Bk No. 11 of 1935 43

IN THE HIGH COURT OF AUSTRALIA.

Eggs Pillers & Containers (East) Proprietary Limited

v.

Doman

REASONS FOR JUDGMENT.

(Mr Justice Dixon)

Judgment delivered at Melbourne

on 4th December 1935

H. J. Green, Government Printer, Melbourne.
C.5063.

EGG FILLERS & CONTAINERS (AUST.) PTY LTD

v

D O M A N

O R D E R

Order that the letters patent granted in the Commonwealth of Australia to the abovenamed Spencer Arthur Doman for an alleged invention for improvements in and relating to the packing of eggs and dated 14th June 1934 and numbered 17,993/34 be revoked.

Further order that an office copy of this order be left with the Commissioner of Patents.

Further order that the abovenamed Spencer Arthur Doman do pay to the petitioner its taxed costs of these revocation proceedings, including the costs of the shorthand writer and of the shorthand notes of evidence and including the costs of the application for the examination of Frank Simper and of his examination and cross-examination, except in so far as the same may have been increased by reason of his cross-examination having taken place in Adelaide.

EGG FILLERS & CONTAINERS (AUST.) PTY LTD

v

D O M A N

SCHEDULE OF EXHIBITS

" A " Complete Specification No.17,993 /34 dated 14th June 1934 of Spencer Arthur Doman aforenamed

" B " Sample of Keyes Flat Egg Container.

" C " Sample of Keyes Flat Egg Container with improvement claimed by Doman as his invention.

" D " Example of a wooden case used by some ~~people~~ in season 1934.

" E " Sample of Doman's wooden case, with further improvement of metal strip at each side.

" F " Sample of wooden case bearing name Ballantyne with fixed cross-member referred to by witness Meltzer.

" G " Keyes Flat Egg Container produced by witness Ballantyne as sample of lot purchased by him in August-September 1934.

" No I " Sample of egg-filler - cardboard square.

" No 2 " Sample of Capes Flats -used in conjunction with Ex.No.I

" No 3 " Sample of Keyes Flat Egg Container produced by witness Meltzner, showing manner in which he cut it.

" No 4 " Sample of Wooden case , 15lb per long hundred, bearing name of Ballantyne, filled egg container of type of Ex No I.

" No 5 " Transcript of examination of witness Frank Simper before Principal Registrar of 15th November 1935 and ~~of~~ before District Registrar of 18th November 1935 and of Ex. E thereto being Provisional Specification of Frank Simper for " Improvements in and relating to packing Eggs. "

Upon resuming at 2.30 p.m.

MR NELLIGAN addresses the Court.

JUDGMENT. (Revised)

HIS HONOR. I shall dispose of this petition at once, because, as I understand from the interlocutory application which was made, the matter is considered by the parties to be one of urgency in view of the importance of the patent in the practical operations of themselves and various other people in the exportation of eggs. The application is by way of petition to revoke a patent which is comparatively young, having been granted last year, on the 14th June 1934. The petition is based upon ground s which, in the end, come down to lack of subject matter and want of novelty owing to what may be described as anticipation and prior publication by other people. The alleged invention relates to the packing of eggs particularly for export. The exportation of eggs from Australia necessarily involves transit by ship in refrigerating or cool chambers, and this means a heavy outlay upon freight. For that reason the size of the containers or packages in which the eggs are packed is of much more materiality than would be the case with commodities which were shipped as ordinary cargo. Eggs have been packed in boxes of dimensions which varied according to the weight of the eggs contained. The greater part of the export trade - some 75 per cent., it is said - consists of eggs which go 15 lbs to the long hundred or ten dozen. Up till the egg season 1934, which commenced in the middle of the year, the practice in the export trade was to pack the eggs in vertical containers or sections constructed of cardboard, called fillers. In the immediately preceding season each of the cardboard nests of fillers was placed

