

ORIGINAL CIVIL.

Before Mr. Justice Sale.

1896
May 19.

IN THE MATTER OF THE INVENTIONS AND DESIGNS ACT, 1888,

AND

IN THE MATTER OF AN ALLEGED INVENTION OF A. E. SHORT. *

Inventions and Designs Act, 1888, section 30—New manufacture—Process, Meaning of—Sections 21, 22, 23, 24, 25.

In a case where an inventor of a new manufacture or process sold the article produced by the process freely for a large number of years in the open market and then applied for a patent under the Inventions and Designs Act, 1888 :

Held, that where profit is openly derived from the employment of a secret process, there is a public user of such secret process within the meaning of the Act. The term "invention" having regard to section 5 of the Act means new manufacture.

Semble.—The term "new manufacture" or "invention" might be applied to a process only.

Held also that "assignee" in the Act^{*} refers to an assignee of the entire title and interest of the inventor ; section 4, sub-section 4 of the Act.

Wood v. Zimmer (1), followed.

THIS was a rule obtained by John Carapiet Galstaun under section 30 of the Inventions and Designs Act, 1888, calling upon Ernest Angelo Short to shew cause why the Court should not declare that an exclusive privilege under the Inventions and Designs Act, 1888, in respect of an invention or process for the manufacture of shellac had not been acquired by him.

The objections raised by John Carapiet Galstaun to the invention were:—

(1) That the invention was not a new invention at the date of the application for leave to file the specification within the meaning of Part I of the Act.

(2) That Ernest Angelo Short was not the inventor.

The facts connected with the invention were shortly as follows :—
Martin Kenneth Angelo and Ernest Angelo Short had for ten

years past been carrying on business together in partnership as merchants and manufacturers of shellac at Cossipore in the suburb of Calcutta, under the name and style of Angelo Brothers, and had been selling in the open market shellac or garnet produced by them by means of machinery and in accordance with a process, both of which were claimed to have been invented by Martin Kenneth Angelo many years before the commencement of the partnership.

The process was for the conversion of clean lac and seed lac into shellac. It was contended by Ernest Angelo Short that, although the article produced was freely sold in the open market for profit and in the usual course of business, the process and the machinery employed by them had always remained a secret, until the application was made at the present date to file the specification. It was also contended by Ernest Angelo Short that he was the assignee of the inventor. The other facts of the case sufficiently appear from the judgment.

Sir G. Evans (Mr. Woodroffe and Mr. Garth with him) for Ernest Angelo Short.—The invention is one invented by Mr. Kenneth Angelo, which my client has made an application to take out a patent for. If I can shew that I am the assignee and that I have kept the process wholly unknown and have kept the machinery unknown, I am not damnified because I sold the lac. The fact that I have sold the product does not in any way prevent my right to a patent for the chemical process. There has been no actual user of the process by any one except the inventor. A secret of this kind cannot be said to be public property, until actually published. Sections 31, 32, 35, 36 of the Inventions and Designs Act, 1888. In section 38 there is a particular remedy provided in cases where any one takes out a patent in fraud of another person. Hindmarch's Law relating to patent privileges, pp. 24, 25: If there is a sale of shellac produced more cheaply by reason of an invention, can it be said that there has been a public user of that invention? Can it be said that there has been any user by others? *Murray v. Clayton* (1), *Hindmarch*, p. 130, *Sheehan v. Great Eastern Rail^{way} Company* (2), *Morgan v. Seaward* (3). Here, if they kept

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℞, 7 Ch., 570.

(2) L. R., 16 Ch. D., 59.

(3) 2 M. & W., 544, at p. 553.

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the process secret, there could not possibly have been a public user within the meaning of the Act. Here they did not proclaim the process to the world, and there was no reason why they should. As regards the question of assignment, the difficulty put forward about the assignee is a mere technical difficulty. The Act says they must be co-owners: we say we were in partnership as co-owners.

