[HIGH COURT OF AUSTRALIA.]

IN RE NORTHEY ROTARY ENGINES LIMITED'S PATENT.

H. C. OF A. 1950.

SYDNEY, *June* 2, 7.

Williams J.

Patent—Extension of term—Petition—Rotary air or gas compressors—Modified form—Disconformity with invention for which letters patent applied for in United Kingdom—Invention—Merits—Sufficiency of remuneration—Loss due to hostilities—Exploitation of patented invention—Duty of patentee—Patents Act 1903-1946 (*No.* 21 *of* 1903—*No.* 38 *of* 1946), *ss.* 84, 121.

The Court will not grant an extension under s. 84 of the *Patents Act* 1903-1946 of a patent issued on an application under s. 121 based on a foreign prior application where it is manifest that there is disconformity between the claims of the Australian patent and the basic foreign application.

To justify an extension of Letters Patent it must be shown that the invention is one of more than ordinary merit or utility; that the patentee has been inadequately remunerated; that that inadequacy has not been due to his own default, and that he has made all proper efforts to exploit the invention to his own profit.

In an application under s. 84 (6) of the *Patents Act* 1903-1946 the onus is upon the applicant to prove (i) loss, and (ii) that such loss was due to circumstances arising from hostilities.

PETITION.

A petition, based on merit and inadequacy of remuneration, was presented to the High Court by Northey Rotary Engines Ltd., Sturt Street, Townsville, Queensland, for an extension of the term of Letters Patent No. 19032/34, dated 25th August 1933, granted to Arthur John Northey, then of Parkstone, Dorset, England, whence he had proceeded from Australia in 1929. The letters patent were assigned by him, by deed dated 14th September 1936, to the petitioner, an Australian company. The invention, the subject of the letters patent, related to rotary air compressors or vacuum

pumps or liquid pumps of the type comprising a pair of synchronized rotors each having a blade-like member which intermeshed with a pocket in the other rotor and consisted in arranging the inlet and outlet ports of the working chamber of the compressor so that they were controlled as to opening and closing by the rotation of the rotors.

Further relevant facts are set out in the judgment of *Williams* J. hereunder.

R. L. Taylor, for the applicant.

G. B. Thomas, for the Commissioner of Patents.

Cur. adv. vult.

June 7.

The following written judgment was delivered by :—

WILLIAMS J. This is a petition by Northey Rotary Engines Ltd. under s. 84 of the *Patents Act* 1903-1946 to extend the term of Letters Patent 19032/34 for improvements in and relating to rotary air or gas compressors, vacuum or liquid pumps or the like. The inventor was Arthur John Northey, but he assigned all his right, title and interest in the Letters Patent to the petitioner on 14th September 1936. Protection for the invention was first applied for in the United Kingdom on 25th August 1933, the application being provisional specification No. 23705 A D 1933, and the Australian Letters Patent, though not applied for until 24th August 1934, have the same date as the application in the United Kingdom under the provisions of s. 121 of the *Patents Act*. Under this section the Australian Letters Patent can only be valid so far as they claim the same invention as that described in the United Kingdom application : *Electric & Musical Industries Ltd.* v. *Lissen Ltd.* (1). The specification for the Australian Letters Patent states that " the invention consists in a rotary air or gas compressor, vacuum pump or similar device . . . in which the inlet and other ports through which the charge of air or other gaseous fluid is drawn in and discharged respectively are controlled by the rotors themselves." Two forms of compressors are described in the specification, the first form being illustrated in figures 1 and 2 and the second or modified form in figures 3 and 4 of the accompanying drawings. In the first form the inlet and exhaust ports are controlled by non-return valves, whereas in the modified form the non-return valves are dispensed with, the inlet and outlet ports being directly controlled by the rotors.

(1) (1939) 56 R.P.C. 23, at pp. 46-49.

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It is this change in the mechanism which, as I understand the evidence, makes all the difference in the efficiency of the compressor and converts it from a very ordinary machine into a very useful and meritorious one having many advantages over its competitors. Naturally it was the modified form, and that form only, which the patentee has previously sought and is still seeking to exploit, and I am of opinion that any extension of the term of the patent that could be granted would have to be confined to this part of the Letters Patent.