upon a flat which was called the Mapes flat, containing small depressions upon which each egg stood upright in its rectangular enclosure of cardboard. The flats were placed one on top of another, inside the wooden boxes, and the wooden boxes were divided into two sections. An American invention was brought forward in the early part of 1934, and appears to have been shown around Australia in the various States which are concerned in the export of eggs. That invention consisted of a filler flat to contain the eggs, made of paper pulp, and so constructed that rows of cones, or what would be considered cones looked at from one side, and depressions or cups from the other, were made in the paper pulp. On the one side of each flat, where the cones were formed, there would be usually six rows of cones in one direction and five in the other. On the opposite side of the flat, staggered with those cones and de-pressed in the opposite direction, would be corresponding depressions, also five in one direction and six in the other, the five being of course parallel with the six, which stood on the opposite side, and the six being parallel with the five on that side . The cones on one side were shallower than on the other. The object of the deeper cones as cups or depressions, was to receive the eggs and to hold them from beneath. Above that another filler flat would be placed, with the shallower cones acting as domes to rest upon the upper part of the first flat of eggs, and with its deeper cones again as cups or depressions parallel to the rows of eggs underneath. They in turn would contain further eggs, and so on. These flats, which were called the Keyes flats, -apparently by the name of the inventor- seem to have been the subject of an American patent, and, as I gather, the petitioning Company is the assignee of that American patent at present, although it was not put in evidence. The Keyes flats

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when they were imported into Australia, terminated in edges which extended slightly from the last of the rows of cones on each of the four sides of the square. This straight edge made the square flat somewhat too large for the boxes which were in use, for the 15 lb eggs, as I may call them. Those who were concerned in the trade appear to have experimented with the flats and have observed that they would not fit in the crates or boxes, and were therefore unsuitable for the greater part of the Australian export trade,, but they seem to have been impressed with the merits of the American invention in other respects. The present invention,and the controversy concerning its validity, arise out of measures which were taken by the various persons who have been concerned in this case to overcome the obstacle which the dimensions in the American filler flats presented. There are three persons concerned who appear to have taken measures in that respect. The patentee, Mr.Doman,is,of course, the chief. Mr.Meltzer,on the other side, who is a Director of the petitioning Company,seems to have made one experiment, and Mr.Simper in Western Australia made some others. It is convenient first of all to deal with that of Mr.Doman, the patentee. The other two gentlemen present instances relied upon as anticipations or prior publications. The patentee's measures are now embodied in his specification. In the first place, he cut off the straight edges of the Keyes flats, and in doing so cut them back so far that he cut along the line of the cones which stood upon the edges of the flats. The cones on one side of the flat would be at opposite ends of the square standing up. The cones on the other two opposite ends would stand down on the under side of the flat. But, because he cut through the cones,instead of a straight flat edge he presented a serrated edge, going up and down in what might be called waves. Such an edge gave a firmer resistance to anything against which it was abutting, and therefore made it less likely, when it was placed against

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the end or wall of the case, that the flat would move from its position - from its horizontal position or its position parallel to the bottom of the box. It also made it possible to abut one flat against another with less likelihood of one going over the other or moving out of position. But he found that the flats, when packed with eggs in six tiers, did not fit exactly in the box, but showed over the top a little. Eggs are placed on one side only of two flats--the flat below the six tiers of eggs and the flat above the six tiers of eggs. In the case of these flats, Mr.Doman cut off the tops of the protruding cones to bring down the height of the pack to the level of the box. Then he took a third step. The partition in the box took up some space. It has been stated - although I do not think it has been proved - that it was usually half an inch thick, but at any rate it took up some space. He removed the partition and placed a stick exactly fitting between the two sides of the box but not attached to the box. He took advantage of the space between the edge cones of the two flats which would be standing at the same level together, to place the stick between those cones and to allow it to rest between them. The result would be that the sides of the box would be kept from bending in if they were subjected to any direct pressure applied to one of the sides,although it is suggested that the stick would be moved from position if the direction of the force upon the box were not directly in the same line as the stick or parallel with it. These steps having been taken, he applied for and obtained letters patent which embodied them as part of an invention. The claims of the specification in effect take them all into various combinations in which the filler flat of the Keyes kind is the foundation.The claims take into combination with the features of the Keyes filler flat, first all three steps taken by Mr.Doman. They

