[HIGH COURT OF AUSTRALIA.]

PEARSON . . . . . APPELLANT;
DEFENDANT,

AND

THE ARCADIA STORES, GUYRA, LIMITED RESPONDENT.
PLAINTIFF,

[No. 2.]

ON APPEAL FROM THE SUPREME COURT OF NEW SOUTH WALES.

H. C. OF A. 1935.

SYDNEY, *May* 30; *June* 13.

Rich, Starke, Dixon, Evatt and McTiernan JJ.

Practice—State Supreme Court—Decretal order—Injunction—Appeal to High Court—Breach of injunction—Application for writ of attachment—Order appealed from—Stay of execution—High Court Rules 1928-1931, *Part II., sec. III., r.* 22—*High Court Procedure Act* 1903-1933 (*No.* 7 *of* 1903—*No.* 63 *of* 1933), *secs.* 33, 38—*Judiciary Act* 1903-1933 (*No.* 6 *of* 1903—*No.* 65 *of* 1933), *sec.* 86.

The respondent applied for leave to issue a writ of attachment against the appellant for his contempt in carrying on a business contrary to a decretal order made by the Supreme Court of New South Wales. An appeal to the High Court against the decretal order had been duly instituted.

Held that the issue of a writ of attachment was precluded by rule 22 of sec. III. of Part II. of the *High Court Rules*.

Order of the Supreme Court of New South Wales (*Nicholas* J.) discharged.

APPEAL from the Supreme Court of New South Wales.

Upon an originating summons brought by Arcadia Stores, Guyra, Ltd., the Supreme Court of New South Wales, in its equitable jurisdiction, made a decretal order restraining Oscar Randolph Pearson from carrying on business as a produce merchant within

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fifty miles of the post office at Guyra until 18th March 1937. From that decretal order Pearson appealed to the High Court as of right under sec. 35 (1) (*a*) (2) of the *Judiciary Act* 1903-1933. The appeal was duly instituted. Pearson claimed that by reason of having instituted the appeal he was entitled to ignore the injunction until the appeal had been determined. He relied upon rule 22 of sec. III. of Part II. of the *High Court Rules*, made in pursuance of the authority contained in sec. 33 of the *High Court Procedure Act* 1903-1933. Rule 22 provides :—" When an appeal has been duly instituted, the execution of the judgment appealed from shall be stayed. The High Court or a Justice or the Supreme Court of the State whence the appeal is brought or a Justice thereof may nevertheless give leave to prosecute the judgment upon the party desiring to prosecute it giving security to the satisfaction of the proper officer of the High Court or of such Supreme Court to abide the decision of the Court on the hearing of the appeal."

An application was made to the Supreme Court on behalf of Arcadia Stores, Guyra, Ltd. for leave to issue a writ of attachment against Pearson for breach of the injunction. In affidavits it was admitted that the decretal order was properly served on Pearson and that he was carrying on business in breach of that order. The applicant, however, admitted that in doing so he was not acting contemptuously but was acting upon the advice of his legal advisers to the effect that the operation of the injunction was stayed pending the determination of the appeal. The applicant did not press for a writ of attachment.

The application was heard before *Nicholas* J. who held that rule 22 did not prevent the issue of a writ of attachment to enforce obedience to an order restraining an act. His Honor expressed the view that a writ of attachment issued to enforce but not to execute a decretal order ; it was based upon the contempt in refusing to obey and was not a means of carrying the order into effect. No order was made other than that Pearson should pay the costs of the application.

The High Court (*Rich, Evatt* and *McTiernan* JJ.) granted Pearson special leave to appeal from that decision and ordered, *inter alia*,

that he be at liberty to carry on his business pending the determination of the appeals; that he together with an independent accountant be appointed joint receivers without security of the business; that failing agreement as to the accountant to be so appointed, the appointment be made by a Justice of the High Court or of the Supreme Court; that a weekly statement of the accounts of the business be furnished by Pearson to Arcadia Stores, Guyra, Ltd.; that the nett profits of the business less the sum of four pounds per week be paid into the joint account of the receivers to be opened by them in the Bank of New South Wales, Guyra Branch; and that the said sum of four pounds per week be retained by Pearson by way of wages.