But it seems to me that Mr. *Thomas* is right in his contention that the modified form is not the same invention as that applied for in the United Kingdom and is therefore bad for disconformity. If I had any doubt on the point I would not accede to the contention, but it appears to me not only to be right, but manifestly right, and to raise an insuperable objection to the grant of any extension of this part of the Letters Patent. I am of opinion that the invention described in the British provisional specification is confined to the machine first described in the Australian specification and illustrated in figures 1 and 2 and that this machine and the modified form represent two different methods of operation. Indeed, Mr. Northey, who gave his evidence with great fairness, stated that in his opinion there was nothing in the British provisional specification which suggested the modified form of machine illustrated in figures 3 and 4.

On this ground alone I am of opinion that I must refuse to extend the only part of the Letters Patent which it would be possible to extend in any circumstances.

But I am also of opinion that, even if this part of the Letters Patent is valid, I should not grant any extension. So far as the application rests on s. 84, sub-ss. 4 and 5, it appears to me to be hopeless. In *In the Matter of Hele-Shaw & Beacham's Letters Patent* (1), *Simonds* J., as Lord *Simonds* then was, pointed out, what has often been pointed out before, that to justify an extension of the patent three conditions at least must be satisfied. First, it must be shown that the invention is one of more than ordinary merit or utility, utility from the point of view of public interest being more important than inventive ingenuity; secondly, it must be shown that the patentees have been inadequately remunerated. And thirdly, that that inadequacy has not been due to their own fault, but that they have made all proper efforts to exploit the invention to their own profit. I am satisfied in the present case that the invention under discussion is one of more than ordinary

(1) (1941) 59 R.P.C. 29, at p. 42.

merit or utility and also that the patentee has been inadequately remunerated, but I am not satisfied that that inadequacy has not been due to its own fault. There is no evidence that the patentee made any real effort, at any rate prior to 1948, to exploit the invention in Australia. I need not go into the details of the evidence for it is clear that the whole attempt was to exploit the English market. The Australian market was neglected. Prior to the war that market may have been small, but no serious attempt was made even to find out. If the patentee has been inadequately remunerated for its Australian patent, the only possible conclusion is that, apart from the effect of the war, that inadequacy has been due to its own default.

The petitioner also relies on s. 84 (6), but here again the onus is on the patentee to prove that it suffered loss or damage on account of the hostilities and it is difficult to establish that they caused loss or damage to a patentee who had no market in Australia before the war. I feel like *Morton* J., as Lord *Morton* then was, felt in *Re Tootal Broadhurst Lee Co. Ltd.'s Patents* (1). "I enter at once upon the realm of complete surmise. I do not feel that I have got any solid ground on which to tread. If the fact of loss had been proved to my satisfaction, I should have faced the difficulty in calculating the loss and the period of extension which ought to be granted. The difficulty in calculating the loss would not have deterred me from arriving at some conclusion, as best I could. But to my mind neither the fact of loss owing to the war nor the amount of the loss is established by the evidence. . . . I arrive at that conclusion with some regret, because I feel that this was probably an invention of considerable merit and considerable assistance to the industry." The fact is, it seems to me, that until 1948 the petitioner did not consider that the Australian market was worth bothering about. In the early years of the Letters Patent, an exclusive licence was granted to an English company, Northey Boyce Rotary Engineering Co. Ltd., which granted a sub-licence to Metropolitan-Vicars Engineering Co. Ltd., and the control of the exploitation of the invention was largely in the hands of these companies. But at least from 1943, when these licences came to an end, the petitioner was in unfettered control of the invention. But it was not until Mr. Northey came to Australia in 1948 that any real attempt was made to explore or commence to exploit the Australian market and this was in the very twilight of the life of the patent. Any difficulties which were then experienced as an aftermath of the war would not justify

(1) (1945) 62 R.P.C. 23, at p. 40.

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an extension which would prolong the patent beyond the present day, and in these circumstances no extension should be granted: *Re Tootal Broadhurst Lee Co. Ltd.'s Patents* (1).

For these reasons I must refuse the application. The petitioner must pay the costs of the Commissioner of Patents including any reserved costs.

Application refused.

Solicitors for the appellant: *Sly & Russell.*

Solicitor for the Commissioner for Patents: *K. C. Waugh,* Crown Solicitor for the Commonwealth.

J. B.

(1) (1945) 62 R.P.C., at pp. 40, 41.