercised by or on behalf of a Government Department shall not come into operation until such time as may be fixed by Order of the Board of Trade."

And whereas by an Order of the Board of Trade dated the 23rd day of April, 1920, it was ordered that section 29 (1) and (2) of the principal Act as amended by sections 8 and 15 of the Patents and Designs Act, 1919, should come into operation on the 23rd day of April, 1920:

Now Know Ye that We, reposing great trust and confidence in your knowledge and ability, have authorized and appointed, and do by these Presents authorize and appoint you the said Sir Charles Henry Sargant (Chairman); Robert John, Baron Rayleigh; Sir Charles Edward Ellis; Sir George Lewis Barstow; Sir James Johnston Dobbie; Sir William Pearce; William Temple Franks; Lionel Henry Hanbury; Robert Frederick Norton and Robert Young to be Our Commissioners to exercise such additional and extended powers and to act for such additional purposes as hereinafter appear, that is to say:

(1) The provisions contained under Head 2 of the said Royal Commission dated the 19th day of March, 1919, shall apply to any such agreement or proposed agreement whether as regards a patented invention or registered design as is mentioned or referred to in sub-section (1) of section 29 of the Patents and Designs Act, 1907, in its substituted form as enacted by section 8 of the Patents and Designs Act, 1919 (hereinafter referred to as "the substituted section 29").

(2) The provisions contained in the said Royal Commission dated the 19th day of March, 1919, with reference to patented Inventions shall mutatis mutandis and so far as applicable apply to registered designs.

(3) If any such dispute as is mentioned or referred to in sub-section (2) of the substituted section 29 shall arise as regards either a patented invention or a registered design and the owner of the patent or registered design as the case may be and the Government Department concerned shall agree to the matter being referred for decision to the said Commissioners instead of to the Court or otherwise as mentioned in the said sub-section (2) the Commissioners may proceed to decide and settle such dispute with authority to investigate and determine so far as may be necessary for the purposes of proceedings before them all questions of infringement and validity of the patent or the design involved: Provided that any powers hereby given to the said Commissioners shall only be exercised by them upon the application of the owner of the patent or registered design as the case may be and upon his agreement to accept the decision settlement and determination of the Commissioners.

And it is hereby provided and declared that the provisions of the Arbitration Act, 1889, or any statutory re-enactment thereof shall not have any application to proceedings under the said Royal Commission dated the 19th day of March, 1919, or these Presents.

Given at our Court at Balmoral, the Fifth day of October, 1920, in the Eleventh Year of Our Reign.

By His Majesty's Command.

IN THE HIGH COURT OF JUSTICE.—CHANCERY DIVISION.

Before MR. JUSTICE SARGANT.

July 22nd, 1920.

IN THE MATTER OF HALE'S PATENTS.

Patent.—Use by Government Department.—Motion to decide a dispute as to terms.—Patents and Designs Act, 1907, *Sections* 29 *and* 92.—*Patents and Designs Act*, 1919, *Sections* 8 *and* 21.

The owner of various patents presented a petition to the Treasury under section 29 *of the Patents and Designs Act*, 1907, *praying that the terms on which the Ministry of Munitions should be deemed to have used bombs and grenades, the subject-matter of his patents, should be determined by the Treasury. The Treasury did not admit infringement or validity and, pending the settlement of that matter, did not proceed with the petition. The patentee accordingly gave notice of motion that the Court should, under the Patents and Designs Act*, 1919, *decide the dispute between himself and the Treasury.*

Held, *that the tribunal before which claims under the new section* 29 *substituted by section* 8 *of the Patents and Designs Act*, 1919, *are to be brought is the High Court, under sub-section* (1) *of section* 92 *of the Patents and Designs Act*, 1907; *and that the provisions of sub-section* (2) *of that new section are not retrospective, and do not apply to user of patented inventions before the date when the section came into operation, viz., April* 23*rd*, 1920. *The motion was refused.*

