

HIGH COURT OF AUSTRALIA

GLEESON CJ,
McHUGH, GUMMOW, HAYNE AND CALLINAN JJ

KIMBERLY-CLARK AUSTRALIA
PTY LTD

APPELLANT

AND

ARICO TRADING INTERNATIONAL
PTY LTD & ORS

RESPONDENTS

Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd
[2001] HCA 8
15 February 2001
S75/2000

ORDER

- 1. Appeal allowed with costs.*
- 2. Set aside Orders 1, 2 and 3 of the orders of the Full Court of the Federal Court of Australia on 30 August 1999 and in lieu thereof order that the matter be remitted to the Full Court of the Federal Court of Australia for determination of the remaining grounds of appeal in that Court, excluding any grounds previously abandoned in that Court.*
- 3. Costs in the Federal Court of Australia to abide the outcome of the further hearing in that Court.*

On appeal from the Federal Court of Australia.

Representation:

D K Catterns QC with S J Goddard for the appellant (instructed by Sprusons: Solicitors)

A C Bennett SC with K J Howard for the respondents (instructed by Banki Haddock Fiora)

Notice: This copy of the Court's Reasons for Judgment is subject to formal revision prior to publication in the Commonwealth Law Reports.

CATCHWORDS

Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd

Patents – Validity – Revocation – Whether invention sufficiently described – Whether complete specification includes claims – Whether sufficiency determined by reference to skilled addressee.

Words and phrases – "invention" – "complete specification" – "skilled addressee".

Patents Act 1952 (Cth).

Patents Act 1990 (Cth), ss 40(2), 40(3), 138.

GLEESON CJ, McHUGH, GUMMOW, HAYNE AND CALLINAN JJ.

The grant of the Patent

1 The appellant ("Kimberly-Clark") is registered as proprietor of Australian Standard Patent No 586633 ("the Patent") for an invention entitled "Diapers with elasticized side pockets". The primary meaning of "diaper" is a kind of linen or cotton textile and, particularly in the United States, the word came to identify a baby's nappy made of that material; later, and more generally, it identified any baby's nappy¹. The appellant markets under the brands "HUGGIES" and "VIP'S" disposable diapers made pursuant to the Patent. The appellant complained that, in infringement of the claims of the Patent, the respondents were involved in the marketing of disposable diapers under the brand "BABY SITTER". The appellant succeeded at trial before Burchett J in the Federal Court² but, on appeal³, the Full Court (Wilcox and Branson JJ; Tamberlin J dissenting) ordered that the Patent be revoked on a ground going to the adequacy of the complete specification. The Full Court suspended that order pending the outcome of the appellant's appeal to this Court.

2 The application for the Patent was made by Kimberly-Clark Corporation of Wisconsin in the United States ("KCC"), a related corporation of the appellant, on 28 June 1985. KCC was the assignee of the actual inventor, Mr K M Enloe. The *Patents Act* 1952 (Cth) ("the 1952 Act") then was in force. The application was a Convention application within the meaning of Pt XVI of the 1952 Act and claimed a priority date of 2 July 1984 by reference to United States Patent No 627164.

3 The complete specification in its final form is dated 10 May 1989 and the accepted application was published on 20 July 1989. There are 26 claims in the complete specification; claims 1 and 2 are independent but the succeeding claims are dependent on claims 1 or 2 and each adds qualifications to the immediately preceding claim.

1 *The New Shorter Oxford English Dictionary*, (1993), vol 1 at 662.

2 *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (1998) 42 IPR 111.

3 *Arico Trading International Pty Ltd v Kimberly-Clark Australia Pty Ltd* (1999) 46 IPR 1.

4 Section 48 of the 1952 Act obliged the Examiner⁴ upon request by the applicant to examine an application and complete specification upon various matters going to their compliance with the requirements of the statute, and to report thereon. Section 49 provided for an applicant to respond to adverse Examiner's reports by seeking amendments to the application or specification. Disputes with the Commissioner of Patents as to the acceptance of such amendments might lead to an "appeal" by the applicant to the Federal Court under s 49(8)⁵. In response to several reports by the Examiner under s 40, KCC sought under s 49 various amendments which were allowed by the Commissioner. The complete specification which was the product of this process is attacked by the respondents in their revocation action. Section 59 of the 1952 Act provided for opposition on various grounds, by the Minister and "a person interested". However, the application proceeded to grant without objection by any opponent.

