

App. Ulrich Labels
Pty Ltd v
Printing &
Allied Trades
Fed (1990) 20
IPR 410

Cons Dricon Air
Pty Ltd v
Waztech Pty
Ltd (1992) 24
IPR 398

[HIGH COURT OF AUSTRALIA.]

LUFFT AND ANOTHER APPELLANTS ;
OPPONENTS,

AND

WEISS RESPONDENT.
APPLICANT,

Patent—Application for grant—Opposition—Grant made by Commissioner—Appeal by opponent to High Court—Locus standi of opponent—“ Entitled to be heard in opposition to the grant ”—Patents Act 1903-1935 (No. 21 of 1903—No. 16 of 1935), ss. 56, 58, 59.

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MELBOURNE,
Oct. 18, 21.
Latham C.J.,
Starke and
Dixon JJ.

An application for the grant of a patent for an invention relating to rotary intaglio printing presses was opposed by the members of a firm which had for many years carried on in Sydney the business of supplying the printing trade with printing presses and other trade accessories. The firm acted on a commission based as Australian agent for a company abroad which manufactured printing presses. The company's products included rotary intaglio printing presses which might be affected by the grant, but only two such presses had been sold in Australia through the firm, one in 1918 and the other in 1936. The Commissioner having made the grant, the opponents purported to appeal from his decision to the High Court.

Held, by Latham C.J. and Dixon J. (Starke J. dissenting), that the appeal was incompetent because it did not appear that the appellants, as agents, had an interest, such as might be prejudiced by the grant, which would bring them within s. 59 of the *Patents Act* 1903-1935 as persons “ entitled to be heard in opposition to the grant.”

In re Wheeler's Application, (1925) 42 R.P.C. 509, and *Australian Radio Manufacturers' Patents Association Ltd. v. Neutrodyne Pty. Ltd.*, (1937) 57 C.L.R. 27, applied.

APPEAL from the Commissioner of Patents.

Stanley Ernst Lufft (in his personal capacity) and Stanley Ernst Lufft and the Permanent Trustee Co. of New South Wales Ltd., as

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executors of the will of Ernst Alfred Paul Lufft, opposed the application of Adolf Weiss for a patent for an invention relating to rotary intaglio printing presses. The Commissioner having granted the patent, the opponents purported to appeal to the High Court. It was objected on behalf of the respondent that the opponents had no *locus standi* because they were not "entitled to be heard in opposition to the grant" within the meaning of s. 59 of the *Patents Act* 1903-1935. The facts relevant to the objection appear in the judgments hereunder.

Coppel K.C. (with him *Stanley Lewis* and *Adam*), for the respondent, in support of the objection. The opponents have no *locus standi* to appeal from the grant of the patent because they have no sufficient interest in the subject matter. To be "entitled to be heard in opposition to the grant," within the meaning of s. 59 of the *Patents Act* the opponent must have a real, definite and substantial interest which is likely to be prejudiced by the grant (*In re Application for a Patent by New Things Ltd.* (1); *Terrell on Patents*, 8th ed. (1934), pp. 186, 187). The appellants are mere agents for sale on commission of (*inter alia*) rotary intaglio printing presses manufactured abroad by their principals. Such agents have no sufficient interest (*In re Wheeler's Application* (2)). It has been so held on similar words in s. 76 of the Act (*Australian Radio Manufacturers' Patents Association Ltd. v. Neutrodyne Pty. Ltd.* (3)). What the appellants are seeking to do here is to have the interest of their principals treated as their own interest. The principals were the proper persons to oppose, if they had chosen to do so, on the basis of that interest.

Dean K.C. (with him *Voumard*), for the appellants. The rule that the opponent must show an interest is a gloss put on the section as a matter of convenience with the object of protecting the applicant against vexatious litigants. It should not be taken too narrowly: See Ruling B (4). The grounds of opposition are much wider in Australia than in England, and the tendency here should be to widen rather than to narrow the class of opponents. Even in the English cases no general rule can be found except that the interest must be real, definite and substantial. *Wheeler's Case* (2) does not lay down any such rule as is suggested by the respondent, that agents are excluded as a matter of course from the category of persons having a

(1) (1913) 31 R.P.C. 45.
(2) (1925) 42 R.P.C. 509.