also take any two of them into combination, and, in the case of the stick they also take that singly, and in the case of cutting the square flats, so as to present half cones at the edges, they take that singly. In each case the claim combines whichever of the three features adopted by Mr.Doman it selects with the kind of flat which is exemplified by the Keyes invention. The result is that the specification claims always for combinations in which the integers that I have mentioned are found associated with the Keyes flat. That is attacked by the petitioner in the first place on the ground that the two gentlemen who I have mentioned had already done the same thing, or at any rate the same sort of thing. Mr.Meltzer had been shown the Keyes flat early in the year of 1934, and at that time he was engaged in selling the other form of filler and of flat which preceded it, the cardboard fillers and the paper pulp flat containing shallower depressions, which is called the Mapes flat. No doubt he viewed the Keyes flat with the eye of a trader who saw a rival invention upon the horizon. He saw that it would not fit in/to the boxes, and he at once began to cut it to see if it could be made to fit, and, in doing so, he cut the square at the edges to make a smaller square, and he cut through the cones in such a way as to produce the flat which Mr.Doman has produced by his cutting. The evidence is not very exact as to the degree to which he cut into the cone, but looking at the nature and size of the flats themselves - and the size of the boxes, and the thing to be done, I feel satisfied in point of fact that what he did was substantially the same as what was done by Mr.Doman in cutting the edges of the Keyes flat. He called in his Secretary and showed him what he had done and had some discussion with him. In doing this I think he did not regard himself as engaged in inventing either a patentable invention or a secret process, or hitting upon some device to be used in his business, and

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there was no element of confidence in the incident. He did not pursue what he had done and apply it to any practical use in the export trade, or in the selling of the materials to exporters. The matter stood there, but he went to Western Australia shortly afterwards, still in the early part of 1934. In Western Australia he found Mr.Simper, whose company was also engaged in the egg trade. Mr.Simper, a little while before, had been shown the Keyes flat and presumably had been prepared to make some use of it. A very similar occurrence had taken place when he had first examined the Keyes flat. He found that it would not fit in the box. He proceeded to reduce its size and he cut down the edges. At first he cut the edges off back to the foot of the cones and did not cut the cones themselves. A Mr.Soothill, who was also interested in the egg trade, discussed the Keyes flat with him and suggested that the cutting should go further back, and Mr. Simper thereupon cut back the cones on each side- that is the cones on two upper sides and the cones on two lower sides - but not back to the crown of the cone, back about half way up. The result was to present the same serrated deeper edge as the cutting which was done by Mr.Doman, and, as I think, by Mr. Meltzer, but to a less degree. The filler flats so cut were applied to their purpose but not in the export trade, merely by way of experiment. They were shown to Mr.Soothill, and again in this case there was no element of confidence. When Mr.Meltzer visited Mr.Simper he exhibited to him the flats as he had cut them. Those incidents are relied upon as amounting to a public disclosure of the substance of one of the integers in the invention. Neither of them related to the use of the sticks; neither of them related to the slicing off of the tops of the cones on the top sections in the box. In my opinion, they were public disclosures of that feature or element which robbed it of all its novelty, if it