5 In *Sly v United Development Corporation Pty Ltd*⁶, Menzies J explained how issues arising at the stage of amendment to an application might arise on a revocation suit instituted after grant. The present litigation illustrates the point. The textual deficiencies in the complete specification for which the respondents contend, if made out, may have been good reason for the Commissioner to have refused KCC some of the amendments made before grant. However, grounds such as lack of fair-basing, inadequate disclosure, ambiguity and the like are to be determined in this litigation not by reference to what ought to have been refused under s 49 of the 1952 Act, but under the *Patents Act* 1990 (Cth) ("the 1990 Act") and by reference to the terms of the Patent as granted. That Act provides (in s 138) for the grounds upon which a curial order for revocation may be made.

6 The 1952 Act was repealed by s 230 of the 1990 Act with effect from 30 April 1991. Thereafter, on 12 June 1992, the Patent was sealed. Section 61

4 This term was defined in s 6 of the 1952 Act as meaning a "Supervising Examiner of Patents, or an Examiner of Patents, holding office under" that statute.

5 Under the legislation in force when *Weiss v Lufft* (1941) 65 CLR 528 and *Sly v United Development Corporation Pty Ltd* (1962) 106 CLR 633 were decided, such "appeals" were heard by this Court.

6 (1962) 106 CLR 633 at 640-641.

3.

of the 1990 Act provides that a standard patent is granted by sealing a standard patent in the approved form with the seal of the Patent Office. Chapter 23 of the 1990 Act (ss 231-240) contains transitional and savings provisions. The appellant states in its written submissions that the Patent was granted under the 1952 Act but that was not the case. However, it appears to be common ground that the issues which arise on this appeal are governed by the 1990 Act. That would follow from s 234 of the 1990 Act⁷. By Deed dated 4 January 1995, KCC assigned the Patent to the appellant. The assignment was registered on 15 February 1995 in the Register maintained under Ch 19 of the 1990 Act (ss 186-197).

7 Sub-sections (2) and (5) of s 234 state:

"(2) Where, before the commencing day:

- (a) a patent application had been lodged under the 1952 Act; and
- (b) a complete specification, or a petty patent specification, had been lodged under that Act in respect of the application; and
- (c) the application had not been withdrawn or finally dealt with;

then, subject to this Chapter and the regulations, this Act applies on and after that day:

- (d) in relation to the application as if it were a complete application made under this Act; and
- (e) in relation to the petty patent specification as if it were a complete specification filed under this Act in respect of the application.

...

(5) Objection cannot be taken to:

- (a) an application mentioned in subsection (2); or
- (b) a patent granted on such an application;

and such a patent is not invalid, so far as the invention is claimed in any claim, on any ground that would not have been available against the application or patent, as the case may be, under the 1952 Act."

The judgment of Burchett J

7 The appellant sued for infringement of each of the claims. The respondents denied infringement and, by its cross-claim, the first respondent alleged invalidity and sought revocation under s 138 of the 1990 Act. Burchett J decided that the appellant succeeded in resisting the cross-claim and in establishing infringement⁸. Orders were made for injunctive relief and requiring the respondents to take steps designed to assist the appellant in making thereafter an election between damages and an account of profits. His Honour granted leave to appeal from his orders⁹.

8 In his reasons for judgment, Burchett J set out from the complete specification the abstract of the disclosure which states¹⁰:

"A unitary disposable diaper with elasticised legs is provided having a fluid pervious liner a fluid impervious backing with absorbent material positioned there between. A fecal containment flap is positioned along each side of the diaper and extends inward from the lateral edges",

and continued¹¹:

"Under the heading 'Background of the invention', the specification states:

'Unitary disposable diapers have recently become the primary type of diaper used in this country. Disposable diapers with elasticised leg openings to provide a better fit and improved containment have recently become a significant part of the disposable diaper market. These elasticised portions are designed to fit around the legs of the baby to aid in the prevention of side leakage and they have been a substantial improvement over the conventional non-elastic disposable diaper. The elastic leg diapers,

8 (1998) 42 IPR 111 at 129-130.

9 *Computer Edge Pty Ltd v Apple Computer Inc* (1984) 54 ALR 767 indicates that leave was necessary.

10 (1998) 42 IPR 111 at 113.

11 (1998) 42 IPR 111 at 113.

5.

however, are not completely successful in stopping explosive liquified [sic] bowel movements which often occur.'

The specification then goes on to refer to certain attempts 'to provide diapers with some additional reinforcing containment means' by methods of folding and by 'the use of folded plastic strips to form containment means'. There follows a 'Summary of the invention', as follows:

'According to this invention an elastic legged unitary disposable diaper is provided which has an elasticised flap extending inwardly from each side of the diaper and extending its entire length. This flap has elasticisation means near the inner most portion so that when the diaper is worn, the flap tends to form a second inwardly facing barrier particularly adapted to contain diarrhetic bowel movements.'

