5 OF 1961 15.

IN THE HIGH COURT OF AUSTRALIA

IN THE MATTER OF LETTERS PATENT NO. 138882 GRANTED TO HARPER J. RANSBURG AND OTHERS

IN THE MATTER OF LETTERS PATENT NO. 138236 AND NO. 139677 GRANTED TO HARPER J. RANSBURG AND OTHERS

IN THE MATTER OF LETTERS PATENT NO. 140414 GRANTED TO HARPER J. RANSBURG AND OTHERS

15/-

REASONS FOR JUDGMENT

Judgment delivered at MELBOURNE

on WEDNESDAY, 25TH OCTOBER 1961

W. M. Houston, Govt. Print., Melb.

IN THE MATTER OF LETTERS PATENT NO. 138882 GRANTED TO HARPER J. RANSBURG AND OTHERS

(No. 5 of 1960)

ORDER

Order that Letters Patent No. 138882 be extended for a period of three years from 29th September 1960. Such extension to be by way of regrant and to be subject to the conditions that no action or other proceedings shall be commenced or prosecuted and no damage shall be recovered in respect of any infringement of the patent which has taken place after the date of the expiration of the original term and before the date of this order; or in respect of the sale, use or employment at any time hereafter of any article actually made in that period in accordance with the invention covered by the patent. Applicants to pay the costs of the Commissioner of this application including any reserved costs.

IN THE MATTER OF LETTERS PATENT NO. 138236 AND NO. 130677 GRANTED TO HARPER J. RANSBURG AND OTHERS

(No. 15 of 1960)

ORDER

Order that Letters Patent No. 138236 and No. 130677 be extended for a period of three years from the expiration of the original term in each case. The extension in each case is to be by way of regrant and subject to the condition that no action or other proceedings shall be commenced or prosecuted and no damage shall be recovered in respect of any infringement of either patent which has taken place after the date of the expiration of the original term and before the date of this order; or in respect of the sale, use or employment at any time hereafter of any article actually made in that period in accordance with the invention covered by either patent. Applicants to pay the costs of the Commissioner of this application including any reserved costs.

IN THE MATTER OF LETTERS PATENT NO. 140414 GRANTED TO HARPER J. RANSBURG AND OTHERS

(No. 1 of 1961)

ORDER

Application dismissed. Applicants to pay the costs of the Commissioner of the application including any reserved costs.

IN THE MATTER OF LETTERS PATENT NO. 138882 GRANTED TO HARPER J. RANSBURG AND OTHERS

(No. 5 of 1960)

IN THE MATTER OF LETTERS PATENT NO. 138236 AND No. 130677 GRANTED TO HARPER J. RANSBURG AND OTHERS

(No. 15 of 1960)

IN THE MATTER OF LETTERS PATENT NO. 140414 GRANTED TO HARPER J. RANSBURG AND OTHERS

(No. 1 of 1961)

JUDGMENT TAYLOR J.

IN THE MATTER OF LETTERS PATENT NO. 138882 GRANTED TO HARPER J. RANSBURG AND OTHERS

(No. 5 of 1960)

IN THE MATTER OF LETTERS PATENT NO. 138236 AND NO. 130677 GRANTED TO HARPER J. RANSBURG AND OTHERS

(No. 15 of 1960)

IN THE MATTER OF LETTERS PATENT NO. 140414 GRANTED TO HARPER J. RANSBURG AND OTHERS

(No. 1 of 1961)

In these matters application is made for the extension of the terms of several letters patent relating to inventions concerned with methods and apparatus for electrostatically coating articles. Letters Patent No. 140414 relate to what has been called the Ransburg No. 1 process and Letters Patent Nos. 130677 and 138236 relate to improvements on the original invention. Letters Patent No. 138882 relate to what has been conveniently described as the Ransburg No. 2 process. Applications for these Letters Patent were convention applications and it is of some importance to notice when they were made and the terms for which they were granted. The application which resulted in Letters Patent No. 140414 was made in this country on the 9th July 1947 and the grant was made for a term of sixteen years from the date of the basic application in the United States, namely 29th June 1939. This patent, therefore, expired on the 29th June 1955 but an extension for a further period of six years was granted by the Commissioner pursuant to s. 95 of the Patents Act 1952-1955. The application which is now made is for a further extension pursuant to the provisions of s. 90.