(3) (1937) 57 C.L.R. 27.
(4) (1912) 29 R.P.C., Appendix, p. v.

sufficient interest; it was a decision on its own particular facts, although it contains expressions, not necessary to the decision, which may seem to be more far-reaching. In the present case the fact that the opponents have a business of long standing, dealing in presses of a kind which may be affected by the grant to the applicant, is sufficient.

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D. I. Menzies, for the Commissioner of Patents (intervening by leave). The Commissioner submits that the appellants have shown a sufficient interest. He is assisted by the opposition of interested persons, and he desires to suggest that the category should not be narrowed. Even in England the tendency is to widen it (*Halsbury's Laws of England*, 2nd ed., vol. 24, p. 561). The grounds of opposition have been extended in England. It was not until 1913 that a trading interest was recognized. The grounds in our Act being wider, the earlier English decisions should not be applied here. Section 59, in referring to an opponent who in the opinion of the court "is entitled to be heard," must mean a person whom the court thinks *should* be heard; it is not dealing with "title" as a matter of law, with the conferring of any legal right. It is submitted that no rule should be read into s. 59 (and likewise as to s. 56) except that the interest should be real, definite and substantial; in so far as *Wheeler's Case* (1) goes further and rules that agents should be excluded, it should not be accepted as laying down a rule; it should be left for determination on the facts of each case whether the interest is in fact within the description.

Coppel K.C., in reply.

The following judgments were delivered:—

LATHAM C.J. The appellants in this appeal are Stanley Ernst Lufft in his personal capacity and Stanley Ernst Lufft and the Permanent Trustee Company of New South Wales, the executors of the will of E. A. P. Lufft deceased. The appellants are persons who opposed the grant of a patent under the provisions of s. 56 of the *Patents Act*. Section 56 provides that any person may, within three months from the advertisement of the acceptance of a complete specification, or within such further time as may be allowed, give notice of opposition. The Commissioner decided to grant the patent applied for. The opponents then appealed to this Court under the provisions of s. 58 of the Act—"Any party aggrieved by the decision

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of the Commissioner may in the time and in the manner prescribed appeal to the High Court or the Supreme Court." Section 59 provides that the High Court or the Supreme Court may hear the applicant "and any opponent who in its opinion is entitled to be heard in opposition to the grant," and may determine whether the grant ought or ought not to be made. Accordingly appellants in this Court must be opponents who in the opinion of the Court are entitled to be heard in opposition to the grant.

Similar provisions contained in ss. 74 and 76 of the Act relating to the amendment of specifications were considered by this Court in *Australian Radio Manufacturers' Patents Association Ltd. v. Neutrodyne Pty. Ltd.* (1). It was there held that the words "person . . . being in the opinion of the Court entitled to be heard in opposition to the request" showed that it was intended that there should be a standard according to which it might be determined whether or not a particular person was entitled to be heard in opposition to the request. The standard was found in the interest of the person claiming to have a right of appeal. The standard (it was said (2)) "may be described generally by saying that the person must have a sufficient interest in the matter which is before the Commissioner for determination." It has been held upon similar provisions in Great Britain that a person who manufactures or trades in the articles or uses the process to which the patent relates, or who has an interest in a prior patent which would be affected by the grant claimed, is a person with a sufficient interest to entitle him to be heard upon an appeal. I refer to *Notes of Rulings of the Comptroller-General* (3). In *In re Application by New Things Ltd.* (4), where the decision related to a trading interest, it was held by Sir Stanley Buckmaster, Law Officer, that the interest must be real, definite and substantial. In the case of *Wheeler's Application* (5), it was held that an interest as an agent for the sale of articles was an insufficient interest, and in the *Australian Radio Case* (1), to which I have referred, it was held by this Court that a company created for the purpose of protecting the interests of its shareholders in patents which was the agent of the shareholder for that purpose did not have sufficient interest to be held to be a person entitled to oppose. An employee of a person interested would not himself have a sufficient interest. The interest in such a case would be the interest of his employer. So also in the case of an agent for sale, the interest would be the interest of his principal.

