year 1888, and from 1888 they have had this patent bringing about exactly what they wanted with the greatest utility to mankind.

Then, it is said, "Well, but supposing we are wrong on both those points, "that neither *Sutcliffe's* nor the Plaintiffs' patent of 1887 anticipated the 5 "Plaintiffs' patent of 1888, still you are wrong upon your Specification, namely, "that you have claimed in your claim something you have no business to, and "that your real claim is what you have got in Claim 2; that is, in Claim 1 you "claim only a combination of the chamber and the pan without the user of the "tipper, and it is only the combination of the three that makes your patent 10 "any good at all." That is not right. It has been pointed out by the *Master of the Rolls* and by Lord Justice *Kay*, who have preceded me, that the real nature of this combination patent is that it is a combination of a chamber and a pan, in which chamber a tipper can be used which may protrude into the pan. Therefore the Plaintiffs are right also on their Specification.

15 On these grounds, I am of opinion that the appeal fails.

Before THE JUDICIAL COMMITTEE OF THE PRIVY COUNCIL.

Present:—LORD WATSON, LORD HOBHOUSE, LORD MACNAGHTEN, LORD DAVEY, and SIR RICHARD COUCH.

July 10th, 1895.

20 IN THE MATTER OF BARFF'S AND BOWER'S PATENT.

Patent for means and apparatus for producing rustless iron.—Petition presented by assignees.—Patentees no longer interested in the patent.—Prolongation refused.

The Petitioners, a limited liability company, presented a petition for 25 *prolongation of a patent granted to three Patentees, who, as soon as the patent was granted, had sold their interest therein to the Petitioners for certain sums, with a view to its being introduced to the public. The Petitioners worked and introduced it at a loss. The Patentees had sold their foreign patents (some of which had expired) to other parties.*

30 *The Judicial Committee decided (following* Claridge's Patent, 7 Moo. P.C. 394, *and* Norton's Patent, 1 Moo. P.C. N.S. 339) *that prolongation should be refused.*

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Where a company are Petitioners and have bought the patent for cash and shares, the petition should disclose what sales of shares, if any, have taken place in the market.

This was a petition for prolongation of a patent presented by *The Bower-Barff Rustless Iron Company, Ld.*, as assignees under the following 5 circumstances.

On the 28th of July 1881, a patent (No. 3304 of 1881) was granted to *Frederick S. Barff*, *George Bower*, and *Anthony S. Bower*, for "Improvements "in effecting the protection of iron and steel surfaces, and in the furnaces "employed therein." 10

Before the date of the patent, the Patentees severally obtained patents for processes for forming on iron a coating of magnetic oxide of iron, which preserved the metal from rust. From various causes these inventions were commercially unsuccessful.

The patent in question remedied the defects in the previous processes, and 15 was of great merit. By it, the previous processes were made successful, and the cost reduced by 75 per cent. Articles treated by this process were in common use amongst French peasants, and pipes treated by it were used in the United States in lieu of lead water-pipes.

The Patentees also obtained patents in the United States, India, Canada, 20 Germany, Russia, France, Belgium, Austria, Norway, Sweden, and Italy. Those taken out in the United States and India were still in force, the Canadian, German, and Russian, had expired in 1892, but no information had been obtained as to the duration of the others.

Before the 5th of August 1881, *F. S. Barff* agreed to sell his interest in the above- 25 mentioned patents, and all improvements in the inventions, to *G.* and *A. S. Bower*, for 10,500*l.*, and by another arrangement *R. Nesham* acquired certain interests in these patents.

