

Judgment of the Lords of the Judicial Committee of the Privy Council on the Appeal of The Australian Gold Recovery Company, Limited, v. The Lake View Consols, Limited, and Cross-Appeal, from the Supreme Court of Western Australia; delivered 8th December 1900.

Present at the Hearing :

LORD HOBHOUSE.

LORD DAVEY.

LORD ROBERTSON.

[*Delivered by Lord Davey.*]

The Appeals in this case are from an interlocutory judgment of the Supreme Court of Western Australia dated the 19th September 1899 and given on a Special Case stated in an action in which the Appellants in the principal Appeal (the Australian Gold Recovery Company Limited) were Plaintiffs and the Respondents in the principal Appeal and Appellants in the Cross-Appeal (the Lake View Consols Limited) were Defendants. The object of the action was to restrain the Lake View Consols by injunction from infringing certain Letters of Registration having the force of a patent belonging to the Australian Gold Company. Eight questions were asked by the Special Case of which the first four were decided in favour of the Australian Gold Company and the last four in favour of the Lake View Consols.

The most important question is the one numbered 6. The answer to it turns on the true construction and effect of Section 49 of the West Australian Patent Act 1888 by which holders of

patents obtained in Great Britain or any other country are enabled to obtain letters of registration in the Colony. The Australian Gold Company being the holders of a British Patent No. 14,174 of 1887 have obtained letters of registration in respect thereof upon which they are suing. The question is :

“ Whether any common knowledge prior user
 “ or prior publication in Western Australia sub-
 “ sequent to the date of the Letters Patent
 “ No. 14,174 of 1887 can affect the Plaintiffs’
 “ said Letters of Registration No. 189 ? ”

The Court has decided this question in the affirmative. The Australian Gold Company say, wrongly.

Section 49 of the Act of 1888 is as follows :—

“ No person shall receive a patent or an instrument in the
 “ nature of letters patent under this Act for an invention or
 “ discovery which has been previously patented in Great
 “ Britain or any other country but it shall be lawful for the
 “ Governor in his discretion on the application of any person
 “ being the holder or assignee of any patent granted or issued
 “ in Great Britain or any other country for any new discovery
 “ or invention and upon such proof as the Governor may deem
 “ sufficient that such person is the *bonâ fide* holder or assignee
 “ of the said patent and that the same is in full force and upon
 “ payment to the Colonial Treasurer of the sum of fifteen pounds
 “ to grant letters of registration under the seal of Western
 “ Australia to the holder of such patent as aforesaid or his
 “ assignee and such letters of registration shall be deposited in
 “ the Patent Office and shall be deemed to be letters patent
 “ issued under this Act for such invention or improvement and
 “ shall have the same force and effect as letters patent issued
 “ thereunder and shall inure to the benefit of the holder during
 “ the continuance of the original patent in the country in
 “ which it was issued or granted and no longer and all the
 “ provisions of this Act shall apply to such letters of regis-
 “ tration in the same way *mutatis mutandis* and as fully as to
 “ letters patent or an instrument in the nature of letters patent
 “ issued under this Act.”

There is no form of letters of registration scheduled to this Act. There is a form of patent which is substantially the same as the form scheduled to the British Act of 1883. The letters of registration in the present case are obviously

based on the form of patent which the draftsman has adapted to the purpose but not always with great skill. In the defeasance clause it is provided that if it shall be made to appear &c. "that the said invention is not a new invention "as to the public use and exercise thereof" the letters shall be void. An argument was founded on these words to the effect that as the letters were expressly made void by prior user but nothing was said as to prior publication it was not intended that prior publication should avoid letters of registration. Their Lordships think that the words "public use and exercise" mean use and exercise within the Colony. The words must clearly have some limitation and in a colonial document they must mean what they would mean if used in letters patent granted in the colony. The argument however fails because exactly the same argument might be used of every English patent. The defeasance clause says nothing about prior publication—yet all the world knows that patents may be avoided by proof of prior publication. Moreover it should be observed that the letters of registration are also made void "if this grant is contrary to "law" which raises the whole question. But their Lordships think that no assistance can be derived from the language of the letters themselves which is not statutory under the Act of 1888 and the answer to the question must be determined on the language of the Act.

Learned Counsel argued that the effect of the section was merely to extend the foreign patent to the colony, and to give the holder of the foreign patent the same rights in the colony as he possessed in the country of origin, and that the letters of registration must stand or fall with the patent, or (in other words) they could not be impeached on any ground which would not be equally fatal to the patent in its own country

They therefore denied that prior publication or even prior user in the colony after the date of the patent affected the letters of registration, though they were disposed, if possible, to draw a distinction between prior user and prior publication. In the opinion of their Lordships no such distinction can be made. If prior publication is innocuous prior user must be equally so under the Act.