(1) (1937) 57 C.L.R. 27.

(2) (1937) 57 C.L.R., at p. 33.

(3) (1911) 28 R.P.C., Appendix, p. iii,
Ruling B.

(4) (1913) 31 R.P.C. 45.

(5) (1925) 42 R.P.C. 509.

In this case the evidence shows only that the opponents are the agents of a company, R. Hoe and Company of New York, which manufactures and deals in rotary intaglio presses of the character to which the invention relates and have been such agents for a number of years. Two such presses have been sold in Australia by the company since 1915. The evidence is consistent with the opponents simply having obtained and transmitted orders to their principals in New York for these presses and having received a commission when the orders were executed. If such an indirect interest—consisting in the prospect of obtaining a commission if articles should be sold—were held to be sufficient interest to give a *locus standi* for opposition to the grant of a patent, it would in my opinion be very difficult to draw the line anywhere. Such an interest is not a real, definite, substantial interest within the meaning of the decisions to which I have referred—decisions which I think we should adopt and follow in Australia. Accordingly, in my opinion, the appellants have not shown that they are persons who should be held in the opinion of the Court to be persons entitled to be heard within the meaning of s. 59 of the Act. Therefore the objection to *locus standi* should be sustained.

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STARKE J. The provisions of s. 56 of the *Patents Act* 1903-1935 limit the class of persons who may oppose the grant of letters patent on the grounds specified in clauses (a) and (d). But clauses (b), (c), (e) and (f) are not limited in any way though in England and here some interest in the opponent is required. A man in the street cannot oppose a grant. I am quite content to accept the gloss put upon the section by the Solicitor-General, Sir *Stanley Buckmaster*, as he then was. The interest must be real, definite and substantial (*New Things Ltd.'s Case* (1)) and, in my opinion, this right to oppose should be liberally construed.

An interest in the invention itself is not required but it must be some business interest, some interest that gives reasonable grounds for apprehending that the grant of patent rights would be prejudicial to the interests of the opponent, for instance, that he is manufacturing machines of the same kind or carrying on or interested in some business, whether as principal, agent, indenter or otherwise competing in the same field with persons owning or using the invention, the subject of the application for a grant. *Wheeler's Case* (2) is not to the contrary for all that the Solicitor-General actually held was that he was not prepared on the facts proved in that case to say that the opponent had any interest which entitled him to oppose.

(1) (1913) 31 R.P.C. 45.

(2) (1925) 42 R.P.C. 509.

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On the facts of this particular case it is very easy to say—"Oh, well, there are only one or two cases shown." But the fact that one or two cases are shown indicates that the opponents are in business in the same class of machinery as that described in the application for a grant and there is a general statement in one of the declarations filed by the opponent that his firm had for the last 35 years been connected with the printing and press trade in the capacity of suppliers of printing presses, various classes of paper and other trade accessories.

In my opinion, the opposition in this case should be allowed.

DIXON J. The appellants unsuccessfully opposed the grant of letters patent for an invention relating to rotary intaglio printing and they now appeal, under s. 58 of the *Patents Act*, to this Court from the decision of the Commissioner upon their opposition. The respondent, however, objects that the appellants did not possess any sufficient interest entitling them to be heard in opposition to a grant. The contention is that the Commissioner of Patents should have dismissed the opposition on the ground of want of interest on the part of the opponents. It appears from the not very satisfactory materials describing their interest that it arises out of the fact that they constitute a firm which has for a very long time carried on in Sydney the business of supplying the needs of the printing trade. The business covers the supply of printing presses including rotary presses. The rotary presses are imported ; none is manufactured in Australia. Rotary intaglio presses, the description of press to which the invention relates, seem to be special machines, and so far only two have been imported through the appellants' firm, one in the year 1918 and the other in 1936. The firm are Australian agents for a company abroad which manufactures printing presses of all kinds, including rotary intaglio presses of the kind that would or might be affected by the grant of letters patent for the respondent's invention.

