

No 34 of 1939

IN THE HIGH COURT OF AUSTRALIA.

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**ORIGINAL**

JOYCE

v.

STRONACH.

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**REASONS FOR JUDGMENT.**

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*Judgment delivered at* SYDNEY.

*on* FRIDAY THE 30th AUGUST, 1940.

JOYCE V STRONACH

Appeal dismissed with costs.

JOYCE V STRONACH

JUDGMENT.

STARKE J.

Appeal from the Commissioner of Patents refusing to grant Letters Patent to the appellant Joyce in respect of an invention which he claimed to have made in respect of "apparatus for transporting and emplacing stone and other structural material in the building of breakwaters and moles". The first claim sufficiently describes and ascertains the invention. It is:- "Apparatus for carrying out breakwater and the like construction works, comprising a mast, a slewable boom with a traveller thereon fitted with lifting and lowering devices, a pivotal mounting for the butt of said boom at the mast base, guy ropes suspending said boom from the upper part of said mast, a three-point support for the base of said mast, (two points spaced apart laterally below it and the third point on a rearwardly extended member of it) said points carried on bogies running on two parallel rail tracks spaced apart and laid in the surface of the partially completed work, an intermediate track on which the building material is transportable over the built portion of the work to an advance position on the line of work in progress said mast base support straddling said intermediate track counterweights suspended from lateral outriggers, and guys connecting said masts to said rearwardly extended member and to said outriggers, said ~~outriggers~~ counterweights and guys together maintaining the mast in an upright position on the mast base". The application was dated the 15th. October 1934 and was accepted on the 13th. November 1934 but the complete specification was not accepted until the 15th. October 1935. An amendment was made in 1936.

In September of 1934 the Perry Engineering Company Ltd. of South Australia forwarded to the respondent Stronach drawings and specifications of a breakwater crane which fully and completely described the invention or apparatus claimed by the

appellant Joyce. But he contends that this disclosure was made in confidence and in circumstances that would not vitiate a subsequent grant.

Much evidence has been adduced mainly on affidavit and on the motion of the appellant, which was not opposed, leave was given to each party to file additional affidavits on this appeal and accordingly further affidavits were filed.

It is not easy to extract the truth from this mass of material. But the facts established may be summarised. About April 1934 the Mackay Harbour Board called for tenders for the construction of breakwaters at Mackay in Queensland. Stronach, the respondent to this appeal, proposed to tender for this work. He retained one Frew to act as his Consulting Engineer in relation to mechanical and other relevant questions in regard to the preparation and submission of a tender for the work ~~at Mackay~~. Joyce the appellant was an employee of Frew's, but somehow he supplanted Frew, who was compensated by Stronach for the cancellation of ~~this~~ agreement. Stronach tendered for the construction of the breakwater which Joyce, in one of his affidavits, states was accepted in July of 1934 at a price £154,500 below the next tenderer, ~~but~~ the contract was not signed, I gather, until about November 1934 (Transcript p.146) which was after the date of Joyce's application for Letters Patent, namely the 15th. October 1934. Joyce, according to his affidavit, was ~~friendly~~ <sup>friendly</sup> disposed towards Stronach and was interested in solving difficulties incident to the work in prospect and was prompted by Stronach's suggestion that he might expect a monetary benefit by aiding him to surmount the difficulties facing him. At all events there is a claim in evidence dated December 1934 for salary and expenses ..... for inspection of plant and machinery. Joyce may therefore be regarded as a consulting engineer ~~employed~~ <sup>retained</sup> by Stronach. He suggested various methods for placing stone in

the Mackay harbour works; barges, cable ways, cranes with the boom swung from a tower which was to be carried by trucks described, I think, as Telfer cranes.

About July of 1934 Joyce requested one Layt, a draughtsman employed by Frew, to prepare a schematic drawing of a Telfer Crane with a boom swung from a tower carried by trucks. Layt did so and his drawing has been referred to throughout the appeal as Ex. M.3. Copies of this drawing were forwarded by or on behalf of Stronach to various engineering firms including the Perry Engineering Company Ltd. of Adelaide, whose Chief Engineer was one Leslie, requesting ~~them~~<sup>it</sup> to submit tenders for a crane as outlined diagrammatically on the drawing. The Perry Company in September of 1934 did submit a tender to Stronach. It stated that the essential scheme as outlined in Stronach's specification was complied with and that the variations were matters of detail. Leslie in a letter to Joyce dated 8th. September 1934 explained the variation. He said that a structure dependent on its own strength plus that of wire ropes was not feasible i.e. a tower rigid with the rest of the structure and guyed must fail if guys were assumed to take the load. This was the nature of the structure diagrammatically outlined in Ex.M.3. The tender ~~submitted~~ substituted a mast, ball jointed, free laterally but fixed for lifting weights. The tender submitted to Stronach by the Perry Company for constructing such a crane, with the variation mentioned, ~~mentioned~~, complete and in working order, was £15,750. It added that it was of course understood that the drawings submitted with the tender were its property and naturally would not be used against it.

The drawings and specifications with the tender fully and completely described the crane and incidentally as already mentioned the invention or apparatus claimed by Joyce in his

complete specification. Stronach handed over to Strauss, an engineer employed by him, the drawings and specifications he received from the Perry Company, and instructed him to examine them and advise him thereon and compare them with other tenders. It is probable, I think, that other persons also saw and discussed these drawings and specifications - other persons employed by Stronach - and that they were also shown to officers connected with the Mackay Harbour Board. See Transcript p.145. But this is in dispute on the affidavits. I may add that I am not prepared to accept unreservedly the additional affidavits filed in the Court on behalf of the appellant. Obviously they have been prepared to meet findings of the Commissioner of Patents and have been made by parties who are not uninterested, I think, in the result of this appeal.

