

McTIERNAN J. I have read the judgment of the Chief Justice and my brother *Dixon*, and agree in their conclusions and reasons.

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Appeal allowed. Order of Lowe J. set aside and appeal from the disallowance of the taxpayer's objections to the assessment remitted to the Supreme Court. Costs of the appeal to this Court costs in the cause.

FEDERAL
COMMISSIONER OF
TAXATION
v.
AUSTIN.

Solicitor for the appellant, *W. H. Sharwood*, Crown Solicitor for the Commonwealth.

Solicitors for the respondent, *Aitken, Walker & Strachan*.

H. D. W.

Referred to
Smith, Re: Ex
parte Mole
Engineering
Pty Ltd (1981)
LA IPR 284

[HIGH COURT OF AUSTRALIA.]

HARGANS APPELLANT ;

AND

THE COMMISSIONER OF PATENTS . . . RESPONDENT.

Patent—"Decision" by Commissioner—Three claims—Two rejected for want of subject matter—Applicant directed to amend application, specification and third claim—Appeal to High Court—Competency of appeal—Patents Act 1903-1930 (No. 21 of 1903—No. 76 of 1930), secs. 4, 42*, 43*, 46*, 47*.

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SYDNEY,
Nov. 18;
Dec. 5.

An application for a patent for an improved method of preparing rabbits for the marketing of the carcase and skin was adversely reported upon by the examiner. Following upon representations made by the applicant, he

Rich, Starke,
Dixon, Evatt
and McTiernan
J.J.

*The *Patents Act* 1903-1930 provides:—By sec. 42: "If the examiner reports adversely to the application or specification on any matter referred to in sections thirty-nine and forty, the Commissioner may—(a) require compliance by the applicant within a specified time with such directions for the

amendment of the application or the specification as the Commissioner sees fit to give." By sec. 43:—"(1) An appeal shall lie to the Law Officer from any direction of the Commissioner under the preceding section. (2) The Law Officer shall hear the applicant and the Commissioner and shall decide whether

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received a document headed "Decision of the Deputy Commissioner" in which the Deputy Commissioner expressed the opinion that two of the three claims in the specification were bad for want of subject matter, and, purporting to act under sec. 42 of the *Patents Act* 1903-1930, directed the applicant to delete those two claims and otherwise to amend the application and specification so as to limit them to the third claim.

Held that, as the decision did not finally dispose of the application as a whole, sec. 47 of the *Patents Act* did not apply and an appeal by the applicant to the High Court was incompetent. The appeal should have been made to the Law Officer under sec. 43 of the Act.

APPEAL from the Commissioner of Patents.

An application was made by Donald Edward Hargans for a patent for an "improved method of preparing rabbits for the marketing of the carcase and the skin thereof." The specification described the nature of the invention as follows:—"This invention has been devised to provide a method of preparing rabbits for the marketing of the carcase and the skin thereof whereby the skin is of full marketable value and whereby the carcase has all objectionable organs removed therefrom and is wholly (and consequently hygienically) encased by the skin thus preventing the possibility of contamination. According to this invention a rabbit when killed has its skin cut along the inner sides of the back legs from the paws to a meeting place just below the tail which enables the hind legs to be extracted from the skin. The skin is then peeled from the carcase for about half the length thereof and the abdomen (the skin being removed therefrom) incised to permit removal of the viscera and all other objectionable organs. The skin (which when warm is easily stretched) is then rolled back to its original position and the skinned part of the carcase re-encased thereby. The rear paws

and subject to what conditions, if any, the application and specification shall be accepted." By sec. 46: "If the Commissioner is satisfied that no objection exists to the specification on the ground that the invention is already patented in the Commonwealth or in any State or is already the subject of any prior application for a patent in the Commonwealth or in any State he shall in the absence of any other lawful ground of objection accept the application and specification without any condition, but if he is not so satisfied he may either—(a) accept the applica-

tion and specification on condition that a reference to such prior specifications as he thinks fit be made thereon by way of notice to the public; or (b) refuse to accept the application and specification." By sec. 47:—"(1) An appeal shall lie to the High Court . . . from any decision of the Commissioner under the preceding section. (2) The Court shall hear the applicant and the Commissioner and shall decide whether and subject to what conditions, if any, the application and specification shall be accepted."