The Advocate-General Sir *C. Paul* (with him Mr. *Jackson* and Mr. *L. P. Evans Pugh*).—I dissent from the ground that you may have a patent for a process. Here the person who has the patent is neither the inventor nor assignee. Assignee includes a grantee of the exclusive privilege of making or assigning an invention; but here he never got a deed of assignment. To whom can it be said the patent belongs. Sections 21, 22 of the Act are relied on, but not section 23. Section 23 is the same as *Wood v. Zimmer* (1). It was never intended that the owner of a machine should be able to go on for twenty-seven years and then apply for a patent. Under the law he cannot claim for the process alone. Agnew on Patents, p. 39. You can only have a patent for a new manufacture; not for a process. *Wood v. Zimmer* (1). In this latter case the patent was for a new mode of making verdigris, and is similar to the present case. Unless the Court is prepared to overrule this case, the application must be refused. *Patterson v. Gas Light and Coke Company* (2), *Betts v. Menzies* (3). Webster's Law of Patents, pp. 194, 205; Edmund on Patents, p. 203; Agnew on Patents, p. 19; *Heath v. Smith* (4); Kerr on Injunctions, p. 491. If there has been a sale of the article produced for more than a year, there cannot be a patent. The process itself even is not a new one. The only part new is a method of evaporation by spirits of wine.

SALE, J.—On the 9th September 1895 the petitioner, John Carapist Galstaun, applied for and obtained under section 30 of the Inventions and Designs Act, 1888, a rule calling upon Ernest Angelo Short to shew cause why this Court should not declare that an exclusive privilege under the Inventions and Designs Act, 1888, in respect of a certain alleged invention set forth in the specification of the said Ernest Angelo Short, filed by him on the 27th

(1) Holt, 58.

(3) 1 Ellis & Ellis, 990, 1008.

(2) L. R., 3 A. C., 239, 244.

(4) 3 Ell. & Bl., 256.

March 1895, has not been acquired by the said Ernest Angelo Short under the said Act by reason of the following objections amongst others :—

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(1) That the said invention was not at the date of the delivery of the application for leave to file the specification a new invention within the meaning of Part I of the said Act.

(2) That the applicant, the said Ernest Angelo Short, was not the inventor thereof.

Several affidavits were filed in support of the application for the rule, and cause has now been shown on the part of Mr. Ernest Angelo Short, who bases his resistance to the application of the petitioner mainly on the evidence afforded by the affidavits of himself and of his uncle, Mr. Martin Kenneth Angelo.

A perusal of the affidavits filed on the one side and the other shows that the parties are very seriously at issue on several important matters of fact which are alleged and relied on by the petitioner in support of his application, and if it had been necessary to arrive at a finding in respect of any of these matters, I should have felt it my duty to have adopted the procedure provided by section 35 of the Act for the trial of the necessary issues.

It appears to me, however, that the application may be disposed of on the evidence of Messrs. Ernest Angelo Short and Martin Kenneth Angelo, so far as it bears on the two grounds of objection relied on by the petitioner to which I have referred.

I will first deal with the second of these objections.

The following facts are beyond dispute : Mr. Martin Kenneth Angelo and Mr. Ernest Angelo Short have for the last ten years carried on business together in partnership as merchants and manufacturers of shellac at Cossipore in the suburbs of Calcutta, under the name and style of Angelo Brothers. During this period the firm, under the management of Mr. Ernest Angelo Short, has manufactured and produced and has sold in the usual course of trade the article shellac or garnet which, under the firm's

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mark, has obtained a considerable reputation in the market. This article has been produced by machinery and in accordance with

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a process claimed to have been invented by Mr. Martin Kenneth Angelo many years before the commencement of the partnership. The article thus produced is not a new substance, inasmuch as shellac or garnet can also be produced by hand, and this hand process has been openly and commonly practised for many years. But in respect of the process or method of manufacture adopted by Messrs. Angelo Brothers, it is claimed that the working is more economical, and that there is a larger outturn of the finished article of uniform quality from the raw material used. It is also claimed on the part of Messrs. Angelo Brothers that, although the article produced by them has been freely sold by them for profit in the open market and in the usual course of trade, the process and the machinery employed by them have throughout, until the application was made to file the specification in question, remained a secret.