Letters Patent Nos. 130677 and 138236 were granted upon applications made in this country in February 1946 and July 1947 respectively and they were granted for terms commencing on the 3rd February 1945 and the 26th January 1945. They also have now expired and application is made for an extension on the ground that the petitioners

have suffered war loss or damage of the character specified in s. 95.

Finally Letters Patent No. 138882 were granted in respect of a term which expired on the 29th September 1960 and an application for an extension of this term is also made pursuant to s. 95.

All of the applications were, by consent, heard together and, although the merits of each application were the subject of independent discussion, it was agreed that upon each application I should have regard to the whole of the evidence in so far as it might be relevant. But in view of the conclusion to which I have come it is unnecessary to discuss much of the material which was put before me.

There is no doubt that the patents have produced very substantial returns in countries other than Australia. Altogether those relating to the No. 1 process seem to have produced something in excess of ten million dollars. The patent relating to the No. 2 process has produced a great deal more. The details of the returns relating to the No. 1 process are as follow:

"United States of America	1944	47,000	dollars
	1945	165,000	"
	1946	270,000	"
	1947	380,000	"
	1948	555,000	"
	1949	665,000	"
	1950	810,000	"
	1951	880,000	"
	1952	820,000	"
	1953	890,000	"
	1954	820,000	"
	1955	830,000	"
	1956	720,000	"
	1957	630,000	"
	1958	520,000	"
	1959	480,000	"
	1960 (1st 6 mths)	245,000	"
Canada	1948	13,300	"
	1949	18,700	"
	1950	17,700	"
	1951	16,000	"
	1952	16,200	"
	1953	16,300	"
	1954	21,400	"
	1955	19,600	"
	1956	17,200	"
	1957	10,800	"
	1958	8,700	"
	1959	3,500	"
	1960(1st 6mths)	600	"

Italy	1948	4,500	dollars
	1949	5,000	"
	1950	0	"
	1951	0	"
	1952	0	"
	1953	0	"
	1954	26,000	"
	1955 (Through July 31)	13,000	"
Netherlands	1951	2,535.33	dollars
	1952	2,054.73	"
	1953	3,086.49	"
	1954	3,055.86	"
	1955	4,337.47	"
	1956	4,429.13	"
	1957	4,091.38	"
	1958	2,221.03	"
	1959	2,079.55	"
	1960(1st 6 mths)	644.56	"
Sweden	1951	0.00	"
	1952	3,667.00	"
	1953	7,333.00	"
	1954(Through July 31st)	0.00	"
United Kingdom	1947	0.00	"
	1948 Less than	15,000.00	"
	1949 " "	15,000.00	"
	1950	15,960.00	"
	1951	34,620.30	"
	1952	40,808.00	"
	1953	66,966.70	"
	1954	63,156.10	"
	1955	79,693.60	"
	1956	82,707.00	"
	1957	98,777.00	"
	1958	95,823.00	"
	1959	101,082.00	"
	1960(1st 6 Mths)	49,464.00	"
Belgium	1956	1,776.00	"
	1957	2,428.00	"
	1958	3,656.40	"
	1959	3,790.40	"
	1960(1st 6 Mths)	1,115.40	"
France	1953	340.50	"
	1954	5,193.60	"
	1955	5,074.00	"
	1956	3,385.80	" "

But in Australia the sole return seems to have been in the vicinity of £2,000 which was the amount payable by various licensees between 1957-1960.