The appeal now came on for hearing.

Mason K.C. (with him *Miller*), for the appellant. Rule 22 clearly shows that upon an appeal being duly instituted the matter remains *in statu quo*. If any injustice or hardship arises from that result, the Court may be approached under that rule for "leave to prosecute the judgment." The definition of "execution" is shown in *Halsbury's Laws of England*, 2nd ed., vol. 14, p. 3. Before the making of an application for a writ of attachment under the *Supreme Court Rules* the stay must be removed. Rule 22 is different in its terms from the statutory provision upon which *Parsons* v. *Gillespie* [*No.* 2] (1) was decided. The respondent should have applied for leave to prosecute the judgment notwithstanding the stay, for leave by rule 22 upon such terms as to security as the Court thought fit. Rule 22 is expressed in clear and unambiguous words. Upon an appeal being duly instituted, all proceedings, including a mandatory injunction, are stayed.

Maughan K.C. (with him *Kitto*), for the respondent. The application is for leave to prosecute. Rule 22 does not provide that the judgment itself is suspended; it provides that the execution shall be stayed. There are two different kinds of orders in a decree, (*a*) an order that a person shall do something, and (*b*) an order forbidding someone from doing something. The question is: Do

(1) (1896) 17 L.R. (N.S.W.) (Eq.) 69; 12 W.N. (N.S.W.) 158.

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the words "the execution of the judgment appealed from shall be stayed" cause to be suspended that part of a decree or order which restrains the doing of something? Clearly the rule does not apply to a restraining injunction (*Parsons* v. *Gillespie* [*No.* 2] (1)). If it were otherwise it would be open to grave abuse. If rule 22 has the comprehensive operation contended for on behalf of the appellant, then sec. 38 of the *High Court Procedure Act* 1903-1933 is meaningless and unnecessary.

Cur. adv. vult.

June 13.

The following written judgments were delivered:—

RICH, DIXON, EVATT AND MCTIERNAN JJ. A decretal order was made restraining the appellant from carrying on business as a produce merchant within fifty miles of the post office at Guyra. From that decretal order he appealed to this Court as of right under sec. 35 (1) (*a*) (2) of the *Judiciary Act* 1903-1933. The appeal was duly instituted (cf. rule 12, sec. III. of the *Appeal Rules*). Rule 22 of these rules provides:—"When an appeal has been duly instituted, the execution of the judgment appealed from shall be stayed. The High Court or a Justice or the Supreme Court of the State whence the appeal is brought or a Justice thereof may nevertheless give leave to prosecute the judgment upon the party desiring to prosecute it giving security to the satisfaction of the proper officer of the High Court or of such Supreme Court to abide the decision of the Court on the hearing of the appeal." Notwithstanding this rule, the respondent, who had obtained the injunction, applied to the Supreme Court for leave to issue a writ of attachment against the appellant for breach of the injunction. *Nicholas* J., before whom the application came, decided that the rule did not prevent the issue of an attachment to enforce obedience to an order restraining an act. In his opinion, a writ of attachment issues to enforce but not to execute the decretal order; it is based upon the contempt in refusing to obey and is not a means of carrying the order into effect. We do not think this distinction is well founded.

A common law judgment is a determination of right, not a command addressed to the person. It was expressed in a form

(1) (1896) 17 L.R. (N.S.W.) (Eq.) 69; 12 W.N. (N.S.W.) 158.