The Act says that the letters of registration shall be deemed to be letters patent issued under the Act (that is) to be a colonial patent, and that all the provisions of the Act shall apply to the letters of registration as fully as to letters patent issued under the Act. Their Lordships are of opinion that the effect of these words is to attach to letters of registration all the statutory incidents of letters patent and to bring in all the statutory provisions subsequent to the granting of a patent. Now one of these provisions is contained in the 31st Section. Sub-section (2) of that section provides that revocation of a patent may be obtained on petition to the Court, and (3) that every ground on which a patent might at the commencement of the Act be repealed by *scire facias* shall be available by way of defence to an action for infringement, and shall also be a ground of revocation. It cannot be, and was not disputed, that prior publication or user was a ground on which a patent might be repealed by *scire facias*. But their Lordships would prefer to put this case on a broader ground. By the provisions of the 49th Section the Governor is empowered to grant a monopoly within the colony in some manufacture or process to the grantee of the letters of registration. It is contrary to the common law of this country (which the Australian settlers carried with them) as well as to the Statute of Monopolies for the Crown to grant a monopoly to any person of

any known manufacture. The Statute of Monopolies has been held to be only declaratory of the common law. Two reasons have been assigned for this rule of law : first that a man cannot lawfully be deprived of the right to use a known art or trade, and, secondly, because if an invention is known, the public can receive no consideration from the patentee for the grant of the sole right of exercising it. No doubt the Legislature may overrule the common law, and authorise the grant of a monopoly of the exercise of a known manufacture. But their Lordships think that such an intention would have to be very clearly expressed, and no implication having an effect so injurious to the subject ought to be made without express words of enactment.

Their Lordships think that the provisions of Section 49 merely afford a machinery by which the holder of a foreign patent may obtain protection for his invention within the colony without the formalities and delay necessary on an application for a patent but subject to all the incidents and conditions to which letters patent would be subject. They therefore agree with the Court below.

Questions 5 7 and 8 were not pressed by learned Counsel. Indeed Questions 7 and 8 seem to have been asked under some misapprehension. It is perfectly immaterial whether Siemens' patent was good or bad if it is merely relied on as a prior publication of the invention protected by the letters of registration.

The consequence therefore is that the principal Appeal of the Australian Gold Recovery Company ought to be dismissed and their Lordships will humbly advise Her Majesty accordingly.

To turn now to Questions 1 2 3 4 which form the subject of the Cross-Appeal. Questions 1 and 2 may be taken together and the point raised is whether the renewal fees charged by the

Second Schedule of the Act on letters patent are payable in respect of the letters of registration. Their Lordships have had some difficulty in coming to a satisfactory conclusion on this point. There are considerations which tend both ways. On the one hand attention is called to the enactment that the provisions of the Act are applicable *mutatis mutandis* to letters of registration. Why not therefore apply Section 29 and the schedule referred to in it? Some of the items in Schedule 2 certainly would apply to letters of registration and there is no reason (it is said) for excluding the payment of the fees to be paid on every patent at the expiration of four years and seven years from its date. On the other hand it is pointed out that a fee of 15*l.* exceeding the aggregate fees payable on the application for a patent is payable on application for letters of registration; and further that as letters of registration last only so long as the patent on which they are founded the periods or epochs in the life of the one are or may be quite different from those in the life of the other. It is argued that the fees payable on renewals should be regarded as fixed with reference to the scale of fees payable on and consequent on application which do not apply to letters of registration. The learned Judges have answered the first question in the negative and their Lordships are not prepared to say they are wrong.

The third question is whether under the circumstances set out in the Special Case the specification deposited with the application for letters of registration was as against the Defendants in the action duly amended. These circumstances were shortly as follows: The specification of the British patent was amended. On the 15th October 1895 the agent of the holder of the letters of registration by letter requested the Registrar of Patents in the colony

“ to record the amendment of the British Specification.” Without issuing any advertisements or any further proceeding the Registrar recorded the amendment in his office. But more than a year afterwards the Registrar published notice in the Government Gazette that the complete specification had been amended and at the same time invited any persons intending to oppose “ the said application for amendment ” to come in within one calendar month from the date thereof. What the intention of this remarkable document was it is hard to say.

Their Lordships think that the provisions of Section 23 of the Act as to “ Amendment of Specification ” are made applicable by Section 49 to letters of registration and that *mutatis mutandis* the specification deposited with the application for and referred to in the letters of registration is the “ specification ” within the meaning of Section 23. The request contained in the letter of the 15th October 1895 was in no sense an application for leave to amend but was what it purported to be and what the Registrar understood it to be, vizt., a request to him to record an amendment already made. The Registrar did not exercise any judgment in the matter but appears simply to have recorded it. The Counsel for the Australian Gold Company supported the Registrar’s view (and in the alternative argued that it was a *casus omissus* in the Act and fell within the Patent Office regulations respecting the amendment of any document for which no special provision is made. Their Lordships cannot agree with this suggestion and they think that there ought to have been but there was not an application to the Registrar in the Colony for leave to amend the specification. Persons in the colony had no opportunity and probably no *locus standi* to oppose the amendment of the specification in London and considerations might apply to the grant of leave to amend in

the colony different from those which could be brought before the Comptroller in London. The learned Judges in the Court below seem to have been of the same opinion but they thought they were bound by certain decisions in England that the propriety or regularity of the leave to amend cannot be controverted in a subsequent action for infringement of the patent. But those cases have no application to a case like the present one in which leave to amend has neither been asked for nor granted but the Registrar has simply recorded the amendment without any jurisdiction to do so. Their Lordships therefore will humbly advise Her Majesty that the order so far as relates to the answer to the third question be reversed and that that question should be answered in the negative.

The fourth question answers itself. To make it consistent however with the answer to question 5 it will be better to add to the answer as it stands the words "except so far as they may be grounds of objection applicable to the Letters Patent No. 14,174." They will, therefore, humbly advise Her Majesty that the answer to the fourth question be varied in this manner.

The result is that the principal Appeal wholly fails and the Appellants should pay the costs of it and that the Appellants in the Cross-Appeal have partly failed and partly succeeded and should have no costs of their Appeal. The costs in the Court below were reserved so nothing need be said about them.