Burchett J went on to set out the passage of the complete specification containing a detailed description of the invention illustrated by drawings, which his Honour also reproduced¹². The last paragraph of the description reads¹³:

"The flap material is preferably soft, conformable and vapor and/or fluid permeable. A suitable material made of a fine mesh with a basis weight of 0.7 to 0.8 ounces per square yard and may be a spunbonded diaper liner of the type used throughout the diaper."

9

Then, after setting out the text of claims 1-6, Burchett J identified what he said was one of the central questions of the case. The tenor of what his Honour said primarily was concerned with the attacks for want of "fair-basing" and for obviousness or lack of inventive step. However, as will appear, his Honour's conclusions bear also upon the issue respecting inadequate description of the invention. That is the ground upon which the Full Court ordered revocation and which was contested in this Court. The passage in Burchett J's judgment is as follows¹⁴:

¹² (1998) 42 IPR 111 at 114-115.

¹³ (1998) 42 IPR 111 at 114.

¹⁴ (1998) 42 IPR 111 at 116.

"It will be observed that the detailed description identifies the position, elasticisation and other features, including some functions, of the 'flaps', but does not until its last paragraph refer to the material of which these flaps should be made. In that paragraph, it is stated '[t]he flap material is preferably soft, conformable and vapor and/or fluid permeable', and then there is reference to 'suitable material' as being a particular 'fine mesh' which 'may be a spunbonded diaper liner of the type used throughout the diaper'. The cross-claimant drew attention to the word 'preferably', pointing out that claims 1 and 2 both specify 'fluid pervious flaps' as essential integers^[15]. The argument was that the claims could not be fairly

15 Claims 1 and 2 state:

"1. An absorbent garment comprising:

a back sheet;

a liquid pervious bodyside liner, coterminous with said back sheet, defining front and back waist sections and opposed first and second sides connecting said waist sections, including a pair of leg sections delimited along said sides, each of said leg sections having a tensioned elastic member disposed therealong, forming elasticized leg gathers; an absorbent body disposed between said liner and back sheet; and

first and second elasticized fluid pervious flaps, attached to or formed from said bodyside liner and spaced inwardly of said leg elastic members, respectively, defining a waste containment pocket.

2. An absorbent garment comprising:

a pair of waist sections together defining a waist opening;

a crotch section disposed between said waist sections and a pair of elasticized leg openings separated by said crotch section;

a back sheet;

a liquid pervious bodyside liner which together with said back sheet defines said waist sections and said crotch section;

an absorbent body disposed between said liner and said backsheet; and

first and second elasticized fluid pervious flaps, attached to or formed from said liner and spaced inwardly from said elasticized leg

(Footnote continues on next page)

7.

based on the specification because it did not so specify. In answer to this argument, the patentee relied on expert evidence, which I accept, that the person skilled in the art at the priority date would unhesitatingly have chosen liquid pervious flaps, as he would have appreciated immediately the need to protect the baby's skin from irritation produced by the trapping of urine between an impervious flap and the elasticised leg gathers, which would be designed to be impervious. The effect of this evidence was that the inventive idea resided in the flaps themselves, and that, once that idea was disclosed, the range of materials appropriate to be used would be obvious in principle, although some degrees of perviousness would be preferable to others, and selection would involve judgment and experience¹⁶. The patentee, in argument, placed great weight on the fact that the cross-claimant called no expert evidence; the submission was that the expert view which I have outlined was uncontradicted."

His Honour then added¹⁷:

"For the patentee, it was also pointed out that the limitation of its claims to 'fluid pervious flaps' was a true narrowing, and not a widening of those claims. It was said that, plainly enough, the body of the specification included fluid pervious flaps as flaps. Indeed, the preferred embodiment involved flaps of this kind."

The Full Court

10 In their Notice of Appeal to the Full Court, the respondents asserted error by Burchett J in his adverse findings respecting both infringement and invalidity. In particular, the respondents contended that his Honour ought to have found that the claims of the Patent were not novel and did not involve an inventive step. However, at the hearing of the appeal, the ground respecting obviousness was not argued¹⁸. The respondents also relied upon what they identified as "Section 40 points". One ground of revocation specified in s 138(3) of the Act is that the specification does not comply with s 40(2) or s 40(3) of the Act.

openings, respectively, defining a waste containment pocket." (emphasis added)

16 cf *Samuel Taylor Pty Ltd v SA Brush Co Ltd* (1950) 83 CLR 617 at 624-625.

