

ORIGINAL

IN THE HIGH COURT OF AUSTRALIA.

APPLICATION OF FROSTED FOODS
LIMITED FOR EXTENSION OF LETTERS
PATENT.

V.

ORIGINAL

REASONS FOR JUDGMENT.

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Delivered at SYDNEY.
on Friday, 16th April, 1948.

APPLICATION OF FROSTED FOODS LIMITED FOR
EXTENSION OF LETTERS PATENT

JUDGEMENT

STARKE J.

This is an application by way of Originating Summons on the part of Frosted Foods Limited for the extension of Letters Patent No. 24475/1930 and a Patent of Addition No. 2258/31.

The patents are for "improvements in or relating to refrigerating apparatus". It seems a valuable and useful invention. It is of American origin and the Letters Patent in respect of the invention were granted in Australia to Frosted Foods Incorporated of Delaware, United States of America. That company assigned the Letters Patent to the applicant, an English company which changed its name in July 1947 to Birds Eye (Holdings) Limited.

The applicant was registered as the proprietor of the patents in 1938 but so far its change of name has not been entered in the Register of Patents.

The patents expired on 6th January 1946.

The application for extension is based upon Sec. 84(6) of the Patents Act 1903-1935 which provides that, where by reason of hostilities between His Majesty and any foreign State, the patentee as such has suffered loss or damage (including loss of opportunity of dealing in or developing his invention owing to his having been engaged in work of national importance connected with such hostilities) an application under this section may be made by originating summons for an extension of Letters Patent, and that the Court in considering its decision may have regard solely to the loss or damage so suffered by the patentee.

The burden is on the applicant to satisfy the Court that the patentee as such has suffered loss or damage. The words

which follow "including loss of opportunity etc." do not, I think, apply to this case for there is no evidence that there has been a loss of such opportunity owing to the applicant having been engaged in work of national importance connected with the war. Apparatus according to the Letters Patent has never been manufactured in Australia nor has the invention been used in Australia. But the evidence is that the invention has been exploited and used in America under American patents on a considerable scale and also that the applicant has exploited and used the invention in Great Britain under British patents on a substantial but considerably lesser scale. According to the evidence filed in support of this Summons the applicant intended to establish its business first in Great Britain and then to exploit the invention in Australia and other parts of the British Empire. Some discussion and negotiation took place about 1938 with a view to the exploitation of the Australian patents but they were "merely exploratory" in their nature and nothing came of them. By the date of the outbreak of war in September 1939 the applicant states that it had proceeded so far in the training of staff in the manufacture of apparatus and in other development work in Great Britain that it would have been able, if the war had not intervened, to begin exploiting the invention in Australia by the beginning of 1940 and would have succeeded by the beginning of 1942 in placing a number of machines for use in Australia on terms not less favourable than those which obtained in Great Britain. But according to the evidence the outbreak of war prevented the applicant taking any effective steps to exploit the Australian patents. Trained personnel were lost to the applicant; travel and the recruiting of personnel were restricted. These difficulties, it seems, are gradually being overcome but it will take some time before the applicant can develop the invention in Australia. Upon the cessation of hostilities in September 1945 the applicant

states that it took such action as was possible to exploit its invention in Australia. It appointed a person to take charge of exploitation in Australia and later sent him to America so that he might become acquainted with the methods of manufacture and use and with the latest developments of the invention. So far (1948) however, apparatus made in accordance with the Letters Patent has not been made or imported into Australia.

Down to the beginning of the year 1942 it is clear, I think, that the existence of hostilities had nothing to do with the failure of the applicant and its predecessor in title to develop the invention in Australia. But after that date the existence of hostilities did, I think, prevent the applicant developing the invention in Australia. Its loss or damage by reason of hostilities cannot be quantified: indeed I doubt if the applicant or its predecessor would have made any profit in Australia from the invention during the life of the Letters Patent even if hostilities had not intervened. The cost of the necessary apparatus would have been considerable and the market was, I should think, somewhat limited. Neither the applicant nor its predecessor in title, however, had the full benefit of the monopoly created by the Letters Patent owing to the hostilities between His Majesty and foreign States. The real loss or damage sustained by "the patentee as such" is loss of opportunity of developing the invention in Australia (See Wohlers Patent 40 R.P.C. 49).

The invention has been used in both the United Kingdom and in New Zealand. Letters Patent for the invention have been extended in the United Kingdom until the 17th June 1951 and in New Zealand until the 4th January 1952.

In all the circumstances an extension of the Letters Patent is granted until the 4th January 1952. The extension will be by way of regrant to the Birds Eye (Holdings) Limited. But the

applicant must first enter in the Register of Patents its change of name from Frosted Foods Limited to Birds Eye (Holdings) Limited.

The regrant will be upon the usual B.T.H. terms.

And an office copy of this order will be lodged with the Commissioner of Patents at his office.

The applicant will pay the costs of the Commissioner of Patents of and occasioned by the Originating Summons, such costs to be taxed.