

2/1922

(1A)

In the High Court
of Australia

In re
Garratt's Patent

Reasons for judgment

Stärke J.

JUDGMENTSTARKE J.

Letters patent, No 12079/1903, were granted to Herbert William Garratt on the 26th July 1907, for a term of 14 years from that date, for an invention which consisted of improvements in connection with locomotive engines, particularly in regard to those of the double bogie type. The improvements suggested for engines of this type were large boilers, with a low centre of gravity, carried in a frame of the shortest length practicable, and connected, substantially without overhang, at both its ends, by swivel centres, to two self driven bogie tanks, carrying fuel and water supply as well as the steam cylinders and the driving mechanism for the wheels. Garratt also obtained Letters Patent for the same invention in other countries. In September 1908, Garratt made an agreement with Beyer Peacock and Co Ltd, whereby an exclusive license and authority was granted to Beyer Peacock and Co Ltd to make, use, exercise, and vend the invention in Australia during the whole term thereof, or any prolongation or extension of the same. Similar licenses were granted ^{for} in other countries, in which protection had also been obtained for the invention.

Garratt died in England on the 25th September 1913, leaving a will, ^ewhereby he appointed his wife Louise Garratt his executrix and trustee. The will was proved in England on the 24th December 1913 by the widow, but, so far as I know, it has not been proved in Australia. The Australian Patent expired on the 26th July 1921. But in May 1921 notice was given in the name of H.W. Garratt of his intention to apply for an extension of the Letters Patent pursuant to the provisions of the Patents Act 1903-1909 s.84. Applications were made later in the same year under the Patents Temporary Regulations 1914, for extension of the time to advertise and present a petition for an extension of the patent, but by the month of August 1921 the ^{had been} applications were refused.

The Patents Act 1921 No. 24 was passed on the 15th December 1921, ^{this Act} and amended s.84 of the principal Acts 1903-1909, which required a petition for extension of the term of a patent to be presented at least six months before the time limited for the expiration of the patent. By the amending Act the Court is empowered in its discretion, either before

after the expiration of the term of a patent, to extend the period within which proceedings may be taken for the extension of the term.

Mrs Louise Garratt, the executrix of the inventor, and Beyer Peacock and Co Ltd, the exclusive licensee, filed, on the 20th February 1922, notice of a motion in this Court for (amongst other things) an order that the period within which proceedings might be taken for the extension of the term of the Letters Patent be extended. On the 17th May 1922, a petition to the Court was also filed, by Mrs Garratt and Beyer Peacock and Co Ltd, praying for an extension of the patent. Both the ~~notice~~ motion and the petition came on for hearing before me in ^{June} ~~July~~ of 1922. The Commissioner of Patents appeared on the proceedings to assist the Court. The Government of the State of Western Australia and the Minister for Railways, and also the Commissioner of Railways for that State, who had lodged caveats against the extension of the Letters Patent, appeared to oppose both the motion and the petition. It was quite irregular to file the petition before an extension of time had been ~~granted~~ obtained within which the proceedings might be taken, but I intimated, in the peculiar circumstances of the case, that I would hear both the motion and the petition before finally deciding whether an extension of time to present the petition should be allowed. Ultimately, the proceedings were adjourned, on the application of the movers and petitioners, upon terms which it is unnecessary here to state. The matters were restored to the list in March 1923, and further evidence was tendered.

It is admitted that no order can be made upon the petition for extension of the patent, because the prescribed advertisements have not ~~be~~ been published (Patents Act 1903-1909 s. 84, Patents Regulations 1912/14 r. 134). The motion to ~~extend~~ the period within which proceedings may be taken for extension of the term of the patent is therefore all that ~~xxxxx~~ remains for consideration. But as the merits of the case were laid before me in some detail, I may perhaps aid the petitioners if I state for their information a tentative opinion upon some aspects of the case which have received my consideration.

(1) The motion was made and the petition filed by Mrs Garratt and Beyer Peacock & Co Ltd. Despite the wide meaning given to the word patentee in s 4 of the Patents Act 1903/1909, I doubt if Mrs Garratt can obtain an extension of the patent until she proves her husband's will in Australia.

Her advisers should consider the matter. (Cf Willacy's Patent 5 R.P.C. at pp 692/3). Beyer Peacock & Co Ltd is not an assignee but an exclusive licensee. There is no objection to its joining in the proceedings, but no grant can be made in its favour.