17 (1998) 42 IPR 111 at 116.

18 This is recorded by Tamberlin J in his judgment: (1999) 46 IPR 1 at 17.

11 So far as material, s 40 of the 1990 Act provides:

"(1) ...

(2) A complete specification must:

- (a) *describe* the invention fully, including the best method known to the applicant of performing the invention; and
- (b) where it relates to an application for a standard patent – *end* with a claim or claims *defining* the invention; and
- (c) ...

(3) The claim or claims must be clear and succinct and fairly based on the matter described in the specification.

(4) The claim or claims must relate to one invention only." (emphasis added)

12 In the Full Court, Tamberlin J dealt with the s 40 issues by determining that there had been no failure to describe the invention fully, including the best method known to the applicant of performing the invention (s 40(2)(a)), and that the claims did not fall foul of the requirement in s 40(3) that they be "clear and succinct and fairly based on the matter described in the specification". His Honour also rejected the other grounds of attack on validity and held that Burchett J had not erred in finding infringement. It followed that his Honour favoured dismissing the appeal¹⁹. However, the other members of the Full Court (Wilcox and Branson JJ) held in favour of revocation and declared that the Patent was at all times invalid²⁰. The conclusions of Tamberlin J thus were in dissent.

13 The majority decided the appeal solely on the ground indicated in par (a) of s 40(2). They expressed no views upon the other grounds on which revocation was sought, including the alleged lack of fair-basing under s 40(3), nor upon the issue of infringement. It will be necessary to refer later in these reasons to the

19 *Arico Trading International Pty Ltd v Kimberly-Clark Australia Pty Ltd* (1999) 46 IPR 1 at 19.

20 (1999) 46 IPR 1 at 4.

9.

consequences to which that failure now gives rise consequent upon the disposition of the appeal to this Court.

The construction of s 40

14 One matter of construction of s 40 of the 1990 Act should be noted immediately because it is significant for this appeal. The respondents submit, consistently with the approach taken by the majority in the Full Court, that, in deciding whether the invention is fully described, the claims cannot be looked at as part of the specification. That submission should be rejected. Section 40 distinguishes between the description and the definition of the invention. The complete specification must describe the invention and end with claims defining the invention. However, the claims are as much a part of the complete specification as the preceding matter, which usually is identified as the "body" of the specification.

15 It is true that something like special principles apply where it is the scope of a claim that alone is in question. For example, where the issue is one under s 40(3) of "fair-basing" of a claim, what the 1990 Act requires is a comparison between the matter described in the specification and the claim which defines the scope of the monopoly. In *Olin Corporation v Super Cartridge Co Pty Ltd*, Barwick CJ said²¹:

"The question whether the claim is fairly based is not to be resolved, in my opinion, by considering whether a monopoly in the product would be an undue reward for the disclosure. Rather, the question is a narrow one, namely whether the claim to the product ... as expressed, travels beyond the matter disclosed in the specification."

Where the question concerns infringement of a claim or the sufficiency of a claim to "define" the invention, it has been held in this Court under the 1952 Act that the plain and unambiguous meaning of a claim cannot be varied or qualified by reference to the body of the specification²². However, terms in the claim which are unclear may be defined or clarified by reference to the body of the specification²³.

21 (1977) 180 CLR 236 at 240.

22 *Welch Perrin & Co Pty Ltd v Worrel* (1961) 106 CLR 588 at 610.

23 *Interlego AG v Toltoys Pty Ltd* (1973) 130 CLR 461 at 479.

16 Other considerations arise from the statutory text where the issue concerns par (a) of s 40(2). The question then is whether the invention has been fully described in the complete specification. The text speaks here of the complete specification, not any one part thereof. From the distinction drawn in s 40(2) between describing the invention in the complete specification and defining the invention in any claims with which the complete specification ends, it does not follow that the description is to be gleaned solely from one part (the body) and that it is forbidden to obtain any assistance by regard to the remainder (the claims) of the complete specification. Rather, the text indicates that the specification must be read as a whole and that reference to the claims may dispel ambiguity or uncertainty from the body of the specification concerning the description of the invention.