Joyce however asserts that Stronach pressed upon him the importance of keeping his suggestions secret and that he informed Stronach early in July 1934 that if his c\_rane ~~skan~~ scheme was a success and was approved by Leslie he intended to take out a patent to protect the invention because it would probably be applicable to other breakwaters in Australia and other parts of the world. Stronach denies these assertions though he admits that he did request Leslie before the closing date of tenders not to disclose the proposed cableway or the tower. It is not easy, as I said before, to extract the truth from the contradictory statements of the deponents. But the matters related <sup>fail to establish</sup> ~~cannot establish~~ that the tender made by the Perry Company to Stronach was not a publication of the invention claimed by Joyce prior to the date of his application for a patent. Joyce was retained by Stronach to advise him in connection with the erection of the Mackay breakwater. He prepared or had prepared the

diagramatic scheme of a crane appearing in Ex.M.3 pursuant to his retainer and supplied it to Stronach. In his turn Stronach or Joyce on his behalf called for tenders from various engineering firms including the Perry Company to construct a crane in accordance with this plan. The Perry Company prepared and submitted a tender accordingly with the variations already mentioned. It was submitted to Stronach in the ordinary course of business and for the purpose of obtaining an order or contract from Stronach. The conditions of tender made it clear that the crane was for the Mackay Harbour Scheme and it is tolerably plain that the plan and specification of the crane had to be submitted to the Mackay Harbour Board for its approval before any order could be placed. See letter 12th. December 1934 Mackay Harbour Board to the Perry Company, Transcript p.267. The tender of the Perry Company was not, on its face, founded upon or subject to any condition or undertaking that an application for Letters Patent should subsequently be made or to any condition or ~~undertaking~~ understanding other than that Stronach should not make the plans and specifications available to competitors of the Perry Company; in effect that Stronach should not take the Company's plans and specifications and have the crane manufactured by someone else.

However it is asserted that Joyce informed Stronach as early as July 1934 and certainly before the 15th. October 1934 that if his suggestion of a crane for use on the Mackay Harbour works were successful then he intended to take out a patent to protect the same and that Stronach impressed upon him that their discussions were confidential and must not be discussed with anyone but Leslie, whose firm was to obtain the contract for the crane. It is for Joyce to establish this assertion, which is denied, and its truth is left in doubt on the affidavits. There is no doubt I think that Stronach made it clear that the plans for emplacing stone in the breakwater

at Mackay should not be communicated to his competitors. But that his dealings with Joyce and the Perry Company were founded upon and were throughout subject to a condition or understanding that Joyce's idea or design for a crane should be treated as secret and not disclosed until Joyce had obtained a grant of Letters Patent is opposed to the probabilities and the necessities of the position as it existed. Joyce was retained by Stronach to advise him and to give him the benefit of his skill and knowledge in suggesting plan for emplacing stone in the breakwater. He prepared the plans known as M.3 which Stronach with his knowledge and assistance submitted to various engineering firms in order that these firms might tender for the construction of a crane illustrated in the plan. The Perry Company considered the plan, varied it in detail if not in essence, and submitted an open tender to Stronach who, with Joyce's assistance, considered it, and ultimately an order was given to the Perry Company, subject to some variation. See Letters 29th. November 1934, Perry Company to Stronach, 12th. December 1934, Mackay Harbour Board to Perry Company, Transcript pp.265-268. In the face of these facts it cannot be inferred that the tender by the Perry Company to Stronach was subject to any condition or understanding that it should be treated as confidential or secret until Joyce obtained Letters Patent <sup>for</sup> ~~of~~ his idea or scheme for a crane.

Still less can it be inferred that Stronach was guilty of any breach of faith in using Joyce's scheme or plan for a crane in the course of his business operations. It was for the purpose of preparing or designing such a scheme or plan for his business operations that he retained Joyce. After Joyce had applied for a patent in 1934 some negotiations took place between Joyce and Stronach as to a royalty for the use of the crane described in the complete specification attached to the



application. The impression I have derived from the correspondence is that neither Joyce nor Stronach were averse to the Mackay Harbour Board being saddled with a royalty for the use of the crane. See Letter 6th. June 1935 Stronach to Mackay Harbour Board, Transcript pp.144-148. But the Board did not assent to this cool suggestion. Stronach however was prepared to recognise Joyce's services in connection with the idea or scheme of the crane and to pay him some royalty out of his own profits on the contract with the Board. The parties nearly agreed but in the end Stronach withdrew from the negotiations and opposed the grant of any Letters Patent to Joyce. I mention these negotiations because some reliance was placed upon them and it was claimed that they affirmed the truth of Joyce's assertions. But all they show is that Joyce did apply for Letters Patent and then attempted to obtain a royalty from Stronach for the use of a scheme or plan for a crane which he had prepared for him as his engineer.

Also I may mention arguments addressed to the Court on behalf of Stronach, to the effect, that the plan M.3 sent to various engineering firms was an anticipation of the invention claimed by Joyce, and that Leslie and not Joyce was the real and true inventor of the crane apparatus described and claimed in Joyce's complete specification, merely to say that it is unnecessary to deal with these arguments in the view already expressed.

The appeal from the Commissioner of Patents should be dismissed.

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Judgment.

Dixon J.

I have had the advantage of reading the  
judgment of Starke J. and I agree in it and have nothing  
to add.

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JOYCE

V.

STRONACH.

JUDGMENT.

MR JUSTICE EVATT.

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JOYCE v. STRONACH.

Judgment

Evatt J.

I agree that the decision of the Commissioner should be confirmed. There is no satisfactory evidence, if evidence there is at all, that the publication to Stronach was protected under the rule of special confidence or privilege.