

Not Foll Ei Du Pont De Nemours Co v Comr of Patents 89 FLR 296	Appl E I Du Pont De Nemours & Co v Cadbury Schweppes P/L 10 IPR 641	Appl E I Du Pont De Nemours & Co v Cadbury Schweppes P/L 76 ALR 643	Appl E I Du Pont De Nemours & Co v Cadbury Schweppes P/L 16 FCR 437
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[HIGH COURT OF AUSTRALIA.]

GILLETTE INDUSTRIES LIMITED . . . APPLICANT ;

AND

THE COMMISSIONER OF PATENTS . . . RESPONDENT.

Patent—Extension of term—Loss or damage suffered by patentee by reason of hostilities—Matters essential to be proved—Other matters for consideration—Profits from foreign patents—Application out of time—Patents Act 1903-1935 (No. 21 of 1903—No. 16 of 1935), s. 84 (6).

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Although upon an application under s. 84 (6) of the *Patents Act* 1903-1935 for an extension of the term of a patent, the matters referred to in sub-ss. 1 to 5 inclusive of s. 84 may be taken into account, the court, in the exercise of its discretion where the claims are not manifestly bad will usually grant an extension if it be proved that the patentee has suffered loss or damage by reason of hostilities between His Majesty and a foreign State and that the patentee is not a subject of that foreign State.

Upon an application under s. 84 (6) any gain in profits under connected foreign patents on account of the hostilities should be set off against the loss or damage suffered in respect of the Australian patent.

ORIGINATING SUMMONS under s. 84 (6) of the *Patents Act* 1903-1935.

This was an application by way of originating summons under s. 84 (6) of the *Patents Act* 1903-1935, for an extension of letters patent which expired on 14th March 1943.

The originating summons which, by reason of s. 84 (1) of the Act, should have been filed on or before 14th September 1942, was not filed until 26th October 1942.

The facts and relevant statutory provisions are fully stated in the judgment hereunder.

Kitto K.C. (with him *Walsh*), for the applicant.

Henchman, for the Commissioner of Patents.

Cur. adv. vult.

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WILLIAMS J. delivered the following written judgment :—

This is an application under s. 84 (6) of the *Patents Act* 1903-1935 for an extension of letters patent No. 6408/27 dated 14th March 1927. The letters patent were for a term of sixteen years, so that they expired on 14th March 1943.

The application for extension should therefore have been made not later than 14th September 1942.

The originating summons for extension was not filed until 26th October 1942, so that the applicant asks for (1) an extension of the time to apply for an extension and (2) an extension of the term of the patent on account of the loss or damage suffered by the patentee due to the present war.

By an order made on 1st April 1943 I stood the application for extension of time over until the hearing of the application for the extension of the patent.

This is therefore the hearing of (1) the application for the extension of the time to apply, and (2) the application for the extension of the term.

As to (1), the evidence satisfies me that it is a proper case to extend the time to apply up to and inclusive of the date on which the originating summons was filed.

As to (2), the evidence shows that the application has been duly advertised and that there are no caveats.

The claims in the specification may be divided into three classes, the first class comprising the first three claims, which relate to a blade for an auto-strop safety razor, the second class comprising claims 4-6, which relate to a combination of a blade and such a razor, and the third class comprising the remaining claims, which relate to such a razor. The evidence shows that the more important claims from a commercial point of view are the first three, which relate to the blades. The invention described in these claims is a simple one. The blades are stated to contain a number of apertures through which projections on a blade holder which are complementary to certain of the apertures can be inserted to keep the blades in position when placed in the blade-holder portion of the razor. These features were disclosed in prior patents, so that the inventive step described in the claims would appear to be the shaping of the apertures in the form of a designation so as to indicate the manufacturer of the blades.

Section 84 (6) provides that: "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 :

Provided that this sub-section shall not apply if the patentee is a subject of such foreign State as aforesaid, or is a company the business of which is managed or controlled by such subjects or is carried on wholly or mainly for the benefit or on behalf of such subjects, notwithstanding that the company is registered within His Majesty's Dominions."