17 This conclusion as to the construction of s 40 of the 1990 Act is supported by decisions upon provisions in other patent legislation to the same effect as s 40 of the 1990 Act. Thus, in *Sami S Svendsen Inc v Independent Products Canada Ltd*²⁴, a case upon s 40 of the 1952 Act, Kitto J answered the question whether the complete specification fully described the invention by having regard both to the body and to the claims. Menzies J did likewise in *Welch Perrin & Co Pty Ltd v Worrel*²⁵. So also did Dixon and McTiernan JJ in *Kauzal v Lee*²⁶, a case decided under the *Patents Act* 1903 (Cth) ("the 1903 Act")²⁷. Later, in *AMP Incorporated v Utilux Pty Ltd*²⁸, McTiernan J said of s 40 of the 1952 Act²⁹:

24 (1968) 119 CLR 156 at 164-165. Section 40(1) of the 1952 Act required that the complete specification fully describe the invention, including the best method of performing the invention known to the applicant (par (a)) and that it end with a claim or claims defining the invention (par (b)). Thus, it is relevantly indistinguishable from s 40(2) of the present legislation.

25 (1961) 106 CLR 588 at 597-598; on appeal, Dixon CJ, Kitto and Windeyer JJ agreed with Menzies J: (1961) 106 CLR 588 at 614.

26 (1936) 58 CLR 670 at 686-687.

27 Section 36 of the 1903 Act required the complete specification to "fully describe and ascertain the invention and the manner in which it is to be performed".

28 (1971) 45 ALJR 123; revd on other grounds (1974) 48 ALJR 17.

29 (1971) 45 ALJR 123 at 127; revd on other grounds (1974) 48 ALJR 17.

11.

"Describe' does not mean 'define', which word is reserved for s 40(1)(b). The description is required to be in the whole specification including the claims and illustrations."

"Describe the invention"

18 The Dictionary which is Sched 1 to the 1990 Act provides that, unless the contrary intention appears, the word "invention" (without any definite or indefinite article before it) means "any manner of new manufacture the subject of letters patent and grant of privilege within section 6 of the Statute of Monopolies, and includes an alleged invention". Section 6 of the 1952 Act contained a definition in the same terms. On the other hand, s 18(1) of the 1990 Act, recently considered in *Advanced Building Systems Pty Ltd v Ramset Fasteners (Aust) Pty Ltd*³⁰, states that "a patentable invention is an invention that, so far as claimed in any claim" has certain characteristics, such as novelty, ingenuity and utility, and "is a manner of manufacture within the meaning of section 6 of the Statute of Monopolies". This suggests that "invention" is not used in a uniform sense throughout the 1990 Act, and invites attention to the sense of its use in s 40(2) of that Act.

19 In argument on the present appeal, there was some debate as to the sense in which the complete specification is required by s 40(2) fully to describe "the invention" and end with a claim or claims "defining the invention". The point was explained, with reference to s 40 of the 1952 Act, by McTiernan J in *AMP Incorporated v Utilux Pty Ltd*. His Honour said³¹:

"'Invention' does not have the meaning which is given it in s 6, the definitions section and it does not mean 'inventive step'. I take it to mean 'the embodiment which is described, and around which the claims are drawn'³²."

20 The term "invention" may give rise to difficulty because both in ordinary parlance and in patent legislation it is used in various senses. In *British United*

30 (1998) 194 CLR 171 at 191-193 [37]-[40].

31 (1971) 45 ALJR 123 at 127; revd on other grounds (1974) 48 ALJR 17.

32 See Blanco White, *Patents for Inventions*, 3rd ed (1962) at 12, n 33.

Gleeson CJ
McHugh J
Gummow J
Hayne J
Callinan J

12.

*Shoe Machinery Company Ltd v A Fussell & Sons Ltd*³³, Fletcher-Moulton LJ observed that the word "invention" is used in at least three distinct senses. His Lordship continued³⁴:

"First of all we say that to support a Patent there must be 'invention.' There it means an inventive act. Then we talk about a person getting a monopoly for an 'invention.' There it means a thing which is new and that has required an inventive act to produce it. There is also an intermediate sense in which it is used, that is to say, you sometimes speak of a patentee's 'invention' meaning the particular inventive act which this inventor has performed. When you talk about the patentee's 'invention,' in such a connection you do not mean that which is claimed in any one or another of the Claims. You are speaking generally as if you were giving a history of the subject, and saying, – 'So-and-so's invention was that for the first time he applied electricity for such and such a purpose.' It is quite possible that he has never claimed the universal use of it for such and such a purpose; he may have claimed something much narrower. Yet if he was the first to do it you may without inaccuracy say that it was his 'invention,' meaning his particular inventive act."