otherwise disclosed novelty and subject matter. The fact that the persons who did the same things as those upon which the patentee relies as the first feature in the combination, did so with a view of reducing size rather than with a view of obtaining an increased degree of stability in the filler flat, does not appear to me to be of great importance. They did in fact produce an edge which was to be used in the precise way in which the patentee intended his edge to be used. They did in fact select a place where it would give such stability as is produced by a serrated and deeper edge, and they were conscious of the part which it would play in its relation to the box, namely, that it would butt up against the end or side of the box, as the case might be. Nor do I think it is of importance that a doubt exists whether, in the case of Simper, all four edges were cut. In any case although the witness was doubtful, I myself feel reasonably certain that all four edges must have been cut in order that the square should be produced. Mr.Simper, however, thought fit to lay claim to his cutting as an invention,and lodged a provisional specification describing what was done,and in that provisional specification he refers only to one edge of the filler. He says: "A still further improvement in the foregoing system of packing will be, however,to have each filler-flat shortened by the removal, or, strictly speaking, the non-inclusion of portion of one side, to an extent corresponding to a line drawn to the centre of the line of depressions at the side. When this is done and two of the filler-flats are placed with the cut or shortened sides edge to edge, the effect is similar to the filler-flat being made double capacity in one piece." His provisional specification was dated a month before that of the application of the patentee. Mr.Simper did not pursue his application for a patent and does not appear to have filed a com-

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plete specification. It is manifest, however, that his provisional specification covers the same ground as the feature of Mr.Doman's patent with which I am now dealing, and I am satisfied that that feature was fully disclosed in Perth some time before to Soothill and to Meltzer, and I believe to others. The question then to be considered is to what degree subject matter remains in the various claims of the specification. The first claim is for the use of the filler, which I may call the Keyes filler, with the edges cut off or terminated through the centre line of the row of half cones along the edge. The claim uses the expression "terminated perpendicularly". The word "perpendicularly" is not a very apt description, but what I understand to be the meaning is that the external boundary is cut along that part of the edge where the topmost point of the cone is to be found. The second claim does not differ very much from the first. Its main purpose possibly was to limit the ambit of the invention claimed to the use of the six cones in a row, but otherwise I find no differences except in verbiage and in the express incorporation in the claim of matters occurring in the body of the specification which are referred to by that means in claim 1. Now upon the findings which I have made as to prior disclosure, it is apparent that neither of those claims has any subject matter, because the one feature which is new lacked novelty through prior publication or anticipation. But it is desirable also to consider those claims independently of the findings which I have made upon that question. So considered, I am of opinion still that they lack subject matter. The assumption upon which I am speaking is that such an edge had not been used in such a filler flat before the patentee cut it, and that, so far as the application of the edge to this particular method of packing is concerned, it was new. Notwithstanding that assumption, I think that its

novelty does not give it subject matter for a grant, because it does not appear to me to involve an inventive step. It seems to me to be no more than the natural resource of any person who was faced with the problem of reducing the size of the flat and saw that his flat was not to rest, as probably the American flat is intended to rest, upon some edge to support it, but was to rest upon the eggs themselves, and that the ends and sides were to abut against some perpendicular surface such as the sides of the box or the ends of the box, or the corresponding flat next door to it. The difficulties to be overcome were merely those of reducing size and giving some increased degree of stability in the contact between the two surfaces, creating in other words a greated degree of friction between the two surfaces. The difficulties were very slight. Very little ingenuity, if any, appears to be required. An ordinary application of ordinary reason coupled with some knowledge of the egg trade and the export trade, of the nature and construction of the wooden cases and with an appreciation of the purpose to be served, would in my opinion be enough to supply the expedient adopted in this respect. In point of fact, if it be material, I do not think that Mr.Doman was really led to do it by any other process than the necessity of reducing a larger size to a required size. The reduction of size and the necessity of maintaining a square naturally led him to take his saw or knife, or his implement through the cones at those points. No doubt he perceived, as anyone would perceive, that there were certain slight additional advantages which would result, particularly the advantage of the two flats being less likely to slide one over another if the cones abutted one against the other. The question of subject matter is inevitably one of degree, and, once novelty is conceded, some exercise of the intelligence in doing a new thing must also be admitted,