Letters Patent Nos. 15,050 of 1908, 10,494 of 1909, 4925 of 1911, 26,764 of 1911, 11,394 of 1913, 2057 of 1914, 22,601 of 1914 and 22,777 of 1914 in respect to bombs and grenades had been granted to Frederic Marten Hale. The patentee presented a petition to the Treasury praying for compensation in respect of alleged user of his patented inventions by the Ministry of Munitions. The Ministry of Munitions admitted user, but did not admit the validity of the patents and denied infringement. The Treasury declined to proceed with the petition until a legal decision should have been obtained as to the validity of the patents.

On June 12th, 1920, the patentee gave notice of motion to the Minister of Munitions that the Court would be moved "to decide a dispute which had arisen between the Ministry of Munitions and the applicant in reference to the terms upon which the applicant's inventions, which are the subject-matter of the said Letters Patent respectively, have been made, used and exercised by the said Ministry of Munitions for the service of the Crown, and that such directions in the matter may be given as the Court may think fit."

The motion, after coming before the Court on June 25th, was heard on July 22nd, 1920.

Kerly, K.C. and *R. Frost* (instructed by Badman, Comins & Sloman) appeared for the applicant; and the *Attorney-General* (*Sir Gordon*

Hewart, K.C.), J. Austen-Cartmell, J. Whitehead and *A. Trevor Watson* (instructed by the Solicitor to the Treasury) appeared for the Crown.

Kerly, K.C., for the applicant.—There are two main questions to be decided: (1) Is the new section substituted by section 8 of the Act of 1919 for the old section 29 of the Patents and Designs Act, 1907, retrospective; and (2) Do questions under that new section go to the special judge or to any judge of the High Court? [SARGANT, J.—I need not decide the second question, because the matter would come before me in any case.] I submit that "The Court" in the new section does not mean the special judge. [*Sir Gordon Hewart, A.G.*—I agree.] [Section 92 of the Patents and Designs Act, 1907, was referred to.] The applicant presented a petition to the Treasury for an account of what he is entitled to in respect of the use by the Ministry of Munitions of the subject-matter of eight patents. User is admitted, but the validity of the patents is not admitted. Under the Act of 1907 it was doubtful whether Parliament had made any provision for the determination of the question of validity, and the Treasury took the view that where validity was in question they could not act. Another view was that, if the Crown denied validity there was no licence, and that therefore the patentee was left to proceed by a petition of right. It must be presumed that section 29, as amended by section 8 of the Act of 1919, is directed to that, and that for the purpose of the section validity shall be considered (see sub-section (2) of the new section). [SARGANT, J.—So far as I can see there is nothing to say that the question of validity is to be dealt with.] The use of the word "invention" may mean that. It would be absurd that the most important point should be omitted. The question of validity is open to enquiry by reason of the fact that the section deals with a dispute as to an invention. If a dispute arises after the enactment of the new section, and relates to an infringement prior to the date of enactment, the dispute is within the new section. [SARGANT, J.—By "date" you mean the date of the Order bringing the section into force.] Yes, April 23rd, 1920. Although a dispute has arisen before that date, if the dispute is still continuing, then there is an existing dispute that is within the new section. The determination of a dispute is only procedure; it is not a matter of rights. It is a settled principle in the construction of statutes that statutes dealing with rights are *primâ facie* not retrospective, and that statutes dealing with procedure are *primâ facie* retrospective (see *Gardner v. Lucas* ((1878) L. R. 3 App. Cas. 582, per Lord Blackburn, at p. 603)). This is procedure, a method of determining an existing dispute; the rights exist, they existed under the old law. [SARGANT, J.— Is it clear that there is an existing right? Is there not a new right?] The mere substitution of one method of estimation for another method is not creating a new right. One must not assume that under the new section a patentee will get more or less. Section 21 of the Act of 1919 means that the Act of 1919 is to be read as if it had always been so amended, *i.e.*, that the amendments date back to 1907.