(2) The suppliants based their case for extension upon the fact that loss and damage had been suffered by the patentee by reason of hostilities between His Majesty and foreign States. Locomotives constructed according to the invention have never been manufactured in Australia. The patentee gave Beyer Peacock & Co Ltd an exclusive license for Australia, and such engines constructed according to the invention as have been used in this country were manufactured by Beyer Peacock & Co Ltd in England. Their works were a controlled establishment under the Imperial Munitions of War Acts 1915/1917, from the 18th August 1915 to and inclusive of the 5th November 1919 - a period approximately of 4½ years. During that time Beyer Peacock & Co Ltd were making munitions of war for the British Government, and were debarred from carrying on their business as manufacturers of locomotives. The use of the invention was in fact lost to the patentee or his representatives for this period. Nevertheless, I was not, at one stage of the case, satisfied that the patentee as such had suffered any loss or damage in respect of his invention, by reason of the hostilities: there did not seem any reason why locomotives constructed according to the invention ^{could} ~~should~~ not have been manufactured in Australia. But the further evidence has modified my opinion on this point. The Garratt locomotive is of undoubted utility, but its use is limited in Australia. It was impracticable for Garratt himself to establish works for the manufacture of his invention, and locomotive builders in Australia were not, apparently, much interested in this type of engine. Under the circumstances, the one and only course commercially practicable was to put the invention in the hands of an established company with a world wide reputation as locomotive builders. An agreement was therefore made with Beyer Peacock & Co Ltd and the invention has been perfected by this Company as a practical proposition, and the users of the locomotives in Australia have, I believe, had the great advantage of the Company's wide experience and its experimental trials (Le Société Chimique des Usines du Rhones Patent 38 39 R.P.C. at p 33). Consequently I think the

failure to manufacture in Australia ^{should} would not be a bar to the extension of the patent. But as at present advised I could not accede to a greater extension than 4 1/2 years from the date of the expiration of the patent.

(3) The Conditions of the Extension - Conditions must of course be imposed as a term of the extension, which, as the patent has expired, ^{would} take the form of a new grant (See Bettington Boilers Ltd 38 R.P.C. at p 351). The following occur to me at the present time. (a) Provisions similar to those contained in Rule 38 of the Patent Regulations 1912-14, in the case of the restoration of lapsed patents (See Robinson's Patent 25 C.L.R. at p 139, Bettington Boilers Ltd 38 R.P.C. pp 351-3). (b) Provisions for licensing persons in Australia to use the invention upon reasonable terms. It would not, I think, be reasonable to require the withdrawal of the exclusive license granted to Beyer Peacock & Co Ltd, but some provision ought to be made enabling persons in Australia to obtain sub-licenses. The terms upon which these licenses should be granted requires further consideration, and the parties must be prepared with evidence upon the subject. Sometimes a license is granted upon the same terms as those upon which persons were ^{formerly} ~~formerly~~ licensed to use the invention. (Petersen's Patent 39 R.P.C. at p 276). But in view of the conditions brought about by the war, a reconsideration of the matter may be necessary, not only from the point of view of the public, but also from the point of view of those entitled to the benefit of the invention. And I would add that the Western Australian Government and its Railway Department must not be placed in a worse position under any new proposals than is secured to it by the undertakings given to the Court on the 6th June 1922. (c) Provisions for securing to the personal representative of the inventor fair and reasonable remuneration, by way of royalties or otherwise, for the exclusive license to use the invention. I do not say that the present agreement between Garratt and Beyer Peacock & Co Ltd is not fair, but the parties ought to satisfy the Court upon the matter in any future proceedings.

(4) The Expiration of the Patent - The Act of 1921 is wide enough to cover the case of a patent which expired before the date of the passing of the Act (Brown's Patent, 37 R.P.C. 52,142). So, though the present patent expired before the passing of the Act of 1921, still

jurisdiction is conferred upon the Court to grant an extension. But the circumstances, I think, must be very special to induce the Court to exercise its jurisdiction. The circumstances in this case are peculiar, ~~and~~ and, as at present advised, I regard them as sufficiently ~~special~~ special in their nature to found a petition or originating summons for the extension of the term of the patent 12079/1908. The motion of Mrs Garratt and Beyer Peacock & Co Ltd will therefore be granted.

1. ORDER that the period within which Louise Garratt and Beyer Peacock & Co. Ltd. or either of them may take proceedings for the extension of the term of the Letters Patent 12079/1908 granted to Herbert William ^{Garratt} be extended until the 5th November 1923.
2. DISMISS the petition for extension of the said Letters Patent filed in this Court on the 17th May 1922 without prejudice however to the presenting of a further petition or the issue of an originating/summons for the extension of the ^{said} Letters Patent.
3. ORDER that Louise Garratt and Beyer Peacock & Co Ltd do pay to the Commissioner of Patents and to the Government of the State of Western Australia the Minister of Railways of the said State and the Commissioner of Railways of the said State their costs of the motion (the notice whereof is dated 20th February 1922) and ~~the~~ of the said petition but so that the Government of the State of Western Australia the said Minister of Railways and the said Commissioner of Railways shall only be entitled to one set of costs between them.
4. LIBERTY to Louise Garratt and Beyer Peacock & Co Ltd to read the affidavits filed on the said motion and petition in support of any future petition to or proceedings in this Court for an extension of the term of the said Letters Patent.