21 The matter was taken further by Mr Blanco White QC in a passage in his work, to the third edition of which McTiernan J referred with approval in the passage in *AMP Incorporated v Utilux Pty Ltd* set out above. In the fourth edition, the learned author referred to the adoption by the statutory definition of "invention" of the body of law attached to s 6 of the Statute of Monopolies and observed that the word "invention" was not always used in that sense; he identified the judgment of Fletcher-Moulton LJ in *British United Shoe* and said that, in speaking of a person's invention, four possible meanings are involved³⁵. He went on³⁶:

"They are: 1. The embodiment which is described, and around which the claims are drawn. This is the sense used in the Act: *cf.* the phrase of s 32,

33 (1908) 25 RPC 631 at 651.

34 (1908) 25 RPC 631 at 651.

35 *Patents for Inventions*, 4th ed (1974), §1-201, n 33.

36 *Patents for Inventions*, 4th ed (1974), §1-201, n 33.

13.

'the invention so far as claimed in any claim.'^[37] 2. The subject-matter of a claim – especially that of the broadest claim. 3. The inventive step taken by the inventor. 4. The advance in the art made by the inventor; as (to take Lord Justice Moulton's example) 'he applied electricity for the first time to such-and-such a purpose.' This is likely to be broader and more fundamental than would correspond with any claim."

It is the first meaning which, with respect, McTiernan J correctly adopted in construing s 40(1) of the 1952 Act, and the same is true of s 40(2) of the present legislation. The matter is important when assessing, for the purposes of s 40(2), the reaction of the relevant skilled addressee.

The skilled addressee

22 The majority of the Full Court erred in their identification of the addressee of the specification. Wilcox and Branson JJ expressed their conclusion in this respect as follows³⁸:

"We consider that the complete specification does not 'describe the invention fully, including the best method known to the applicant of performing the invention' within the meaning of s 40(2)(a) of the Act. The complete specification does not disclose to a person who may wish to make the invented product after the patent has expired how the product should be constructed. *It would not instruct a reader of the specification who knew nothing of the prior art that an essential feature of the invention was the necessity for the flaps to be 'fluid pervious': see Sami S Svendsen Inc v Independent Products Canada Ltd*³⁹." (emphasis added)

23 The reference by Wilcox and Branson JJ to the judgment of Kitto J in *Sami S Svendsen*⁴⁰ was inapt. That case was a successful "appeal" to this Court against the dismissal by the Commissioner of an opposition to a grant on the

37 Section 32 of the *Patents Act* 1949 (UK) used the same expression as s 18(1) of the present Australian statute, referred to above.

38 (1999) 46 IPR 1 at 4.

39 (1968) 119 CLR 156 at 159, 165.

40 (1968) 119 CLR 156; cf *Utilux Pty Ltd v AMP Incorporated* (1974) 48 ALJR 17 at 19-20.

ground of non-compliance with s 40 of the 1952 Act. His Honour (as might be expected) was far from construing the complete specification in that case from the position of an ignorant reader. The point being made by Kitto J in the passages cited by Wilcox and Branson JJ was that, to a person versed in the prior art (including, on the evidence, one of the alleged inventors) (i) the only possible ingenuity had been in making a particular improvement to a known mechanical device used in sausage manufacture, but (ii) the specification described not this improvement but the entirety of the combination, without enabling that reader to discern the particular improvement in that combination.

24 It is well settled that the complete specification is not to be read in the abstract; here it is to be construed in the light of the common general knowledge and the art before 2 July 1984, the priority date⁴¹; the court is to place itself "in the position of some person acquainted with the surrounding circumstances as to the state of [the] art and manufacture at the time"⁴².

25 Section 25(2)(h) of the *Patents and Designs Act* 1907 (UK) ("the 1907 Act"), as amended by s 3 of the *Patents and Designs Act* 1932 (UK), made it a ground of revocation that the complete specification did not "sufficiently and fairly describe and ascertain the nature of the invention and the manner in which the invention [was] to be performed". The resemblance to s 40(2)(a) of the 1990 Act will be apparent. Speaking of the 1907 Act in *No-Fume Ltd v Frank Pitchford & Co Ltd*⁴³, Romer LJ repeated par (h) of s 25(2) and continued:

41 *Samuel Taylor Pty Ltd v SA Brush Co Ltd* (1950) 83 CLR 617 at 624-625; *Welch Perrin & Co Pty Ltd v Worrel* (1961) 106 CLR 588 at 610; *Sunbeam Corporation v Morphy-Richards (Aust) Pty Ltd* (1961) 180 CLR 98 at 102; *Populin v HB Nominees Pty Ltd* (1982) 41 ALR 471 at 476.