being cut off the whole carcase including the rear legs is easily tucked into and encased by the skin and the ends thereof gathered together and retained thus by tying or by placing a clip thereon. Preferably clips are provided to hold a brace of so prepared rabbits to facilitate the handling thereof. . . . The clip is constituted of two more or less U-shaped bars . . . adapted to fit one within the other. The inner bar has pins . . . on the ends of the U-limbs in bearings . . . in the outer bar. The base . . . of the bar . . . is arcuate in cross-section . . . and the side limbs . . . of the bar are arcuately set also . . . to facilitate opening and closing of the clip. A pair of rabbits treated as above described have the skin stretched . . . to form a bag-like receptacle . . . wherein are housed the hindquarters and legs of the carcase. The skin ends . . . are inserted between the bars . . . which when pressed together . . . hold the two carcasses firmly together and effectually seal the skins thus preventing contamination from exterior sources." The claims in the complete specification were: —“(1) Improved method of preparing rabbits for the marketing of the carcase and the skin thereof consisting in incising the said skin at the rear of the carcase removing said skin from the hind quarters and abdomen of said carcase incising the said abdomen to permit removal of the viscera and other objectionable organs and stretching said skin to form a bag wherein said hindquarters are completely re-encased substantially as herein described. (2) Improved method of preparing rabbits for the marketing of the carcase and the skin thereof consisting in incising the said skin along the inner sides of the back legs from the paws to a meeting point just below the tail extracting the hind legs from the incised skin peeling the skin from the carcase approximately half the length thereof incising the skinned abdomen removing the viscera and other objectionable organs stretching said skin to form a bag wherein said hindquarters are completely re-encased and gathering the incised ends of said stretched skins together to constitute a closure for said bag substantially as herein described. (3) In and for an improved method of preparing rabbits for the marketing of the carcase and the skin thereof as defined in the preceding (first and/or second) claiming clauses a clip to retain the gathered incised ends

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of the stretched skin together consisting of two U-shaped bars hinged together and adapted to tightly grip the said skin ends between the bights of said bars substantially as herein described.” The Commissioner referred the specification to the examiner for his report, and he reported adversely to it, on the grounds that, so far as claims 1 and 2 were concerned, the method specified was merely a working direction, and further, it was the method generally used for treating rabbits when both the carcass and the skin were required, and was one which he had both seen performed and performed himself on many occasions, and consequently was not subject matter for the grant of letters patent as it did not constitute a manner of new manufacture within the meaning of sec. 4 of the *Patents Act* 1903-1930. As to claim 3, the examiner reported that it was directed to both a method and means which were so interconnected that it was impossible to give the claim a definite construction, the indefiniteness being further accentuated by the reference to the first and/or second claiming clauses. Although argument was tendered by letter addressed to the Commissioner on behalf of the applicant, the examiner adhered to the terms of his report, stating that no new product was obtained and no new process was described. The applicant thereupon asked the Commissioner for his decision on the representations made in the letter referred to above. In a document subsequently received by the applicant and headed “Decision of the Deputy Commissioner of Patents,” the Deputy Commissioner expressed his agreement with the conclusions arrived at by the examiner, and proceeded:—“Although I have arrived at the conclusion that the two forms of the invention as claimed in claims 1 and 2 do not constitute an invention within the meaning of section 4 of the Act, I consider the subject matter of claim 3 allowable, and I think this is a matter in which I should give a direction under the provisions of section 42 of the *Patents Act* allowing the application to proceed to acceptance if the applicant is disposed to amend in the direction which I have indicated on the basis of the subject matter of the third claiming clause only. In the exercise of my powers under the provisions of section 42 of the *Patents Act* I therefore direct that the application and complete specification be amended to limit the title in such a manner that it

indicates the subject matter of the invention as claimed in claim 3, that the descriptive portion of the specification be amended in such a manner that it is limited to a full description and ascertainment of the invention as claimed in claim 3, and that the statement of the invention claimed be amended by the deletion of the first and second claims and the amendment of the third claim in such a manner that it is limited to the form of the invention as represented by claim 3."

From this decision the applicant now purported to appeal to the High Court.

May, for the appellant. In the circumstances the action of the Commissioner amounts to a decision, within the meaning of the *Patents Act* 1903-1930, the effect of which is a refusal of the substantial invention claimed by the appellant. The appellant, who is prepared to abandon the third claim, asked, not for a direction, but for a decision. The Commissioner is entitled to take objection on the ground of want of subject matter (*Rogers v. Commissioner of Patents* (1)) and that objection has been taken here so far as he was able to do so, but there is no want of subject matter, as the invention claimed is a new method of preparing and skinning rabbits by which they are rendered of greater commercial value (*Henry Berry & Co. v. Potter* (2)). A new method of using known appliances in a more beneficial manner than formerly is patentable (*Boulton and Watt v. Bull* (3)). A new method of preparing an article can be a patentable invention (*Wallington v. Dale* (4)).