The extent to which foreign profits ought to be taken into consideration in cases such as the present was

the subject of discussion in Ex parte Celotex Corporation (57 C.L.R. p. 19 at p. 24) and in In re Johnson's Patent (61 C.L.R. p. 50 at p. 51). But for reasons which will appear the extent of the applicant's foreign profits has not influenced me in coming to a conclusion in these applications. However, the details of the evidence are of some value in determining whether the failure to obtain any substantial return in Australia resulted from the neglect of the petitioners to make reasonable efforts to exploit their Australian patent or whether it occurred in circumstances which would justify the Court in granting a further extension of the term.

It appears from the evidence already set out concerning the returns from the No. 1 process patents that there was no income from the invention in the United States, until 1944. But in that year income commenced to accrue and, as appears, it rapidly increased year by year until 1950. Thereafter the return was substantial for a number of years. There was no income from any other country until 1948 when the exploitation of the invention commenced to produce profits in the United Kingdom, Canada and Italy. Successively, income commenced to accrue in Sweden in 1950, in the Netherlands in 1951, in France in 1953 and in Belgium in 1956. No attempt, however, was made to exploit the Australian patents till about 1955 in spite of the fact that there had been a number of enquiries from Australia from the beginning of 1947. One thing that emerges quite clearly from the evidence is that by 1950, or 1951 at the latest, the petitioners were in a position to commence exploiting their Australian patent. But they did not choose to do this until after the expiration of another five or six years. It is, I think, quite impossible to read the evidence without coming to the conclusion that during most of the life of the patents the Australian market was not of much interest to the petitioners. Its potential was

probably regarded as insignificant and the shortage of dollar funds in Australia caused the market to lose whatever attraction it might otherwise have had. Additionally the existence of a system of import licensing might have been thought to create difficulties in the way of exploitation but I am by no means satisfied that these difficulties were in any way insuperable, or indeed, that the existence of import licensing was the reason why there was no attempt to exploit the patent at an earlier stage. To my mind the reason why no such attempt was made was that the petitioners regarded the Australian market's potential as, at the very least doubtful, and they foresaw difficulties in the way of securing any immediate return in dollar currency.

Much the same picture arises upon consideration of the evidence concerning the profits which resulted from the exploitation in foreign countries of the patent relating to the No. 2 process and with these observations in mind it is, I think, possible to consider what orders should be made in the several applications. After considering the evidence and the submissions which were made I am prepared to make orders for extension in the s. 95 applications. But I am not prepared to extend the terms of the letters patent with which these applications are concerned for more than three years from their respective expiry dates. I have assessed this period by taking into account the extent of the delay in exploitation which I think probably resulted directly from disorganization in this country immediately before the end of, and for a period of two or three years after, the war.

But I am not prepared to treat the applicant's failure to exploit their Australian patents at any later stage as equivalent to loss or damage by reason of hostilities of the nature specified in s. 95. That failure, as I have already said, resulted substantially from the fact that the Australian market was not regarded as of much significance though, no doubt,

exchange difficulties and the existence of import licensing were additional factors which made it even less attractive. But the latter factors were not in any real sense the cause of such failure; they were no more than additional matters which were taken into consideration by the applicants in deciding not to attempt to exploit a market which, even without these difficulties, they regarded as insignificant. But even if I thought that they were of prime importance in deciding the company's policy with respect to the Australian market I would not be prepared to treat the so-called loss as a loss by reason of hostilities within the meaning of s. 95. It could be regarded as nothing more or less than a loss resulting from the petitioner's disinclination to make any effort to exploit its Australian patents during what they regarded as a period of difficult trading conditions and, as such, clearly not within s. 95.

In the result, therefore, I feel bound to assess the period of extension in each of the s. 95 applications by reference only to the period of disorganization which existed at and immediately after the end of the war.

The letters patent with which the s. 90 application is concerned were, as already appears, extended under s. 95 for a period of six years from the 29th June 1955 and any claim for a further extension now must rest upon the finding that the petitioners were inadequately remunerated in Australia during the life of the patent. The claim that they were inadequately remunerated, in terms, rests substantially upon the failure to obtain any return in Australia before 1957. But this failure occurred in the circumstances which have already been discussed and the views which I have expressed mean that this application must be dismissed.