appropriate to its nature—*consideratum est quod recuperet.* The writs of *ca. sa.*, *fi. fa.* and *elegit* carry it into effect or execute it. But a decree in equity has always been a command laid upon the person. So too is a rule absolute at common law. Both require remedies compelling personal obedience. A decree and a rule must be enforced. Writs of attachment and writs of sequestration issue for this purpose. But process of enforcement has always been regarded as a means of executing the decree. In an Ordinance in Chancery made in 1618 by *Bacon*, when he was Chancellor, the statement occurs :—" Imprisonment for breach of a decree is in the nature of execution " (*Bacon's Ordinances*, clause 7 ; *Beames' General Orders in Chancery* (1815), p. 5). In *Edwards* on *Execution* (1888), at pp. 243, 244, the learned author says : " The order made, if the application is granted, is in the form that the applicant ' be at liberty to issue ' a writ of attachment, thus preserving the true nature of the remedy, that it is a relief granted by way of execution to the applicant." As the nature of the decree, rule, or order is to require or to restrain the doing of some act, it can be carried out or executed only by coercive remedies, and writs to coerce or enforce obedience are treated as execution. The difference between this and punishment for contempt is explained, per *Lindley* L.J. in *Seaward* v. *Paterson* (1) ; per *Cotton* L.J. and *Lindley* L.J. in *O'Shea* v. *O'Shea and Parnell* (2).

The application given to rule 22 by *Nicholas* J. is too limited. The rule covers the present case.

The rule has its source in rule 19 of sec. IV. of the rules originally scheduled to the *High Court Procedure Act* 1903. This rule also stayed execution on the due institution of an appeal. Its presence in the schedule, which formed part of the Act, illustrates the ambit of the rule-making power under sec. 33 of the *High Court Procedure Act* 1903-1933 and of sec. 86 of the *Judiciary Act.* In spite of sec. 38 of the *High Court Procedure Act*, rule 22 is thus authorized by the sections referred to.

In the present case, *Nicholas* J., having decided that the appellant was liable to attachment, did no more than order him to pay costs. Special leave to appeal from this decision was granted because of

(1) (1897) 1 Ch. 545, at p. 555. (2) (1890) 15 P.D. 59, at pp. 63, 64.

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the difficulty in which it placed the appellant pending the hearing of the appeal. As our opinion is that the grounds relied upon by the respondent are erroneous, and as the Court is called upon to give no relief except in relation to costs, it will be enough to discharge the order of *Nicholas* J. as to costs and to order costs of the motion before him and of this appeal to be taxed and to be set off against the costs for which the appellant is liable in the main appeal.

STARKE J. The Appeal Rules of the High Court provide that when an appeal has been duly instituted, the execution of the judgment appealed from shall be stayed. The High Court or a Justice or the Supreme Court of the State whence the appeal is brought or a Justice thereof, may nevertheless give leave to prosecute it upon the party desiring to prosecute it giving security to the satisfaction of the proper officer of the High Court or of such Supreme Court to abide the decision of the Court on the hearing of the appeal (Appeal Rules, Part II., sec. III., rule 22; Statutory Rules 1931, No. 123). A question has arisen in this case whether the issue of a writ of attachment against a defendant for his contempt in carrying on a business contrary to a decretal order made in a suit commenced in the Supreme Court of New South Wales, is precluded by this rule. *Nicholas* J. held that it was not. He was of opinion that attachment did not execute a judgment. "What is executed" said the learned Judge "when a writ of attachment is issued is the process, not the judgment." (Cf. *Roberts* v. *Ball* (1).) But the word execution "is applied to the various modes provided by the practice and procedure of Courts for enforcing their judgments or orders." A judgment might be enforced by process against property, or by process against the person of the party against whom judgment was given. The former was the more usual method in the Courts of law, and the latter in the Court of Chancery, for it acted *in personam*. The writ of attachment was a method of execution against the person. It was in use for some purposes in the Courts of Common Law, but in Chancery it was the ordinary method of compelling a party to appear, and of enforcing the decrees and orders of the Court, including decrees and orders for payment of money.

(1) (1855) 3 Sm. & Giff. 168; 65 E.R. 610.