When an application is made by a company under s. 84 (6), therefore, the court is only necessarily bound to find that (1) the patentee has suffered loss or damage by reason of hostilities between His Majesty and any foreign State, and (2) that the company is not one the business of which is managed or controlled by subjects of such State or is carried on wholly or mainly for the benefit or on behalf of such subjects. If these matters are established the court can then in the exercise of its discretion extend the patent (*Re the British Thomson-Houston Co. Ltd.'s Patent* (1)). The court may also in the exercise of its discretion have regard to the other matters which the court takes into account under s. 84, sub-ss. 1 to 5, upon an application by petition to extend a patent on the ground that the patentee has been inadequately remunerated by his patent (*Re Davidson's Patents* (2)), but a perusal of several recent applications in England for extension of patents under s. 18 (6) of the *Patents and Designs Act* 1907-1942, which corresponds to s. 84 (6) in our Act, contained in vol. 59 and vol. 60, parts 1-4 of the *Reports of Patent Cases* shows that the tendency there is for the court in general to confine its attention to the two matters already mentioned. Counsel for the Commissioner contended that the prior publications tendered in evidence showed that the letters patent, or at least claims 1 to 4 of the specification, were bad for want of novelty and that on this ground an extension of the patent should be refused. But even upon application by petition the court does not inquire into the novelty or utility of the invention so far as it affects the validity of the grant, except as incidental to the inquiry required by sub-s. 4, whether, in relation to the public, the invention has conferred upon them some special or peculiar advantage, or is of that high degree of merit which, if everything else were satisfactory, would entitle the patentee to a prolongation of his patent (*In re Dunlop's Patent* (3) ; *Re Ferguson's Patent* (4)), although the court would not prolong

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(1) (1929) 46 R.P.C. 367, at pp. 373-375.

(2) (1920) 37 R.P.C. 145, at p. 151.

(3) (1922) 31 C.L.R. 579, at pp. 582, 583.

(4) (1942) 59 R.P.C. 171.

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a patent which was manifestly bad (*In re Saxby's Patent* (1); *Re Worrall's Patent* (2)). In the present case the prior publications appear to me to throw considerable doubt upon the validity of many of the claims in the specification, but I am not prepared to say that any of the claims are manifestly bad. The invention if simple has proved to be useful. In *Re Bennet's Patent* (3) an extension was granted of such an invention. I think, therefore, that it will be sufficient if I confine my attention to the two essential matters already mentioned and dispose of the application on that basis.

The applicant has given evidence with respect to both these matters. From this evidence it appears that the applicant is a British company which complies with the proviso to s. 84 (6). It first became the owner of letters patent 6408/27 on 6th July 1932 and has ever since remained the owner thereof. It is also the owner of corresponding letters patent in Great Britain, New Zealand, the Union of South Africa, Eire and in several foreign countries. It has exploited all these letters patent by manufacturing the razors and blades in England and selling the razors and blades there and in the other countries where these letters patent exist. It has imported into and sold in Australia large numbers of these razors and blades, the more valuable part of the business being the sale of the blades, as very large numbers of blades are used during the effective life of each razor. The razor is known as the "Valet" razor, and the apertures in the blades are made so as to designate the word "Valet."

At the request of the applicant's counsel and with the concurrence of counsel for the Commissioner, I ordered the applicant to file an affidavit setting out, so far as it was able to do so, the remuneration received from the invention. The evidence filed in support of the summons is principally devoted to showing a reduction in the output of the factory in England, where the blades are manufactured, on account of the war, the effect of which has been to cause a reduction of sales of the blades in England and in all the countries to which they are exported. The applicant has not given any figures showing its remuneration, so that, if I considered it to be essential for an applicant in an application under s. 84 (6) to file an affidavit showing this remuneration, the failure to comply with the order would be fatal to the success of the summons. But on further consideration it appears to me that I am not bound to consider this matter (*Re British Thomson-Houston Co. Ltd.'s Patent* (4)), that the order was made *per incuriam*, and that the applicant should have been

(1) (1870) L.R. 3 P.C. 292, at p. 294.

(2) (1918) 35 R.P.C. 226, at p. 228.

(3) (1922) 39 R.P.C. 447.

(4) (1929) 46 R.P.C., at p. 375.

ordered to file an affidavit, following the wording of s. 84 (6), showing the loss and damage it has suffered on account of the war. If this order had been made an affidavit which showed a reduction in output and therefore of sales, at any rate where there is evidence that the profits on sales have not increased, would be sufficient in many cases (*Re Ewart & Son Ltd. and Ewart's Patents* (1); *Re Sheffield and Twinderbarrow's Patent* (2); *Re Kay and Foxwell's Patent* (3); *Re Pierpont's Patent* (4); *Re Large's Patent* (5)). The applicant's evidence shows that these profits have decreased so that the present is such a case. The Empire has been engaged in war since 3rd September 1939. This period would cover approximately three and a half years of the life of the patent. The evidence shows that the export of blades to Australia and sales in Australia were about normal in 1939 and 1940, but that since the beginning of 1941 there has been a serious falling off in such export and sales. This is because the factory in England and most of its staff have been engaged in war work of national importance, and because it has been impossible on account of the war to obtain sufficient supplies of the particular steel that is required to manufacture the blades. The result has been that it has been impossible to manufacture the same number of blades as in times of peace and this has curtailed sales everywhere, including Australia. The letters patent expired in March 1943. Up to that date, subject to what I have to say about foreign patents, the applicant can fairly claim on the evidence, as shown in a memorandum submitted by Mr. Kitto, that, but for the war, from the beginning of 1941 until March 1943 it would have sold in Australia an additional 212,937 packets of ten blades. Sales since March 1943 have averaged 6,605 packets per month, so that, even if this average is maintained, an extension of at least thirty-two months would be justified. Since I must make an order once and for all, it would seem that three years would be in all the circumstances a fair and reasonable extension of the term.