The application by Mr. Ernest Angelo Short for leave to file a specification was made on the 30th of September 1894, and it contains the following statement: "The applicant is in possession of an invention of a process and its machine for converting clean lac and seed lac into shellac. *He is the assign of the inventor.*"

In a letter which accompanied the application Mr. Short made the following further statement: "A deed of assignment in my favor from Mr. Angelo, my uncle and partner in business, is being sent out from England, and will follow as soon as received." On the 24th of November 1894 Mr. Short again wrote to the Secretary to Government, asking that in his application the name of his firm Angelo Brothers might be substituted in the place of his own name, on the ground that he and his partner Mr. Martin Kenneth Angelo had agreed that to prevent possible complications arising from "the representation of or assignment from the inventor," the application should be made in the name of the firm. It does not appear that any notice was taken of this letter by the Government, possibly because there was no allegation that there had been any assignment of the invention by the inventor to the firm. The claim of Mr. Ernest Angelo Short to be *the assign of the inventor*, based as it was on the deed of assignment in his favor from the actual inventor which was expected from England, appears to have been allowed, and, leave being granted, the specification was filed on the 27th March 1895. The following evidence

has been adduced in support of Mr. Ernest Angelo Short's claim to be the *assign* of the inventor. In the 15th para. of his affidavit Mr. Ernest Angelo Short has deposed as follows:—

“That as regards the objection that I am not the inventor of the machine for which the said patent has been acquired, it is true as above stated that the said Mr. Martin Kenneth Angelo was the original inventor thereof, but I say that when I entered into partnership with the said Mr. Angelo as aforesaid, it was understood and agreed between us that I should become and be the proprietor to the extent of a half share of and in the said invention, and that I have been such proprietor ever since, and that so far as the said Mr. Martin Kenneth Angelo was concerned it was always understood that he had assigned the said invention to our said firm of Angelo Brothers, and I say, as the resident partner of the said firm in India, I have always had and have still from my said partner full and complete authority to deal with the said invention and protect the same for the benefit of the said firm as I might think best, and that he has always sanctioned and confirmed what I have done in reference thereto.”

The evidence of Mr. Martin Kenneth Angelo is to the same effect, and it goes to show that there was an oral assignment of the invention by the inventor to the firm at the time that Mr. Ernest Angelo Short joined it; and that as a result of this assignment Mr. Martin Kenneth Angelo and Mr. Ernest Angelo Short as members of the firm became entitled to the invention in equal shares as joint proprietors. On the same day that his affidavit was sworn, *viz.*, on the 13th day of February 1896, Mr. Martin Kenneth Angelo executed a deed which, so far as appears, is the only deed which has been executed by him with reference to the invention, and it contains this recital: “Whereas the said Martin Kenneth Angelo is the sole inventor of a process and machinery for converting clean lac and seed lac by the dissolution thereof in spirit by means of machinery into shellac *in respect of which he is entitled to an exclusive privilege.*”

This statement as to the title to the *exclusive privilege* at the date of the deed does not seem to be consistent with the suggestion that, whatever was the partnership arrangement made in 1886, Mr. Martin Kenneth Angelo understood or believed

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that he had thereby assigned over or parted with his exclusive title to, or legal proprietorship in his invention, and this suggestion is further contradicted by the recital which follows of the partnership agreement in question: "And whereas at the commencement of the said partnership it was agreed between the said parties that the *benefit* of the said invention and of any patent which might be obtained in respect thereof should form part of the partnership property, and should be enjoyed by the parties in equal shares."

And the witnessing part of the deed is in accordance with this recital. After reciting the application by Mr. Ernest Angelo Short for a patent, first in his own name and then in the name of the firm, and that the grant had been made in the name of Mr. Ernest Angelo Short, the deed proceeds: "This indenture witnesseth, and it is hereby agreed and declared that the *benefit* of the said patent is and shall be deemed to be the property and right of the parties hereto in equal shares."

The statements contained in this deed therefore tend to show that, while the legal ownership or title to the invention has throughout remained in Mr. Martin Kenneth Angelo, the only concession which has been made to the partnership is that the invention should be worked and used for the material profit and benefit of the members of the firm. In this state of the evidence it would be difficult to say that there had ever been an assignment of the invention in favor of the partnership. But assuming that there has been an assignment, such as has been deposed to by Messrs. Martin Kenneth Angelo and Ernest Angelo Short, would it constitute Mr. Ernest Angelo Short an *assign* of the inventor within the meaning of the Act? Section 20 of the Act provides that a person shall not be entitled to an exclusive privilege under Part I, if the applicant is not the inventor thereof.

By section 4, clause 5 the terms *inventor* and *actual inventor* are defined as including the executors, administrators or *assigns* of an inventor or actual inventor as the case may be.

And then clause 4 of the same section provides: "*Assign* includes a grantee of the exclusive privilege of making, selling or using an invention, or of authorizing others so to do."