The Attorney-General (Sir Gordon Hewart, K.C.), for the Crown.—Section 22, sub-section (2) of the Act of 1919 provides that section 8 of that

Act shall come into force upon the happening of a certain event; that event occurred on the publication of Statutory Rule [1920] No. 658, which brought the section into force on April 23rd, 1920.* The section does not deal merely with procedure; it affects the positive rights of the subject and the positive rights of the Crown. If that be so, it follows that the new section is not retrospective unless there is a clearly-expressed intention to make it so. Apart from sub-section (3) there is no such intention expressed. The fact that that expression is found in sub-section (3) is a commentary upon the fact that it is absent from the other parts of the section. By reason of the provisions in sub-section (1) dealing with disclosures by the Crown, a patentee may find himself in a worse position than he would have been under the Act of 1907 by reason of something done confidentially behind his back. That is a serious diminution of the rights of the subject. With regard to the right of the Crown to use, the words in the Act of 1907 are "by themselves, their agents, contractors or others." In the Act of 1919 the corresponding words are "by themselves or by such of their agents, contractors or others as may be authorized in writing by them." The ambit of opportunity given to the Government Department is somewhat limited. Sub-section (3) of the new section gives the Crown power to sell, an important addition to the rights of the Crown. The words "under the provisions of this section or any provisions for which this section is substituted" are another way of saying "under section 8 of this Act or under section 29 of the old Act." Contrast with this sub-section the words in sub-section (2), "any dispute . . . . under this section" which is as though the Act went on to say "though not under the provisions for which this section is substituted." If my submission is right, it would be very difficult for that inference to be got rid of by section 21, sub-section (2), which deals with printing. That sub-section empowers the Stationery Office to print the Act of 1907 as amended, and provides that from the time when the amendment takes effect the Act shall be construed as having emerged at that moment.

Austen-Cartmell followed. The new section gives a new licence to the Crown in future in respect of the use, exercise, etc., of an invention. The section deals with futurity. The licence to the Crown under the Act of 1907 is an entirely different licence from the licence under the Act of 1919. The section cannot be construed as being retrospective unless it is expressly provided that it shall be so construed.

Kerly, K.C. replied. Section 21 deals with construction; it cannot be read as having the meaning put upon it by the Crown. Certain parts of the new section affect rights, and so far as rights are concerned, unless it is made clear by words that such parts are to be retrospective, they are not retrospective. Sub-section (3) affects rights, and therefore it was necessary to insert express words to make the sub-section retrospective.

SARGANT, J.—In this case Mr. Frederic Marten Hale had presented to the Treasury a petition a year or two ago for the purpose of having his rights, under section 29 of the Act of 1907, ascertained, that is, for the purpose of the Treasury determining the terms on which the

* *See p.* 31, *ante.*

Government should be deemed to have used certain patented inventions made by him. In that state of things the Treasury were not willing to admit either that he had valid patents, or that the patents had been infringed; and the consequence was that, according to the settled practice of the Treasury, the application was not dealt with. The Treasury, I think, had always felt that they were not a tribunal well adapted to decide complicated legal questions such as are involved in determining the validity of a patent, or sometimes the even more difficult question of the actual infringement of the patent. That being so, Mr. Hale, comparatively recently, that is to say, in June of this year, moved before me that the Court should decide the dispute between him and the Treasury by virtue of the new legislation under the Act of 1919. Section 8 of the Act of 1919 varies to some extent section 29 of the old Act of 1907, and provides for another tribunal, a tribunal other than the Treasury. That tribunal is in that section referred to as "The Court." It is quite clear that the whole of the user, in respect of which Mr. Hale is claiming, is a user which took place prior to the coming into operation of section 8 of the Act of 1919, that section not having in fact come into operation until April 23rd last, by virtue of an Order of the Board of Trade made under the provisions of section 22, sub-section (2) of the Act of 1919.