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but it does not follow that that exercise of the intelligence involves an inventive step. The question whether it does is not altogether dependent upon the degree of knowledge, study, acuteness, or other faculties involved. The character of the subject matter, the general knowledge of the way in which things are done in other connections, the general capacity of workmen and other people engaged in the manufacturing and other arts to resort to expedients, must be taken into account. In my opinion this is no more than a natural expedient which would suggest itself to any capable person familiar with the subject matter, who examined the new filler flats. It involved neither study nor out of the way knowledge or resource. The third claim is in my opinion quite hopeless, and the patentee's counsel, I fancy, shared that view. It is restricted to a combination with the features of the Keyes flat of one additional feature, and that feature is cutting off the tops of the cones in the uppermost flat in the box. That, although not anticipated, is such an obvious expedient - -it is almost the only expedient which would suggest itself, except that of removing the tier altogether- - that I do not propose to say anything further upon the claim made to it. The fourth claim introduces for the first time the stick to which I have referred. That claim appears to me to present a combination which has more to be said for it than those with which I have dealt, or than that contained in the fifth and sixth claims. The stick, the main purpose of which was to keep the sides of the box from bending, when pressure was imposed upon the box, is, according to the invention of Mr.Doman, supported by the flats upon which it is placed. The number of sticks necessary depends on the number of separate boards which constitute the sides of the flat, because, if you do substitute sticks for a partition,

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you must have a stick which will do the work of the partition in relation to each of the separate boards. In the cases produced, three boards are used, and in the specification three sticks are contemplated. There being six rows of eggs, there is a space at the centre line where the two flats meet in each alternate row, that is to say, in three rows. At that point where the flats meet in the three other rows, the space is closed by the meeting of the cut cones instead of two sides, where the cones diverge one from another. Mr.Doman put the sticks in these three transverse cavities which run across the cas e. He relied upon the channel formed by the cones to support the stick, treating it at that stage as unnecessary to fasten the stick to the box. The fourth claim claims: "For use in the packing of eggs the combination with a case and with a plurality of fillers as described in either claim 1 or 2, and arranged in alternate pairs within such case of 1 or more sticks or distance pieces of such length that each without any nailing or other fastening engages and holds apart the sides of the case, the stick being laid in the space above the abutting edges of a pair of fillers of which the downwardly projecting half cones abut." Now, in my opinion, the introduction of the stick itself involved no inventive step. It is the most obvious device to give strength where a partition is found undesirable, because it occupies too much space or for other reasons. But it is a combination claim, and the elements which it includes are the introduction of the stick, the placing of the stick in between the two cones at the edges of the two meeting flats, and that involves the support as I have described. In addition, all the elements of the first and second claims with

which I have dealt are included in the combination. The question whether this combination presents subject matter has given me a little difficulty, but on the whole I have come to the conclusion that it does not. The association of these steps, each of them, in my opinion, simple in itself, is the only ground for supporting the conclusion that there was an inventive step. I have considered the matter from the point of view of what degree of invention is involved in associating those elements together, not upon the assumption that the elements combined were known and had been applied to this purpose, but upon the assumption that some new application is made of the elements, and that some intelligence was necessary so to apply them, and then that a further step is taken in combining them. But it seems to me that to combine them required no ingenuity. It depends on nothing else except the expedient of finding a convenient resting place for the stick, where it would not be liable to alter its position. Anyone would see at once that it ought to be put, if it was to remain loose, in one of the transverse channels between two rows of cones. The choice of that particular point would be determined by its obvious advantages. It is supposed to serve the purpose of keeping apart the two cones on the opposite side, and thus keeping the respective filler flats in position, and to do the same with the upper flats, the stick being of sufficient width to affect the downwardly projecting cones as well. Some evidence was given for the purpose of establishing that it had not been found to perform its functions adequately, and that it had caused trouble. It does appear that Mr.Doman has now resorted to fasteners to keep the stick in position. There is usually a difficulty, when dealing with subject matter, in applying a denial of utility. In this case I do not think