42 *British Dynamite Company v Krebs* (1879) 13 RPC 190 at 192. See also the formulation by McMillan J in the Supreme Court of Western Australia (approved on appeal by the Privy Council) in *Gold Ore Treatment Company of Western Australia Ltd (In Liquidation) v Golden Horseshoe Estates Co Ltd* (1919) 36 RPC 95 at 109, 134-135.

43 (1935) 52 RPC 231 at 243. See also *Samuel Taylor Pty Ltd v SA Brush Co Ltd* (1950) 83 CLR 617 at 623, 625, 626; *AMP Incorporated v Utilux Pty Ltd* (1971) 45 ALJR 123 at 128; revd on other grounds (1974) 48 ALJR 17; *Valensi v British Radio Corporation* [1973] RPC 337 at 376-377.

15.

"[I]n other words, [it is essential] that the patentee should disclose his invention sufficiently to enable those who are skilled in the relevant art to utilise the invention after the patentee's monopoly has come to an end. Such disclosure is, indeed, the consideration that the patentee gives for the grant to him of a monopoly during the period that the patent would run.
...

It is not necessary that he should describe in his specification the manner in which the invention is to be performed, with that wealth of detail with which the specification of the manufacturer of something is usually put before the workman who is engaged to manufacture it."

The question is, will the disclosure enable the addressee of the specification to produce something within each claim without new inventions or additions or prolonged study of matters presenting initial difficulty?⁴⁴

26 In the present case, Burchett J accepted⁴⁵ the evidence of an employee of Kimberly-Clark responsible for product development of diapers, Mr Butler, that, at the priority date, the skilled addressee of the Patent would understand the disclosure therein "to be directing him, as a practical matter, to make a disposable nappy falling within the terms of claims 1 and 2", and thereby as directing the adoption of "fluid pervious flaps".

27 However, in the Full Court, Wilcox and Branson JJ appear to have decided the appeal on the footing that "the specification says nothing as to an essential integer of the claimed invention itself"⁴⁶. Their Honours referred to Mr Butler's evidence, in particular what appear to have been passages in his cross-examination designed to provide support for what in the event was the unsuccessful attack on the ground of obviousness. They concluded that "read as a whole", his evidence did "not provide a basis" for Burchett J's finding that a person skilled in the art at the priority date in 1984 would unhesitatingly have chosen liquid pervious flaps.

28 Mr Butler's evidence plainly supported that finding. There was no other expert evidence led to the contrary. In his affidavit, Mr Butler said he was

44 Blanco White, *Patents for Inventions*, 5th ed (1983), §4-502.

45 (1998) 42 IPR 111 at 118.

46 (1999) 46 IPR 1 at 3.

Gleeson CJ
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Callinan J

16.

speaking of the state of knowledge of persons skilled in the design and manufacture of disposable diapers and related matters at and prior to the priority date in July 1984. Mr Butler continued (and was not really challenged on this point):

"I believe that the invention claimed in [the Patent] is directed towards the absorbent garment as claimed including the combination of leg elastics and separate first and second elasticised containment flaps (where such flaps are made of fluid pervious fabric). As noted [in the 'Summary of the Invention'], the claimed invention is directed towards a disposable garment (primarily a diaper) incorporating such first and second flaps to prevent leakage (especially against 'explosive liquefied bowel movements' – ['Background of the Invention'] and 'diarrhetic bowel movements' – ['Summary of the Invention']) during use by forming 'a second inwardly facing barrier' ['Summary of the Invention'] in combination with the barrier formed by the elasticised leg gathers ['Detailed Description of the Invention and Drawings'] already known and used ['Background of the Invention']. [The 'Summary of the Invention'] describes the advantage of flaps ... as forming a second barrier particularly adapted to contain diarrhetic bowel movements. The flaps are therefore directed to overcome the disadvantage of the prior art referred to [in the 'Background of the Invention'], namely that elastic leg diapers alone are not completely successful in stopping explosive bowel movements. It seems to me that the provision of the flaps as a secondary barrier is the core of the invention described in [the Patent]. The function of the flaps 'in-board' of the elasticised leg gathers is to slow the sideways movement of body exudate along the surface of the diaper liner. The function of the elasticised leg gathers, by contrast, is to form a type of seal at the leg openings to stop body waste from leaking out.

...