On this motion, which has come before me by special assignment, there are two questions of general importance that I have to determine. The first is this: Whether the tribunal, before which these claims under section 8 of the Act of 1919 have to be brought, is the High Court under section 92, sub-section (1) of the Act of 1907 or is the special Judge appointed by the Lord Chancellor under sub-section (2) of section 92 of the Act of 1907. As a matter of fact, I could entertain the application in either event, inasmuch as I fill both capacities, and the matter would only become vital in case an application of this sort were made to some other Judge of the High Court. But as the matter has been mentioned, and as counsel are in agreement upon the question, and as I am in agreement with their agreement, I may as well state that in my view it is clear that "The Court" in section 8 of the Act of 1919 is "The Court" as defined by section 92, sub-section (1) of the Act of 1907, and not the special tribunal constituted by section 92, sub-section (2) of the Act of 1907, that is, it is the High Court in England, and any Judge of the High Court appears to me to have jurisdiction under section 8.

Now comes the more important question, namely, whether section 8 of the Act of 1919 is retrospective in this sense, that it changes the tribunal for determining the matters in question as regards the past user of patented inventions, that is to say, user prior to April 23rd, 1920, or whether it changes the tribunal merely as regards user from and after that time. For that purpose section 8 has to be looked at rather carefully and compared with section 29 of the Act of 1907, for which it has been substituted. The first thing which strikes one on comparing the two sections is this, that section 8 of the new Act does not merely alter the tribunal but also alters considerably the rights of user, both as regards the Crown and as regards the patentee. When I say it alters the rights of both, any alteration of the rights of one is

almost necessarily an alteration of the rights of the other. Under the new section the user is slightly limited perhaps in this way, that it has to be by agents, contractors or others authorized in writing by the Government Department. No such words as "authorized in writing" occur in the original section. On the other hand, in certain respects the right of the Crown is enlarged. I do not lay much stress on the fact that the Crown, under the new section, are to be allowed to make use or exercise, whereas under the old section the word used was only "use." I am not sure whether that makes any considerable difference, but certainly the language has been extended, and I must attribute some importance to that. Furthermore, the second proviso to the new section makes a very important change, which protects the Government in respect of the use by the Government of secret patents. The practical effect is that it protects the Government where the Government have, in fact, recorded the patented invention, though there may have been nothing equivalent to an actual user; but it leaves them liable in cases where there has been a communication by the patentee in consequence of which that record has been made. I do not want in any way to comment on the language of that proviso, but it is a proviso which is distinctly in favour of the Government. Then sub-section (2) provides for the substitution of the Court for the Treasury, and sub-section (3) contains another very important alteration. It provides that "The right to use an invention for the services of the Crown . . . shall include . . . the power to sell any articles made in pursuance of such right which are no longer required for the services of the Crown." That is an important modification of the respective rights of the parties, an increase of the rights of the Crown, and a corresponding diminution of the rights of the patentee. Not only is that so, but sub-section (3) is important in this way, that it provides that the right to sell articles no longer required shall not only belong to the Crown from the passing of the legislation, but shall be deemed to have always belonged to the Crown. That special grant of a retrospective right in that particular case seems to me to indicate strongly that in the other cases, where no such retrospective right is granted, there is no retrospective alteration of the rights of the parties.

