

ORIGINAL

IN THE HIGH COURT OF AUSTRALIA

MARFLEET & WEIGHT LIMITED

V.

THE NATIONAL MACHINERY CO.

ORIGINAL

REASONS FOR JUDGMENT

Judgment delivered at Sydney

on Friday, 7th December 1956

MARFLEET & WEIGHT LTD.

v.

THE NATIONAL MACHINERY CO.

ORDER

All questions for determination are answered in
the affirmative.

Adjourn further consideration of the petitions.

Liberty to both parties to apply.

MARFLEET & WEIGHT LTD.

v.

THE NATIONAL MACHINERY CO.

FINDINGS

WEBB J.

MARFLEET & WEIGHT LTD.

v.

THE NATIONAL MACHINERY CO.

FINDINGS.

WEBB J.

This is the trial of issues directed in proceedings by way of petition for the revocation of Patents Nos. 154733 and 155572 in the name of the respondent. The petitioner has also instituted an action under s.120 of the Patents Act on the assumption that the patents might not be revoked.

The subject matter of the patents is an apparatus for metal rolling mills. No.154733 covers the construction of the machine itself; No.155572 relates to the method of securing the roller to the shaft. The specifications claim a rolling mill which comprises in combination a pair of operating gap-rolls, a continuous rotating fly-wheel, a clutch for transmitting fly-wheel rotation to the rolls and a brake for arresting rotation of the rollers, being an automatic stock gauge mounted on the mill in alignment with the roller to be engaged by a blank passed through the gap in the rolls. If, say, an ordinary two-ended spanner is to be made a piece of iron is heated until red hot, but before the actual forging is done this red hot iron is put into something like the shape of the spanner by a preforming operation done by the rolls, which, when the shaping is done, automatically returns the roughly shaped metal towards the operator. It is then stamped into its final shape by an adjacent drop-hammer. These rolling mills are termed reducerolls and are in different sizes, including No.2 and No.6.

The history of the proceedings is briefly that in October 1953 a company called the National Forge Pty. Ltd., whose engineering works are at Footscray in Melbourne, gave an order to the petitioner for a reduceroll called Massey 3 valued at about £10,000, not manufactured by the respondent, for delivery on October 1954. However, in May 1954 the respondent,

having heard of this order, through its patents' attorneys told the National Forge Pty. Ltd. that this Massey 3 infringed Patent No.154733. The National Forge Pty. Ltd. called the petitioner's attention to this communication and eventually the latter petitioned for the revocation of the patent on several grounds, including prior publication. Thereupon the respondent also cited Patent No.155572 and the petitioner instituted an action under s.120 of the Patents Act under a declaration of non-infringement. Still later, presumably on the receipt of further advice or information, the petitioner presented a second petition for the revocation of Patent No.155572, also on the grounds among others of prior publication. For reasons that need not be stated the priority dates of these patents were 20th June 1952 and 30th June 1952. Nothing turns on the difference between these two dates.

In presenting these two petitions the petitioner relied on the particular features of the respondent's reducerolls having been published in Australia before the priority dates of the patents by reason of the sale and delivery of a No.2 and No.6 reduceroll to the National Forge Pty. Ltd. in April and May 1952 and the use of the No.2 roll before the end of June 1952; and also by reason of the sale and delivery early in May 1952 of a No.2 reduceroll to Siddons Drop Forgings Pty. Ltd., whose engineering works were situated at Clifton Hill and Heidelberg in Melbourne; and its use by the latter company before the end of May 1952.

The issues for determination are:-

- (1) Whether the reduceroll machines, which are admitted to have been delivered to National Forge Pty. Ltd. and to Siddons Drop Forgings Pty. Ltd., incorporated any of the features claimed under the complete specification: and if so
- (2) Whether
 - (a) sales of these machines to the National Forge Pty. Ltd. and to Siddons Drop Forgings Pty. Ltd.
 - (b) the said deliveries;
 - (c) the assembly of the machines;

(d) the use of the said machines constituted a publication of the invention prior to the priority dates.

Evidence was called by the petitioner as to the sale and delivery of these machines to National Forge Pty. Ltd. and Siddons Drop Forgings Pty. Ltd. and as to the construction of the machines and their operation. The respondent did not call evidence. As was to be expected the evidence of the dates of sale and delivery was mainly in invoices for the machines and book entries of payments. The evidence of an expert witness left no doubt that all three machines embodied the features claimed in the specifications of both patents. I find then that all three machines delivered to these two companies incorporated the features of both patents and did so at the time of their delivery to those two companies and that no material alterations were made subsequently. I also find that the delivery of all three machines was made before the 20th June 1952, that is to say before the earlier of the two priority dates, and that delivery of all machines was made in crates. The exact dates when these crates were opened do not appear in the case of the two machines delivered to the National Forge Pty. Ltd., but I find that in the case of each machine this was sometime before the 20th June 1952. However, I am unable to find that either machine was in use before the 30th June 1952. In the absence of supporting records I am not satisfied to act on the recollection of the general manager of the National Forge Pty. Ltd. that there was use of the machine before the end of June. But in the result this is of no importance.. I find that No.6 was not in use until July 1952. But in the case of reduceroll No.2 delivered to Siddons Drop Forgings Pty. Ltd., I find that the crate was opened and the reduceroll in use before the end of May 1952. In so doing, I accept as true the evidence of Hannaford who was the forge manager of Siddons Drop Forgings Pty. Ltd. when the reduceroll was delivered to the company. Hannaford fixed the time when the machine began to be used by the fact that he was on holidays during May and on his return

from his holidays on the 28th May 1952 he found the machine was in use. This witness told a consistent story. However, his evidence differed from that of the managing director of Siddons Drop Forgings Pty. Ltd. as to the place of delivery of the machine. Hannaford said that this was at Heidelberg and the managing director of Siddons said that it was at Clifton Hill. But the latter did not tell a consistent story. In cross-examination he said he might or might not have been in Melbourne in May or June 1952, and within a minute or two in re-examination he said he was in Melbourne when the machine was delivered. In the absence of supporting documents I do not feel that I should regard him as a reliable witness. Certainly if I did so I would be left in such a doubt as I could not resolve in the petitioner's favour.

It was conceded by the counsel for the respondent, rightly I think, that if I accepted Hannaford's evidence, as I do, then that would be the end of the matter.

It becomes unnecessary then to deal with the points of law raised but I fail to see why on delivery of the machines, and even before they were taken out of the crates, there was not publication, as the purchasers thereby acquired the means of knowledge of the invention. See Stahlwerk Becker Aktiengesellschaft's Patent 36 R.P.C. 13 per Lord Finlay L.C. and Lord Shaw of Dunfermline at p.19. Possession of the machine with the right to open the crate would appear to give the means of knowledge to the purchaser and that would be enough to establish prior publication; so too would sale or agreement to sell with the right to delivery.

Accordingly, I find for the petitioner on the issues and adjourn further consideration of the matter with liberty to both parties to apply.