Mr. Short is clearly not an assign in the sense of being a grantee of the *exclusive* privilege of making, selling or using an invention, nor can it be said that he is an assign of the inventor within the meaning of clause 5, because the word "assign" in this clause seems clearly to refer to an *assign* of the entire title and interest of the inventor, and not to an assign of a share only. I must, therefore, hold that Mr. Ernest Angelo Short is not entitled to the exclusive privilege of the invention of which he has filed a specification, inasmuch as he is not the *inventor* thereof.

This finding would be sufficient to dispose of the rule, but I think I ought to state my view as to the objection that the invention was not *new* at the date of the application for leave to file the specification. *Section 5 of the Act* provides that the *inventor* of a *new manufacture* may apply to the Governor-General in Council for leave to file a specification thereof. The term *invention* as used in the Act, I therefore take to mean *new manufacture*.

Now, manufacture is thus defined by clause 6 of section 4: "Manufacture includes any act, process or manner of producing, preparing or making an article, and also any article prepared or produced by manufacture." It is contended on behalf of the petitioner that the term manufacture cannot apply to the *process* alone, but means the process taken together with the article produced thereby, and that therefore the term invention cannot be confined to the *process only*.

On the other hand, it is said that the definition of the term manufacture was intended to draw a distinction between the case of the invention of a new substance or article and the invention of a *new process* or method of producing an *old substance*, and that where an old substance like shellac is produced by a new process, then it is the new process which is the new manufacture, whereas when a new substance is produced, then it is the new substance or new article which is the new manufacture. It is not perhaps necessary to express a final opinion on these points, though I am inclined to think that reading the definition of the term "manufacture" in the light of the English authorities, it was intended that, when an old or known substance is produced in a new way by a newly discovered art or process, then the term *manufacture* may be applied to the *new process*.

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In the case of *Wood v. Zimmer* (1) it was held that where a patent had been granted for a new mode of making *verdigris*, and it appeared that previous to the patent being granted, the article had been publicly vended by the patentee himself, the patent was void. In a note to the case at page 65 the learned author discusses the meaning of the word "manufacture" as used in the Statutes of James, and he makes the following observation: "When the effect produced is some new substance or composition of things the patent ought to be for such new substance or composition without regard to the mechanism or process by which it is produced; when the effect produced is no new substance, the patent can only be for the mechanism if new mechanism be used, or for the *process*, if it be a new method of operating with or without old machinery by which the effect is produced." He then quotes a dictum of Eyre, C. J., in *Boulton and Watt*: "New methods of manufacturing articles in common use may be said to be *new manufactures* in one of the common acceptations of the words. Three-fourths of the patents granted since the Statute are for *methods of operating* and of manufacturing, producing no new substance and employing no new machinery." Assuming then that the terms *new manufacture* or *invention* may be applied to a *process* only, the question is whether the *process* and machinery in respect of which the specification was filed by Mr. Ernest Angelo Short were *new* at the date when the application was made for leave to file it.

Section 21 of the Act provides that an invention shall be deemed a new invention, if it has not before the date of the application for leave to file a specification been publicly *used*, or been made publicly known, by means of a written publication. Sections 21 to 24 draw a distinction between public *use* of an invention and public *knowledge* of an invention. Section 23 distinguishes between a public use of an invention by the inventor himself and by some other person. It says: "Use of an invention in public by the inventor thereof or by his servant or agent for a period not exceeding one year immediately preceding the date of the delivery or receipt of his application for leave to file a specifica-

(1) Holt, 58.

tion thereof or knowledge of the *invention* resulting from such use thereof in public shall not be deemed a public use or knowledge within the meaning of this part."

Has there then been a use in public of the process invented by Mr. M. K. Angelo for producing shellac by the inventor prior to the 30th September 1893, *i.e.*, prior to the period of one year from the date of the application? If the public vending for profit of the article produced by the process is a public use of the process, although the process itself is kept secret, then this question must be answered in the affirmative.

There may be a user in public of an invention or process, although such user does not impart to the public any knowledge of the process employed. See the opinion of Erie, J., expressed in the case of *Heath v. Smith* (1) cited below. There is also authority for saying that a public sale for profit of an article produced by a new and secret process before the date of the patent will, if proved, invalidate the patent.