No doubt the general rule is, that while rights are not altered retrospectively, procedure is altered retrospectively apart from indications to the contrary; but where rights and procedure are dealt with together in the way in which they are dealt with by this section, it seems to me that the intention of the section must be this, that the old rights under the old section continue to be determined by the old tribunal, and that the new rights under the new and substituted section are to be determined by the tribunal substituted by that section. I think that is none the less so—though this alone would not cause me to come to the conclusion—that at the time of the passing of this Act there was a tribunal, the Royal Commission on Awards to Inventors, which had been constituted by Royal Warrant, and which was dealing with past claims of the kind, no doubt, only by the consent of the parties who chose to accept it in lieu of the Treasury but still dealing with them to a very large extent and by a continuing course of sittings. I think that perhaps adds to the

improbability which I derive from the language of the section itself, that the intention of the Legislature was, as regards the rights of inventors and other people, to put an end to the tribunal that was dealing with those rights, and to substitute a new tribunal which should deal not only with the use of such inventions in the future, but should also deal solely and exclusively with the past use of those inventions. Some reference has been made to section 21, sub-section (2) of the Act of 1919, but I do not think that really any assistance is to be derived from a consideration of that section, which may have in other respects some very curious results which I need not attempt in any way to foreshadow.

On the whole, I have come to the conclusion that the new tribunal under the change in legislation is the tribunal to deal with all user of patented inventions as from April 23rd, 1920, when that section 8 of the new Act came into operation, and the old tribunal is left to deal with claims in respect of user prior to that date, that old tribunal being the Treasury except in cases where the parties choose to come before the other tribunal before which they have an opportunity of appearing.

No doubt the result in this case is unfortunate, because the inventor, in common with other inventors the validity of whose patents and the infringement of whose patents are not admitted by the Treasury, is not in a position to have the compensation that ought to be paid to him determined unless and until he has established the validity and the infringement before the ordinary tribunals of the country. But that has all along been the law from a period antecedent to the Act of 1907, and I do not think that circumstance alone is sufficient to make me alter my view as to the general interpretation of these sections. Accordingly I must refuse the motion in question. Of course, the Crown do not ask for costs.

Austen-Cartmell.—No, my Lord.

Kerly, K.C.—I do not know if my clients would desire to take a further opinion on the matter, or indeed, if they can.

SARGANT, J.—I have determined that this is a motion properly made to me as a Judge of the High Court, and not as the special Judge. I should think they are entitled to appeal.

Kerly, K.C.—There are possible difficulties about it.

SARGANT, J.—If you want to strengthen your case for appeal by leave from me, I give you leave.

Kerly, K.C.—I think I certainly want leave, if I have the right.

SARGANT, J.—Yes.

Kerly, K.C.—I am not suggesting that it will be done without consideration.

SARGANT, J.—Very well.

Extract from King's Regulations and Admiralty Instructions in regard to Patents.

415. *Applications for Patents.*—No officer, or other person employed under the Admiralty, is permitted to apply for, or obtain, a patent, except in the manner laid down in these Regulations.

2. Should permission to apply for, or obtain, a patent be granted, it will be subject to these Regulations, from which there will be no appeal by the patentee either to the Treasury under section 29 of the Patents and Designs Act, 1907, or otherwise.

3. *British Patents.*—In the case of British patents the inventor must, in the first instance, apply to his commanding officer, or the head of his establishment or department, for permission to apply for a patent, and to lodge at the Patent Office a provisional specification for his invention. In no case will he be allowed to lodge a complete specification with the Patent Office in the first instance.

Application for permission is to be made on the form prescribed in clause 6, which gives the conditions on which such permission is granted and the further steps it is obligatory on the patentee to take before finally obtaining a patent. At this stage the inventor will not be required to give more than the title of his invention.

Such application may be made confidentially direct to the inventor's commanding officer or the head of his establishment or department, who will take steps to see that the application and all subsequent proceedings in the matter are dealt with confidentially, so as to safeguard the inventor's interests as well as those of the Crown.

4. *Provisional Protection.*—In order that an inventor may not be prejudiced in any way by delay in obtaining provisional protection, commanding officers of H.M. ships and heads of H.M. naval establishments and Admiralty departments are authorised to approve of applications made by those serving under them in the form prescribed in clause 6 unless they have reason to doubt that the applicant is the true inventor, and they are at once to forward the original form approved by them to the Secretary of the Admiralty (C.P. Department), a copy of which should be given to the inventor for his retention.