The agency is exclusive and the appellants' firm is kept informed of the developments in the manufacturing company's machinery and products and endeavours to induce traders and printers to buy them ; but the firm acts between the company and the purchaser on a commission basis. I take this to mean that the appellants' firm obtains an order for a press to be supplied by the manufacturing company, which consigns the parts to the purchaser and installs the machine ; the firm never itself becoming an intermediate purchaser or becoming responsible for the delivery or the price and receiving a commission from their principals by way of remuneration.

It is upon these facts that the appellants rest their claim to have a sufficient trading or commercial interest in preventing the grant of letters patent for a rival contrivance to entitle them to file an opposition.

It is not denied that an interest is necessary. Although s. 56 employs the unqualified expression "any person," s. 59, when it comes to an appeal, speaks of "any opponent . . . entitled to be heard in opposition." The same incongruity of expressions has run through the analogous provisions of the English legislation from 1883 to the present time. It occurs in sub-ss. (1) and (3) of s. 11 of the *Patents, Designs, and Trade Marks Act* 1883 (Imp.); in sub-ss. (1) and (3) of s. 11 of the *Patents and Designs Acts* 1907 and 1919 (Imp.) and now in sub-s. (1) and sub-s. (3) as amended by the *Patents and Designs Act* 1932 (Imp.) for the purpose of sending proceedings by way of review to the Appeal Tribunal. For a number of reasons, first the Law Officers and then the courts adopted the view that the opening general words must be limited and that the words "entitled to be heard" showed the general sense of the provision. Thus *Romer L.J.* said: "The words in sub-s. 3 which point out that the law officer is entitled, on appeals before him, to decide who may be heard in opposition to the grant, show to my mind that it is not every person who is entitled to be so heard. The words 'in opposition to the grant' are important. They do not say, and I do not think they mean, entitled to be heard merely on the appeal before the law officer, but they are more general in their effect, and to my mind they show that it is not everyone who is to be entitled to be heard in opposition generally, and, if so, this covers the case of a hearing before the comptroller" (*R. v. Comptroller-General of Patents; Ex parte Tomlinson* (1)). In the same case (2) *Collins L.J.* said: "As I read the section, it is not every person who is to be entitled to object, but persons having a certain status, and it indicates that there must be something in that status showing a right to be heard." Some of the reasons assigned in support of this construction or conclusion have been weakened by the introduction of new grounds of opposition; but the interpretation remains settled and it has been extended to the provisions relating to opposition to amendment (*Australian Radio Manufacturers' Patents Association Ltd. v. Neutrodyne Pty. Ltd.* (3)).

The development of the legislation has, however, affected the question what is the necessary status or *locus standi*. For certain

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(1) (1899) 1 Q.B. 909, at p. 919.

(3) (1937) 57 C.L.R. 27.

(2) (1899) 1 Q.B., at p. 918.

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cases the grounds of opposition themselves describe the position that the opponent must occupy : See s. 56 (a) and (d). In the beginning, of three grounds one only failed to do this, but now in the Commonwealth provisions we have four which fail to do it, at all events expressly. Where the position which the opponent must fill is not indicated by the ground, whether expressly or impliedly, he must show an interest. For a time it was considered that it must be an interest as a manufacturer but when Lord *Buckmaster* was Solicitor-General he ruled that this was a mistake, "A trading interest would also be sufficient, but the interest must be a real, definite, and substantial interest, and must not arise from something that the opponent proposes to do" (*In re Application by New Things Ltd.* (1)). In that case the Comptroller had taken a wide, and to some possibly an attractive, view (2). The test he formulated was expressed as flowing from the then more recent authorities. He said :—"In the later decisions the broad principle was laid down that the right to oppose ought to be extended to all those who give *bona fide* and satisfactory reasons for wishing to do so ; and for this purpose it would be sufficient to show that some *bona fide* and existing right or interest of the opponent would be prejudicially affected. . . . If this principle is correct, I think it is clear that any person who is *bona fide* and honestly in possession of any plant, mechanism or article which may reasonably be held to fall within the scope or claims of the specification in question has a sufficient interest to oppose the grant of a patent."