By an agreement, dated the 5th of August 1881, *G. Bower*, *A. S. Bower*, and *R. Nesham*, agreed, amongst other things, to sell to *The Bower-Barff Rustless* 30 *Iron Company, Ld.*, the earlier patents, for the sum of 75,000*l.* (cash, 25,000*l.*, and fully paid-up shares to the nominal value of 50,000*l.*); and to assure to the Company the patent in question as soon as it was granted; and that *G. Bower* should be managing director of the Company, at a salary of 1,000*l.* per annum. 35

The Bower-Barff Rustless Iron Company, Ld., was incorporated on the 9th of August 1881, with a capital of 250,000*l.*, with the object (*inter alia*), of carrying into effect the agreement of the 5th of August, and acquiring and working the said patents.

By an agreement, dated the 30th of November 1881, the preceding arrangement 40 was modified. The purchase money to be paid by the Company was reduced to 50,000*l.* (cash, 15,000*l.*, and shares, 35,000*l.*). The cash portion was subsequently reduced to 10,000*l.*, and the vendors subscribed for 512 ordinary 10*l.* shares, 409 of which were forfeited for non-payment of calls, and on the 103 remaining, calls amounting to 223*l.* 5*s.* remained unpaid. The fully paid-up 45 shares were duly allotted to the vendors.

On the 16th of March 1882, the patents (including No. 3304 of 1881) were assigned to the Company. By an agreement of the same date, *F. S. Barff* was appointed consulting chemist to the company, at a salary of 100*l.* per annum, and arrangements were made in accordance with which the 10,500*l.* due to him 50 were subsequently paid off. He died in 1886.

In 1882, the Company took premises in London, and erected furnaces, but failed to get the invention taken up, and closed their works in 1889.

After 1889, the Company worked the invention solely by licenses granted on various terms to eleven parties, of which four alone remained in force. 55 Considerable expense was incurred, and no dividend was ever paid. The Company never had any transactions in relation to the foreign or colonial patents, which had been sold by the Patentees themselves.

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The Company presented a petition for an extension of the patent (No. 3304 of 1881), and the petition came on for hearing.

Moulton, Q.C., and *Lawson* (instructed by *J. H. and J. Y. Johnson*) appeared for the Petitioners, and *Sutton* for the Crown.

5 *Moulton*, Q.C., for the Petitioners, explained the nature and great merits of the invention. The learned Counsel commented on the facts disclosed in the petition, and argued that the receipt of payment from the Company by the original Patentees was no objection to granting a prolongation. [Lord WATSON. —There ought to be always a statement in these cases—having regard to 10 observations that have been made by this Board from time to time—when a Company come as Petitioners, as to whether any, and, if so, what, dealings have taken place in the shares. In one case, we dismissed an application because it appeared that the individual members of the Company had benefited themselves by the sale of shares.] The Company here acquired the patents at a 15 price in a *bonâ fide* manner; they believed in the merits of the invention. It is now only being fully appreciated by the public. In the case of *Lyon's Patent* (11 R.P.C. 537), there was no commercial success till the end of the original term. The learned Counsel examined the accounts in detail, to show that the invention had been worked at a loss. [Lord WATSON.—Is there any 20 precedent for granting an extension where the patentee has been paid, *Morgan's Patent*, 1 Web. 737? There is no authority for the proposition that the assignee stands in the patentee's shoes.] It is very difficult for a patentee to introduce an invention; hence, he assigns to those who have the means of bringing it before the public; subsequent assignees would not be in 25 the same position. If the first assignees are deprived of all prospect of obtaining a prolongation, then the market is spoiled for meritorious inventors. The positions of patentee and the assignee who brings the invention, by necessary expensive experiments, should be considered together; hence, consideration given to patentee should not come in as real profits.

30 *Sutton*, for the Crown, submitted that—First, there was no statement in the petition of the profits made by the Patentees themselves; some are mentioned in the accounts, but there is no clear statement thereof. There is no case in which a patent has been prolonged where the original patentee was fully remunerated; *Claridge's Patent*, 7 Moo. P.C. 394. The prolongation is granted 35 solely for the benefit of the inventor; *Norton's Patent*, 1 Moo. P.C. N.S. 343. Secondly, one of the Patentees was a licensee; and no attempt is made to show licensees' profits. Thirdly, these processes are used by foreigners; hence, the British manufacturer would be injured; *Pieper's Patent* (*ante* page 292).