[DIXON J. referred to *Schwer v. Fulham* (5).]

A degree of investigation might be required before the Commissioner gives his decision (*McDonald v. Commissioner of Patents* (6)).

Roper, for the respondent. The Commissioner has refused to allow the first two claims on the ground that they do not disclose anything which can be the subject matter of a patent. Here the claim is made in respect of method as distinct from apparatus or appliance. A method of preparing an article is not patentable

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(1) (1910) 10 C.L.R. 701.

(2) (1924) 35 C.L.R. 132.

(3) (1795) 2 H.Bl. 463; 126 E.R. 651.

(4) (1852) 7 Exch. 888; 155 E.R. 1210.

(5) (1910) 11 C.L.R. 249.

(6) (1913) 15 C.L.R. 713, at p. 716.

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unless it is a manner of new manufacture (*Rogers v. Commissioner of Patents* (1)). A mere "working direction" as here is not sufficient subject matter for a patent (*Commissioner of Patents v. Lee* (2)). The claim simply consists of the variation of a manipulative method of skinning rabbits, which, although it may be a new method, does not involve new appliances, that is, a new manufactured article or a new method of manufacture, and is, therefore, not patentable (*Re Johnson's Application* (3)).

[McTIERNAN J. referred to *Halsbury's Laws of England*, vol. XXII., p. 140.]

The process here described is not a "manufacture" (*R. v. Wheeler* (4)). *Henry Berry & Co. v. Potter* (5) is distinguishable, as a sausage, which was there being considered, is, when finished, a manufactured article. The appellant cannot, and does not, claim that either the carcase or the skin is "manufactured" by him.

[RICH J. The exercise of mental faculty in the selection of material may form the subject matter of a patent (*Cassel Gold Extracting Co. v. Cyanide Gold Recovery Syndicate* (6)).]

No objection has been raised by the Commissioner to the claim for a patent in respect of the clip as a method of tying. Under sec. 39 (c) of the Act it is within the province of the examiner to report whether what is claimed is an invention, which involves, *inter alia*, the question of subject matter. When such a report is adverse to an applicant the Commissioner may exercise the powers vested in him by sec. 42 and, as provided by sec. 43, an appeal therefrom lies only to the Law Officer (*R. v. Comptroller of Patents; Ex parte Muntz* (7)). Action by the Commissioner under sec. 42 does not finally dispose of an application, and it is only from the final decision of the Commissioner that an appeal will lie to this Court under secs. 46 and 47. No information has been received by the Commissioner as to the appellant's attitude in the matter of the amendments. On the substance the Commissioner's decision was right, and on the question of procedure there is no immediate appeal to this Court.

(1) (1910) 10 C.L.R., at p. 708.

(2) (1913) 16 C.L.R. 138.

(3) (1901) 19 R.P.C. 56.

(4) (1819) 2 B. & A. 345; 106 E.R. 392.

(5) (1924) 35 C.L.R. 132.

(6) (1895) 12 R.P.C. 232.

(7) (1922) 39 R.P.C. 335, at p. 340.

May, in reply. The appeal to this Court is from a decision of the Commissioner given by him in response to a request therefor by the appellant.

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Cur. adv. vult.

The following written judgments were delivered :—

RICH, DIXON AND McTIERNAN JJ. This proceeding purports to be an appeal from a decision of the Commissioner of Patents, pronounced by the Deputy Commissioner, whereby he refused to accept the application of the appellant for a grant of letters patent for an invention entitled : “ Improved method of preparing rabbits for the marketing of the carcase and the skin thereof.”