(See *Harvey* v. *Harvey* (1).) It issued in some cases out of the Court of Chancery as an ordinary civil process on the application of a party. It was not really, in such cases, process of contempt, but process of execution (*In re Evans*; *Evans* v. *Noton* (2); note by Mr. Regis rar *Lavie*). Under the English *Judicature Rules*, attachment is treated as a process of execution (see Order XLII.), and in rule 8 of Order XLII. the term writ of execution includes a writ of attachment. It is true enough that the writ of attachment is used as well for the execution of the judgments and orders of the Courts, as for punishing acts interfering with the course of justice. (See *Annual Practice* (1935), p. 2363, and cases there collected.) But in the case now before the Court, the writ of attachment which was sought was a writ for enforcing or executing the judgment of the Supreme Court, which was stayed by force of the appeal rule. Learned counsel for the respondent was under the impression that he requested the learned Judge to give him leave to prosecute the judgment should he decide that it was stayed under the rule; but it was unnecessary to consider this matter in the view the learned Judge took.

The appeal against the order of *Nicholas* J. should be allowed, but this decision only affects the costs of the motion. And as the defendant was wrong in carrying on the business which he did in fact carry on, the justice of the case would be met, I think, by allowing the parties to abide their own costs of the motion.

Order of Supreme Court discharged. In lieu thereof motion dismissed. Costs of the motion in the Supreme Court and of this appeal to be taxed and set off against the costs for which the appellant is liable under the order pronounced in appeal reported ante, p. 571.

Further order pursuant to order giving leave to appeal:—

Order that the net balance remaining in the hands of the receivers be paid to the Arcadia Stores, Guyra, Ltd. to be applied in satisfaction of the loss or damage suffered by the said company by reason of the defendant carrying

(1) (1884) 26 Ch. D. 644, at p. 653. (2) (1893) 1 Ch. 252, at pp. 259-264.

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on business in breach of covenant between the making of the said order, viz., the 18th April 1935 and this date, and that the joint receivers be discharged without any further account unless on application made within one month by either party a Justice of this Court otherwise orders. In case of disagreement as to the fixation of remuneration or of costs, charges and expenses liberty to apply to a Justice of this Court.

Solicitor for the appellant, *E. W. Doust*, Guyra, by *C. A. Morgan & Stevens*.

Solicitors for the respondent, *Mackenzie & Biddulph*, Guyra, by *Biddulph & Salenger*.

J. B.

Cons *Underwood v Toby Construction Products Pty Ltd* 13 IPR 140 | Appl *Re applications by Gould Inc* 13 IPR 644 | Foll *Indoor Cricket Arenas v Aust Indoor Cricket Federation* 9 IPR 273 | Cons *Dupps Co v Stord Bartz A/S* 18 IPR 499 | Foll *Coopers Animal Health Aust v Western Stock Distributors* 6 IPR 545 | Appl *Leonardis v St Alban* (1992) 24 IPR 351 | Dist *McNeilab Inc v Sterling Pharmaceuticals* (1992) 24 IPR 297 | Foll *Beckett, Re* (1995) 33 IPR 383

[HIGH COURT OF AUSTRALIA.]

TATE . . . . . APPELLANT; APPLICANT,

AND

HASKINS . . . . . RESPONDENT. OPPONENT,

H. C. OF A. 1935.

SYDNEY, *April* 9, 10; *June* 11.

Rich, Starke, Dixon, Evatt and McTiernan JJ.

Patent—Opposition—Specifications—Disconformity—Not open to Commissioner after acceptance—Discretion of Commissioner—When exercisable—Patents Act 1903-1933 (*No.* 21 *of* 1903—*No.* 57 *of* 1933), *secs.* 42, 65, 86.

The provisions of sec. 65 of the *Patents Act* 1903-1933 prevail against the provisions of sec. 86 of that Act, and, as in infringement actions, so in revocation proceedings, disconformity between the complete and provisional specifications is not a ground for holding a patent invalid.

Unless there be an amendment after acceptance, disconformity is a matter which is closed by acceptance. The discretionary power conferred upon the Commissioner by sec. 42 of the *Patents Act* 1903-1933 should be exercised, if at all, before acceptance of the complete specification.