But before I conclude I must say a few words with respect to foreign patents. It is now clearly established that, where there are connected foreign patents, there should be evidence to show what effect the war has had on the patentee's remuneration under these patents, because, if there has been a gain in profits under the foreign patents on account of the war, this gain can be set off against the loss and damage suffered in respect of the Australian patent (*Re Kay and Foxwell's Patent* (3); *Re Duffy and Firmosec*

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(1) (1923) 40 R.P.C. 155; (1925) 43 R.P.C. 164.
(2) (1925) 43 R.P.C. 165.

(3) (1924) 42 R.P.C. 222.
(4) (1942) 60 R.P.C. 12.
(5) (1943) 60 R.P.C. 42.

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Ltd.'s Application (1)). The affidavits originally filed by the applicant disclosed foreign patents other than a possible American patent and were sufficient to show that the reduction in output at the English factory had diminished sales in the home market and under the foreign patents in the same way as it had affected sales under the Australian patent, so that there is no foreign profit to be brought into account against loss in Australia. But counsel for the Commissioner tendered the specification of an American patent first published in Australia in August 1929 which related to an auto-strop safety razor registered in the name of Auto Strop Patent Corporation, an American company which has assigned all its patents to another American company, Gillette Safety Razor Co., and which contained a statement in the body of the specification that "the feature described in utilizing a trade-mark name or symbol on one part in co-operation with projections on another part, such as in the blade and holder, are set forth in application filed 24th June 1924 serial no. 721972."

Mr. Claisse, the director of the applicant company who swore the principal affidavits in support of the summons, is also a director and vice-president of the last-named American company, so that, as the court requires the utmost candour from an applicant for the extension of a patent, and it appeared that there might be such a substantive identity between the two companies that this patent should have been disclosed as a foreign patent, I adjourned the hearing to give the applicant an opportunity to tender further evidence with respect to this patent. If in the light of the further evidence I had thought that this patent should have been disclosed as a foreign patent, and that the applicant had deliberately omitted to disclose it, I might have had to dismiss the application. But it is not clear that the American patent, which is not owned by the applicant company, is a relevant foreign patent that need have been disclosed. It is not necessary to determine this point because I am satisfied by the further evidence that the failure to disclose it was not due to lack of candour, but to a belief that it was unnecessary to do so; and that, even if the applicant is interested in this patent, the loss or damage suffered in respect of the Australian patent has not been at all made good by any increased benefits flowing from the American patent on account of the war, because the exploitation of the American patent has suffered in a similar manner to the foreign patents that were disclosed.

When the application came on for further hearing the Commissioner produced an abridgement of a specification for a Canadian

patent for an auto strop registered in the name of the American company, Auto Strop Patents Corporation, which also appears to belong to the American company, Gillette Safety Razor Co. This patent, the abridgement of which was first published in Australia in May 1928, appears to me to be irrelevant, and I am satisfied that it is unnecessary further to pursue an inquiry into this patent.

I therefore make an order for the extension of the patent for a further term of three years. As the term of the patent has expired there must be a regrant, which must contain conditions relating to infringement between the expiry of the patent and the regrant similar to the first two conditions contained in the judgment of my brother *Dixon* in *Ex parte Celotex Corporation* ; *In re Shaw's Patents* (1). The applicant must pay the costs of the Commissioner, including any reserved costs.

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Order that the time for filing the originating summons be extended up to and inclusive of 21st October 1942 ; that there be a regrant of letters patent 6408/27 for 3 (three) years from 14th March 1943 ; that the regrant be subject to the conditions that no action or other proceedings shall be commenced or prosecuted and no damage shall be recovered either in respect of any infringement of the patent which has taken place after the date of the expiration of the original term and before the date of this order ; or in respect of the sale, use or employment at any time hereafter of any article actually made in that period in accordance with the invention covered by the patent ; and that the applicant pay the costs of the Commissioner including any reserved costs.

Solicitor for the applicant, *T. J. Purcell*.
Solicitor for the respondent. *H. F. E. Whitlam*, Crown Solicitor for the Commonwealth.

J. B.

(1) (1937) 57 C.L.R. 19, at p. 25.