[C]laim 1 of [the Patent] states that the flaps are 'fluid pervious'. This limitation is, in my opinion, merely a reflection of a limitation which would ordinarily have been made by a skilled addressee after reading [the Patent] as a practical choice of the fabric of which the flaps should be made. Such skilled addressee, in my opinion, would have imposed such limitation due to the clear advantage of such flap fabric to be 'fluid pervious' in order:

- (a) to stop the movement of solid bowel movement[s] along the surface of the diaper liner;

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- (b) to allow the slowing down but not necessarily the complete stopping of liquids (such as urine or diarrhetic bowel movements) moving across the surface of the diaper liner, in order to allow time for their proper absorption by the absorbent material within the absorbent core; and
- (c) to prevent the trapping of moisture between the flap and the baby's skin and thereby to reduce skin irritation."

29 Section 116 of the 1990 Act authorises a court, in interpreting a complete specification as amended, to refer to the specification without amendment. In its original form accompanying the Convention application, the complete specification added the integer of fluid permeability of the flaps as claim 2, and as a narrowing of claim 1 as it then stood. Both claims were recast and this integer then appeared in both claim 1 and claim 2, which now were not interdependent. This may have been prompted to meet an Examiner's objection of prior publication of claim 1 in its original form. But, with respect to the issue now arising under par (a) of s 40(2), that history does not detract from the effect of Mr Butler's evidence that, at the priority date in 1984, a skilled addressee would have imposed such a limitation after reading the Patent.

The reasoning of the Full Court majority

30 The majority in the Full Court also stated that the references in the body of the claims to "fluid pervious flaps" did not assist "in determining whether the complete specification describes the invention fully" because the expressions in the body of the specification "vapour and/or fluid permeable" could not be regarded as "relevantly doubtful in meaning". Their Honours said⁴⁷:

"The expression cannot fairly be interpreted so as to call necessarily for a material which is fluid permeable. That is, on one available construction of the specification, it says nothing as to an essential feature of the claimed invention; on the other available construction, it is misleading as to that essential feature."

31 There are several deficiencies in this reasoning. The first concerns their Honours' use here of the term "the specification" and is a matter which is dealt with above under the heading "The construction of s 40". There appears to be an assumption, contrary to the text of the 1990 Act and to the authorities, that the

47 (1999) 46 IPR 1 at 3.

Gleeson CJ
McHugh J
Gummow J
Hayne J
Callinan J

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"complete specification" spoken of in s 40(2)(a) is the body of the specification, exclusive of the claims, rather than the whole document. Secondly, whilst their Honours assert lack of relevant doubt in meaning, they posit two available constructions of the expression in question. They do not take the next step, indicated by, for example, statements by Dixon and McTiernan JJ in *Kauzal v Lee*⁴⁸, to ask whether that difficulty arising from the body of the specification was removed by references in claims 1 and 2 to "fluid pervious flaps". Thirdly, as also appears from the passage from the majority judgment set out earlier in these reasons under the heading "The skilled addressee", in addition to discounting the expert evidence, the majority proceeded on the footing that they were to read the specification by asking what it instructed a reader ignorant of the prior art.

Conclusions

32 The appellant has made out its case that the decision in the Full Court cannot be supported on the grounds advanced by the majority. The majority erred in ordering revocation under s 138 of the 1990 Act for want of compliance with par (a) of s 40(2).

33 The appeal to this Court should be allowed with costs. Orders 1, 2 and 3 of the orders made by the Full Court on 30 August 1999 should be set aside.

34 When a court construes a patent specification it is dealing not with an instrument operating *inter partes* but with a public instrument which describes and defines monopoly rights⁴⁹. To order revocation of the patent is to do more than determine the immediate controversy between the litigants. The issues in revocation actions, particularly those which turn upon construction, notoriously intersect and overlap. Plainly there can be no general principle that a court of first appeal should determine all the questions which have arisen. However, in an appeal in a revocation action such as that before the Full Court here, it is desirable that the matter not be approached in a piecemeal fashion, particularly where the court divides, and for the judge in the minority it is necessary to deal with a range of issues to dispose of the appeal. Here, only Tamberlin J dealt with all the issues on the appeal.

48 (1936) 58 CLR 670 at 687.

49 *Welch Perrin & Co Pty Ltd v Worrel* (1961) 106 CLR 588 at 610.

35 There remain for determination those grounds of the appeal to the Full Court which were argued but not decided by the majority. Tamberlin J dealt with all the issues and cannot be described as part-heard. There may be apparent appearances of unfairness to both sides were the appeal to be relisted before a Full Court of the same composition. We would make an order following that in *Ramset*⁵⁰ where a somewhat similar difficulty arose. The matter should be remitted to the Full Court for determination of the remaining grounds of appeal to that Court but excluding any grounds abandoned at the first Full Court hearing. Costs of that first hearing will abide the outcome of the second hearing.

50 (1998) 194 CLR 171 at 201.