that the comparative failure of the stick to achieve all the results that were hoped from it is of much importance. I base my opinion rather upon the fact that anyone who desired to get rid of the partition, and who had the filler flats provided for him in the Keyes form, would, if he thought a loose stick would suffice, see no difficulty in using the transverse channels madd by the row of cones as a resting place for the stick, and that, when two filler flats were to be put in juxtaposition, as they would be if the partition were withdrawn, the obvious transverse resting place was between the two flats. The fifth claim incorporates claims 1 and 2 in the alternative, and then adds that the two fillers of the one pair should have their upwardly projecting half cones abutting, and that the two fillers of the next pair should have their downwardly projecting half cones abutting. This is only a particular application, if it is not the exclusive application in practice, of the invention contained in claims 1 and 2. The sixth claim is directed particularly to the fact that the two filler flats abut upon one another, and that no central partition is required. The reason for dispensing with the partition is not because of the use of the stick but because of the abutment of the cut off edges, the mutual contact of the serrated edges made by the half cones. I do not think that claim 6 differs in any respect from 1 and 2 which affects subject matter, and for the reasons which I have given I think this claim also possesses no subject matter. The seventh claim obtains a long statement of what is altogether included in claim 4, and, if I am right in my conclusion as to 4, it is clear that clause 7 falls under the same category. For those reasons I am of opinion that the patent is bad and should be wholly revoked. At one time a suggestion

was made that, if I were of opinion that one claim, claim 4 in particular, was good, and that the others were bad, I should make an order having the effect of revocation in relation to claims,1,2,3,5 and 6. Assuming that the jurisdiction of the Court enabled me to do it,I should have exercised my discretion to make an order declaring claims 1 and 2 bad although the other claims stood, because, as I understand the facts from a trade point of view, claims 1 and 2 are the most important.But, in the view I have taken, it is a matter that it is unnecessary for me to consider. I will make an order revoking the patent according to the prayer of the petition. There is one matter which I omitted to mention. Mr.Meltzer and Mr.Simper, to some degree, appeared to concede ingenuity in the invention; that is to say, they expressed themselves in their evidence as if they regarded the cutting off of the edges of the flats as possessing a quality which Meltzer called cleverness, and which Mr.Simper could arrive at only after sleeping on it. Neither of those commendations has affected my mind. I think there were particular reasons in the case of each of these witnesses why they should so express themselves. The facts speak for themselves, and I attach no importance to the complexion given to the cutting of the cones by their respective statements, which I think were really without much significance. The order will be that the letters patent number 17993 will be revoked. Perhaps I should ask both counsel what they have to say about costs.

MR DEAN. I submit that we should get the costs, including the costs of the shorthand notes.

HIS HONOR: Have you any reason to suggest why that should not be, Mr.Nelligan?

MR NELLIGAN: No, I cannot say anything on the question of costs.

HIS HONOR. Well, the defendant, as I think he is called in the section, will pay the costs of the proceedings, including the costs of the shorthand notes, and the costs of the examination of the witness Simper, except insofar as the costs of his examination were increased by the necessity of his being cross examined in Adelaide and examined here. I think that that was an order which was found necessary in order to meet the difficulties of Mr. Simper, for which the defendant is in no way responsible, and was an order of exceptional character which I think got the petitioner out of a difficulty.

MR DEAN: The order as to that will be that the petitioner shall have the costs other than the costs of the cross examination of Mr. Simper?

HIS HONOR: NO, except insofar as they were increased. I take it that they would be increased by the necessity of having to brief two different counsel and instruct two different people. I think that is what it would come to. I think the defendant should not bear those costs of the petitioner.

MR DEAN: Mr. Justice Starke in the Rainsford Case, ordered that the petitioner leave an office copy of the order with the Commissioner of Patents.

HIS HONOR: Very well, I will include that in the Order.