The complete specification contained three claims. Two of these related to a method of partially skinning a rabbit, removing some of its organs, and stretching the skin again to enclose the entire carcase as in a bag. The third related to a clip to hold together the ends of the skin so stretched. The Deputy Commissioner, in his decision which he communicated to the appellant, expressed the opinion that the first and second claims were bad for want of subject matter. His decision proceeded :—“ Although I have arrived at the conclusion that the two forms of the invention as claimed in claims 1 and 2 do not constitute an invention within the meaning of section 4 of the Act, I consider the subject matter of claim 3 allowable, and I think this is a matter in which I should give a direction under the provisions of section 42 of the *Patents Act* allowing the application to proceed to acceptance if the applicant is disposed to amend in the direction which I have indicated on the basis of the subject matter of the third claiming clause only. In the exercise of my powers under the provisions of section 42 of the *Patents Act* I therefore direct that the application and complete specification be amended to limit the title in such a manner that it indicates the subject matter of the invention as claimed in claim 3, that the descriptive portion of the specification be amended in such a manner that it is limited to a full description and ascertainment of the invention as claimed in claim 3, and that the statement of the invention claimed be amended by the deletion of the first and second claims and the amendment of the third claim in such a

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manner that it is limited to the form of the invention as represented by claim 3."

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McTiernan J.

An objection is taken on behalf of the Commissioner that this does not amount to a decision under sec. 46 of the *Patents Act* 1903-1930 refusing to accept the application and specification, from which an appeal lies under sec. 47 to the Court, but is a decision under sec. 42 from which under sec. 43 an appeal lies to the Law Officer. We think that this objection is well founded. No doubt, from the opinion expressed by the Deputy Commissioner upon which he based his direction the consequence would follow that, if the applicant declined to comply with the direction, acceptance of his application and specification would be refused. But, by giving such a direction, the Deputy Commissioner enabled the applicant to consider whether he would comply with it or would appeal to the Law Officer from it or would decline to comply with it. If the applicant did adopt the last course his application would not *ipso facto* stand refused, but a further decision of the Commissioner would be necessary, although, no doubt, if the Commissioner adhered to his opinion that decision would be formal only. We are therefore of opinion that the appeal is incompetent.

But as the correctness of the decision given by the Deputy Commissioner was fully argued before us, it is, we think, desirable to add that we see no reason to disagree with his opinion that the claims in question disclose no subject matter.

The appeal should be dismissed and the costs of the Commissioner's appearance should be borne by the appellant.

STARKE AND EVATT JJ. This is an appeal from a direction of the Commissioner of Patents that an application and complete specification be amended. The direction purports to have been given under sec. 42 of the *Patents Act* 1903-1930, and if it is, in point of law, such a direction, then no appeal lies to this Court. That section only authorizes the Commissioner to give directions upon matters referred to in secs. 39 and 40, which deal with the form of the application and specification, and not with want of subject matter or novelty. The Commissioner in fact rejected the two principal claiming clauses in the specification for want of subject matter, and required the third claim—admittedly

unimportant—to be amended. Such a direction cannot be supported under sec. 42, but an appeal only lies to this Court, so far as the present case is concerned, from a decision of the Commissioner refusing to accept the application and specification (see sec. 46). The Commissioner has not yet wholly refused to accept the application and specification, but only a part of it. In our opinion, the provisions of sec. 47 do not permit an appeal to this Court unless the decision of the Commissioner finally refuses or rejects the application and specification as a whole. The result is that this appeal is incompetent, and the appellant should have gone to the Law Officer under sec. 43.

But the substance of the matter was fully argued, and perhaps it may assist the appellant if we shortly state our reasons for thinking that his application for letters patent in respect of the rejected claims is hopeless.

A great amount of invention is not necessary to support the grant of letters patent. But, though the alleged invention may be the result of a guess or an accident, still, there must be “newness in the sense of doing a thing which has not been done before” (*Tatham v. Dania* (1)). There is nothing new in doing what is obvious to everyone of ordinary intelligence, or in applying well known methods to merely analogous purposes. The applicant in this case suggests an improved method of preparing rabbits for marketing of the carcasses and the skins. Skinning rabbits, removing their intestines, &c., and marketing carcasses and skins is an everyday practice in Australia. All the applicant suggests is to commence skinning the rabbit at the tail, to proceed with the operation sufficiently only for the purpose of removing the intestines of the rabbit, and then to draw or stretch the skin back again so as to form a bag which may be tied or closed. Such a method is obvious to any person of ordinary intelligence, and indeed the examiner has reported—pursuant, no doubt, to the provisions of sec. 41 (b)—that on many occasions he has seen it used and has used it himself.

Appeal dismissed with costs.

Solicitors for the appellant, *Weaver & Allworth*.

Solicitor for the respondent, *W. H. Sharwood*, Crown Solicitor for the Commonwealth.

J. B.

(1) (1869) Griff. P.C. 213, at p. 214.

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