5. *Secret Patent.*—If the officer authorised to approve such applications is of opinion that the invention should be kept permanently secret, he is to forward at once to the Admiralty the provisional specification, accompanied by the agreement referred to in clause 6 duly signed by the inventor, and is to withhold permission from the inventor to apply to the Patent Office until the Admiralty has decided whether a secret patent shall be obtained.

6. *Form of Agreement.*—The following is the form of agreement referred to in the preceding clauses. It is to be prepared locally, and must be signed and approved before any application to patent is made:—

AGREEMENT.

Address.....

Date.....

I hereby request permission to apply to the Patent Office for a patent for (here give title of invention) on the following conditions:—

(i) I will not leave a complete specification with the application nor will I subsequently leave a complete specification or take any further steps in the matter after applying for provisional protection, without the direction or permission of the Admiralty.

(ii) Within 48 hours of the despatch by me to the Patent Office of my application I will inform the Admiralty through my commanding officer or head of department of the application, and forward such a description of the invention as may enable their Lordships to judge of the course to be pursued and will subsequently give any further information as to my invention and forward the provisional specification if required.

(iii) I will, if so ordered, assign to the Admiralty or the Secretary for State for War on behalf of His Majesty as may be required the benefit of the invention and any patent that may be granted, or enter into such agreement for its use by the Government and its contractors as may be directed by their Lordships.

(iv) I will not assign or deal with the invention or patent, or grant any licenses or rights to the use of it, to any one except with the previous authority of their Lordships, or under the terms of my agreement (if any) with the Admiralty.

(v) I fully understand that the terms of payment (if any) for the assignment of the invention or patent to the Admiralty, or for its use in His Majesty's Service, will be decided by the Admiralty, and that regard will be paid to any facilities in originating, working out, and perfecting the invention, which I may have enjoyed by reason of my official position and that all payments will be made subject to the approval of the Treasury.

(vi) I will not apply for a patent in any foreign country, or in any British colony or dependency, without the authority of the Admiralty.

Signature.....

Rank.....

APPROVED:

I have informed the inventor by dated that he may apply for provisional protection for a British patent and have furnished him with a copy of this agreement.

Signature.....

Rank.....

Date.....

The original agreement when approved is to be sent to the Secretary of the Admiralty (C.P. Department), London, S.W.

7. *Foreign and Colonial Patents.*—Applications for permission to obtain patents or similar rights in any foreign country or in any British Colony or Dependency must be forwarded to the Admiralty for approval, accompanied by a general description of the invention.

When, however, permission has already been given to lodge a complete specification and obtain a British patent for the same such description need not accompany the application.

8. *General Information.*—It may be useful for the information of inventors to state that generally there are three alternative courses which are adopted by the Admiralty in dealing with an invention or patent, viz. :—

(i) Where the Admiralty, or War Office, desires to retain complete control of the invention or patent. In this case assignment to the Admiralty or Secretary of State for War will be ordered, and the inventor will not be allowed to dispose of the commercial uses of his patent if it has any.

(ii) Where the Admiralty, or War Office, requires only partial control. In this case their Lordships would ordinarily be satisfied with an agreement giving the Government and its contractors a right to use the invention or patent, but otherwise leaving the inventor free to dispose of his invention or patent for commercial purposes.

(iii) Where their Lordships do not consider they have any interest in the invention or patent. In this case they would leave it to be dealt with entirely by the inventor, and release him from the obligations he had entered into.

If an inventor wishes his invention or patent to be dealt with under heads (ii) and (iii) above, he must make a written application through the usual channel for that purpose. It must be understood that the matter is entirely in the discretion of their Lordships, and that they cannot undertake to deal with any particular invention or patent according to any one of the above-mentioned methods, but may adopt some different course in the matter.