Moulton, Q.C., in reply.—The Act defines a patentee as "the person for the 40 "time being entitled to the benefit of the patent" (Section 46); hence, an assignee is included in Section 25. [Lord WATSON.—Assignees were expressly mentioned in the preceding Acts.] Assignees cannot now be worse off than before. [Lord WATSON.—But the words "all the circumstances of the case" (Sub-section 4) meet your argument.] In the case of *Napier's Patent*, 13 Moo. 45 P.C. 543, prolongation was granted to an assignee alone; and, in *Bodmer's Patent*, 6 Moo. P.C. 468, terms were asked to be imposed on the Petitioners in favour of the Patentee, and that request was refused. [Lord WATSON referred to *Pitman's Patent*, L.R., 4 P.C. 84, at page 88.] The distinction here, is that the Petitioners were assignees from the beginning, and were the workers of the 50 invention. It is of benefit and importance to inventors to be able to have assignees who will bring out an invention. Lord *Brougham* (in *Berry's Patent*, 7 Moo. P.C. 189) alluded to two classes of benefactors—the inventors, and those who expended money in bringing out inventions. [Lord WATSON.—The benefit of a prolongation has never been extended to an assignee solely.] 55 *Berry* was not the inventor—only a patent agent. [Lord DAVEY.—The persons Lord *Brougham* spoke of were importers, and, therefore, inventors in law.]

Lord WATSON.—The petition in the present case appears to their Lordships to be defective in substance, inasmuch as it does not disclose upon the face of

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it with sufficient distinctness the amount of profits, if any, which have been made by the inventors, the original Patentees, in these different countries in which they have secured an exclusive privilege. At the same time, their Lordships would not have been disposed to lay a great deal of stress upon that objection to the petition, because the accounts which have been lodged do 5 show that clearly to a certain extent, but to a certain extent only. The accounts do, in the opinion of their Lordships, disclose the fact that the original inventors have received substantial remuneration. They have sold their patents in Great Britain, in France, and in America, for sums amounting in all to 30,000*l.*; and even after permitting a deduction for those items 10 claimed as deductions, there still remains to the good a very considerable sum of money; and it must be borne in mind that if the Patentees were here claiming the extension they would be obliged to account for the profits which have been made in France, or in America, by the use of the patent there during the continuance of the American patent, and the French patent. 15

But the more important question which arises in this case appears to their Lordships to be whether the Petitioners, *The Bower-Barff Rustless Iron Company, Limited*, who are the assignees of the British patent, are in a position to maintain this application for extension of the patent. The cases of *Claridge's Patent** and of *Norton's Patent*† appear to their Lordships to establish 20 the principle that an assignee who has acquired a patent that is the subject of a commercial adventure is not entitled to obtain a prolongation when the inventor could have no legitimate interest in making such an application himself. In one of those cases the decision of the Board went expressly upon the ground that the applicants were a commercial company, and that the original inventor 25 was dead, and could have no further interest in the patent. In this case the original Patentees, the inventors, are alive, but they are for all practical purposes—for all purposes of the present question—in the same position as if they were simply dead, because they would no longer have any interest to ask for a prolongation on their own account, because they have been sufficiently 30 remunerated at the expense of the patent.

Now, there is no case to be found in which this Board has given an extension of a patent to an assignee which did not directly or indirectly tend towards the benefit of the original inventor, who would, had there been no assignment, have been in a position to claim an extension himself. In this case the inventors 35 are not in that position; and as their Lordships do not see any reason for departing from the principle already recognised by the Board in similar applications, they will humbly recommend Her Majesty that this petition should be refused.

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* 7 Moo. P.C. 394. † 1 Moo. P.C. (N.S.) 339.

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