The case of *Wood v. Zimmer* (2), already cited, appears to establish that proposition, and the same view was taken of the ruling in that case by Parko, B., in the case of *Morgan v. Seaward* (3). At p. 559 that learned Judge says: "It must be admitted that, if the patentee himself had before his patent constructed machines for sale as an article for commerce for gain to himself and been in the practice of selling them publicly, that is, to any one of the public who would buy the inventions it would not be *new* at the date of the patent. This was laid down in the case of *Wood v. Zimmer* (2), and appears to be founded on reason, for, if the inventor could sell his invention, *keeping the secret to himself*, and when it was likely to be discovered by another take out a patent, he might have practically a monopoly for a much longer period than fourteen years."

It is clear, I think, that the learned Judge in the passage, "for if the inventor could sell his invention," uses the word invention in the sense of the article produced by the secret process, and not as meaning the secret process itself; that is shown by the words which immediately follow "keeping the secret to himself." Moreover

(1) 3 Ell. & Bl., 256.

(2) Holt, 58.

(3) M. & W., 544.

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the illustration given in this passage is precisely the case of the secret process invented by Mr. M. K. Angelo, for which an exclusive privilege is now sought. Messrs. Angelo Brothers, according to the evidence of Mr. Short, have succeeded in keeping their process secret, and at the same time have worked it for their own private profit and advantage for a great number of years, and at the last moment, when it appears likely that their secret has been discovered, an application is made for leave to file a specification with the object of securing a monopoly of their method of production for a further period of years. This, according to the view of Parke, B., is against the policy of the *patent law*. One other authority may be cited for the proposition that there may be a user in public of an invention, although the *process* is kept secret, and that is the case of *Heath v. Smith* (1). A patent had been granted for a new and improved process of producing iron and steel. In an action brought for the infringement of this process it was shown that other persons had used substantially the same process, some of them secretly and some openly, but all had openly and publicly sold the article produced by the process.

At page 273 of the Report Erle, J., says : " If one party only had used the process and had brought out the article for profit and kept the method entirely secret, I am not prepared to say that then the patent would have been valid."

Lord Campbell, C.J., added : " So that, if we had held a person entitled to a patent for the discovery of a process openly practised by others for their own profit, but without a public announcement of the method, the action would lie against them. * * * *"

" Now see what that comes to. If any man makes a discovery, and uses it without taking out a patent and does not announce it by sound of trumpet, or calling on the public as spectators, he must suspend the use of his discovery, if another person subsequently makes the same discovery and takes out a patent for it. That would be the consequence of the principle for which the defendant is driven to contend."

The principle which seems to be the foundation of these decisions is that, when profit is openly derived from the employment of a secret process, there is a *public user* of the secret process.

(1) 3 Ell. & Bl., 256.

For these reasons I must hold that there has been a user of the invention in public by Messrs. Angelo Brothers prior to the date of the application for leave to file a specification, which user does not fall within the exemption provided by section 23 of the Act.

It follows that the invention is not new within the meaning of clause (b) of section 20 of the Act. There must therefore be a declaration that the applicant, Mr. E. A. Short, is not entitled to the exclusive privilege of making, selling and using the invention, which is in question in these proceedings, and the rule must be made absolute with costs.

Attorney for the petitioner : Messrs. *Gregory & Jones*.

Attorney for the opposite party : *Mr. Farr*.

Before *Mr. Justice Ameer Ali*.

DEBENDRA NATH MULLICK v. PULIN BEHARY MULLICK. *

Mortgage—Actionable claim—Transfer of Property Act (IV of 1882), section 135, clause (d)—Transfer of a claim for an amount less than its value—Recovery of amount actually paid with interest and incidental expenses.

Where the debtor without denying the claim offers to pay the purchaser the actual price paid by him with interest and expenses of the sale and merely disputes the amount of these items :

Held, that such a case does not come under the exception in clause (d) of section 135 of the Transfer of Property Act, and the first paragraph of that section applies.

That it is not necessary to deposit the money in Court in order to gain the benefit of section 135 of the Transfer of Property Act.

THE defendant, Pulin Behary Mullick, executed a mortgage and further charge, dated respectively the 23rd September and the 3rd November 1886, in favour of one Sowdaminey Dossee, who assigned the same to the plaintiff on the 26th January 1891. On hearing of the assignment the mortgagor immediately offered to pay to the assignee the actual price paid by him for the assignment, together with interest and incidental expenses. There was a dispute as to the amount of these items, the price of the assignment according to the plaintiff being Rs. 6,000 and according to the defendant only Rs. 2,750, which latter sum was proved at the hearing to be correct. This offer was refused by the assignee who

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* Original Civil Suit No. 319 of 1891.