9. An applicant for remuneration will be required to give full detailed particulars of any out-of-pocket expenses on experiments, &c., incurred by him personally, as well as of any consideration he may have received directly or indirectly in respect of the invention.

416. *Inventions, Improvements by Officers.*—Whenever it happens in the course of a trial of the invention of any person outside the Service, or during discussion between officers and inventors, that improvements are suggested by officers conjointly, a careful record should be kept of the trial and of the suggestions made, which should at once be reported to the Admiralty, so that in case of an outside patent and dispute as to price, the Treasury may have before it all the circumstances, supposing appeal be made to it under section 29 of the Patents and Designs Act, 1907 (7 Edw. 7, c. 29). If it is discovered by any means that there is any intention on the part of inventors to apply for a patent for an invention to which officers have contributed, the Admiralty should at once be informed.

ROYAL COMMISSION ON AWARDS TO INVENTORS.

Particulars of Claim.

Particulars of claim under clause (1) of the Royal Warrant dated 19th March, 1919, that is, claims in respect of the user of patented inventions where no terms of user have been agreed between the patentee and the Government Department concerned.

The claimant should furnish particulars with regard to his claim under the several heads following, viz. :—

1. Name and address and description of claimant. If in the service of the Crown the official rank should be stated.
2. Name and address of any solicitor or agent authorised to act for the claimant in the matter.
3. Particulars of the invention in question specifying the patents protecting it.
4. Particulars with full names and addresses of any other parties interested in patents as assignees, licensees, or otherwise.
5. A statement that the claimant elects to accept the decision or recommendation of the Commission under the terms of the Royal Warrant in lieu of settlement by the Treasury under section 29 of the Patents and Designs Act, 1907.
6. A statement (where there are other parties interested) whether such other parties are or are believed to be ready to accept the decision of the Commission as in No. 5, and whether the claimant will procure the previous agreement of such other parties to that effect.
7. Particulars of the alleged user by any Government Department of the invention in question and (so far as possible) of the nature, extent, and period of user.
8. Particulars of the amount claimed as compensation for the alleged user, and of the basis on which such claim is made.
9. Particulars of any user of the invention by persons other than Government Departments, and of the terms on which such user has been allowed by the patentee.
10. In cases where a special claim is made for outlay and expenses in connection with the invention, short particulars of such outlay and expenses.

Signature of Claimant.....

Date.....

Note: The above are the main heads of particulars that should be furnished by claimants. In furnishing them it will no doubt often be found that the spaces left opposite some heads are insufficient to contain the particulars, and in some cases the particulars may be furnished in schedules annexed or otherwise identified.

In cases of a complicated nature or involving large amounts, it may be desirable for claimants to furnish fuller and more detailed statements of their claims supplementing or incorporating the particulars

suggested above. Such a statement need not necessarily be in the precise form indicated above, but should give separate and distinct information as to all matters mentioned there.

Mutatis mutandis the particulars of claim in a clause (3) case follow the same plan as those outlined above.

ROYAL COMMISSION ON AWARDS TO INVENTORS.

Counter Statement.

1. Whether validity of all or some and which of the patents in question is admitted.

2. If the validity of any patent is disputed, short grounds of objection.

[Note that paras. 1 and 2 are only applicable in cases where the claim is made under clause (1) of the terms of reference to the Commission.]

3. A statement of the user of the invention showing the nature and extent of such user together with proper accounts and of the basis on which the award (if any) should be made.

4. Any objections or remarks upon the claim under paragraph 7 of the applicant's particulars of claim.

Signed.....
Official Designation.....
Date.....

Note: The above are the main heads under which any answer by a department should be framed. A department may, however, find it desirable to furnish some fuller or more detailed statement of its answer to an applicant's claim. In such cases the answer need not necessarily be in the precise form indicated above, but should give separate and distinct information as to the matters mentioned there.

The Eastern Press, Ltd., London and Reading.

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