Lord *Buckmaster*, however, overruled the Comptroller's decision and in particular dissented from the view that the use and possession of an apparatus or thing which would be covered by the patent applied for gave a sufficient interest to found a notice of opposition. Use of a thing in the regular course of trade or business might perhaps be another thing, but it is evident that the wide general proposition of the Comptroller has not won acceptance. In *In re Wheeler's Application* (3), Lord *Caldecote* as Solicitor-General declined to regard the interest of an importing agent as giving him a *locus standi* to oppose an application the success of which might jeopardize the sale and use of the goods he imported.

The opponent in that case was sole selling agent in Europe for an American manufacturing company and took sole responsibility for all debts and other usual trading risks. It was stated that the opponent purchased the goods and sold them at a profit. The

(1) (1913) 31 R.P.C. 45, at p. 46.

(2) (1913) 30 R.P.C., Appendix, p. iv.,
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(3) (1925) 42 R.P.C. 509.

Comptroller considered that even so, it was not enough to found an interest giving a *locus standi*. On appeal to the law officer, Lord Caldecote doubted the statement that the opponent bought and sold the goods and said (1) : “ I very much doubt whether the Assistant-Comptroller knew the precise facts, and I am not prepared to say that the opponent has shown that he has a real, substantial and definite interest. It may be that the position of the opponent is merely that of an agent in the ordinary sense of the word, or perhaps a *del credere* agent, for the purpose of putting these things upon the market in this country, in which case the interest would really be the interest of the principals from whom he gets the goods and not his interest. I am, therefore, not satisfied that he has an interest which entitled him to oppose.” This ruling, which no doubt has settled the practice in England, goes far to dispose of the appellants’ claim to a *locus standi*, unless we are prepared to say that it ought not to be followed here. The opponents’ position in the present case, however, does not appear to me to be as strong as that before Lord Caldecote.

The appellants’ firm has only twice been connected with a purchase of a rotary intaglio press of the kind likely to be affected and that some time ago. To say that the transactions formed part of their general business in presses and in printers’ supplies is hardly to the point. They would be affected only incidentally and indirectly, even if the grant did operate to prejudice the importation through them of another or other rotary intaglio presses. They would be affected only as persons who might otherwise have been remunerated by way of commission for services rendered in connection with the importation and sale of the press. The proposition that they might be infringers if they were to act as agents in such an importation, if the proposition be correct, would no doubt be a circumstance for consideration, but in this case not a very important one.

The firm is not in the position of a trader who must desist from or restrict an existing business or change its form or course in order to avoid infringement of a patent applied for, if it were granted. The two isolated transactions of the past are at best only evidence that a hope of future transactions in rotary intaglio presses is not unreasonable. A very different position was occupied by Samuel Richardson & Co., who, in *Re Vignier’s Trade Mark “ Monobrut ”* (2), were held to be persons aggrieved and to be entitled to apply to rectify the register of trade marks ; and it must be remembered that the loss of profit suffered by a sole agent for goods by reason of the passing off of other goods as being of the same manufacture has

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(1) (1925) 42 R.P.C., at p. 511. (2) (1889) 61 L.T. 495 ; 6 R.P.C. 490.

H. C. OF A. never been held a matter which the sole agent could complain of or
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In my opinion the appellants have failed to establish a sufficiently direct interest. What they have shown is not definite and it is not substantial.

I therefore think that the appeal should be dismissed.

Appeal dismissed with costs to be paid to the applicant.

Solicitors for the appellant, *Waters & Stewart.*

Solicitors for the respondent, *Blake & Riggall.*

Solicitor for the Commissioner of Patents, *G. A. Watson*, Acting Crown Solicitor for the Commonwealth.

E. F. H.

(1) (1912) 3 K.B. 76.