

*Reasons for the Report of the Lords of the
Judicial Committee of the Privy Council, on
the Petition of Louis Victor Semet, Ernest
Solvay, and the Société Solvay et Compagnie,
for extension of Letters Patent; delivered
8th December 1894.*

Present:

LORD WATSON.

LORD HOBHOUSE.

LORD MACNAGHTEN.

LORD SHAND.

SIR RICHARD COUCH.

[*Delivered by Lord Watson.*]

The letters patent of which an extension is craved were issued to the petitioners Semet and Solvay, who were the inventors, upon the 17th day of November 1880. At that date, the invention was not protected in any foreign country, but patents were subsequently obtained in France, Germany, Austria, Belgium, the United States, Russia, and Spain. With the exception of the last two, these patents are still in force. The French patent will expire in the course of next year, the German in 1896, the Austrian in 1897, and those for Belgium and the United States in the year 1900. The Russian and Spanish patents have lapsed, in consequence of the failure of the patentees to comply with a condition of their exclusive privilege, which required that the invention should be brought into actual operation within a time limited.

The patentees have assigned their whole interest in these patents to the other petitioners, the

Société Solvay et Compagnie, a concern in which they are both shareholders. The petitioner Solvay is a director of the Company, whilst the petitioner Semet is employed by the Company, and receives, as remuneration, a percentage of the profits derived from the use of the invention.

The patent is for improvements in apparatus for coking and distilling coal; and its chief merit appears to consist in the substitution of fire-clay tubes for the brickwork flues, forming part of the structure of the kilns or ovens, which were previously in use for carrying off the products of combustion. The advantage of the substitution is two-fold. In the first place, it prevents the escape of these products from the flue into the oven, through leakage, to the detriment of the coke; and, in the second place, it permits the repair of the flues without taking down the brickwork of the oven. Although the invention is apparently a very simple one, it is proved to be of considerable commercial utility. It not only effects a saving in the cost of maintaining the coking apparatus, but it yields a much larger percentage of coke, with a considerably increased amount of the products of distillation. Their Lordships have, in these circumstances, had no difficulty in coming to the conclusion that the invention is of sufficient merit to justify them, if the other circumstances of the case be favourable, in recommending an extension of the patent.

That neither the patentees, nor the Company which has been engaged in bringing their invention under the notice of the public in this and in other countries, have been adequately remunerated, is established beyond doubt. The accounts produced and proved show a large debit balance; and the cross-examination of the petitioners' witnesses by Counsel for the Crown,

and their observations upon the evidence, merely went to shew that the pecuniary loss of the petitioners may ultimately prove to be less than they anticipate. In some circumstances, the fact that such losses have been sustained, during the currency of the patent, might go far to show that the patented invention was not of public utility; but their Lordships are satisfied that there is no room for such an inference in the present case. The invention appears to them to be one which, from its very nature, cannot reasonably be expected to come at once, or within a short period, into general use. Its adoption necessitates the destruction of existing and the erection of new apparatus; and will therefore, in all probability be gradual, as the old-fashioned apparatus wears out.

Their Lordships' attention was very properly directed by the Attorney-General to the enactments of Section 25 of the Patent Law Amendment Act, 1852, which apply to cases where a foreign invention has not been first patented in the United Kingdom; and also to a series of decisions of this Board, in which it was held that cases in which the foreign invention was first patented in this country, though not within the letter, were within the spirit of these enactments. Their Lordships do not consider it necessary to notice these decisions in detail. In this case, the patent is dated before the passing of the Patents, Designs and Trade Marks Act, 1883; and had it not been the first granted in any country, the question might have arisen, whether, having regard to the terms of Section 113 of the later statute, their Lordships were bound to deal with the case as falling under Section 25 of the Act of 1852. But their Lordships do not think that, prior to the passing of the Act of 1883, this Board had laid down any rule to the effect that

cases in which the British patent was the first were within the spirit of Section 25, in such sense, that its enactments ought to be strictly applied to them. The decisions already referred to go no farther than to establish that, in dealing with such cases, the lapse of patents for the same invention in foreign countries, and the policy of the legislature, as indicated in Section 25, were circumstances to be taken into account in considering whether a prolongation ought to be granted. Thus, *In re Bett's Patent*, (1, Moore N.S. 49) three patents had been obtained, in Britain, France and Belgium, the British being the first of them; and this Board advised Her Majesty to grant an extension for five years, although the Belgian patent had expired before the date of the application for renewal.

Their Lordships are of opinion that, inasmuch as Section 25 of the Act of 1852 does not apply to it, the present case must be dealt with under the provisions of the Act of 1883, and therefore on the footing that Section 25 has been repealed by the legislature. The rule laid down for their guidance by Section 25 (4) of the later Act is to the effect that, "The Judicial Committee shall, in considering their decision, have regard to the nature and merits of the invention in relation to the public, to the profits made by the patentee as such, and to all the circumstances of the case." The practical result of that legislation is, that the Committee are no longer deprived of the right to recommend, in their discretion, the extension of a patent which is not the first, in cases where one or more foreign patents for the same invention have lapsed or expired. But the lapse or expiry of foreign patents remains, as it always has been, one of the circumstances which must necessarily

be considered. It is a circumstance which may prejudicially affect the interests of the inhabitants of the United Kingdom; and it is therefore one which must be taken into account, along with the other facts of the case, where there is no patent for the invention outside the United Kingdom, as well as in cases where foreign patents exist or have existed.

In cases where the prolongation of a patent would place the inhabitants of Great Britain and Ireland at a disadvantage in competition with the subjects of a foreign State, that circumstance must militate strongly against its extension. Whether the disadvantage, either certain or probable, ought to outweigh the right of the patentee to obtain a renewal upon other grounds, must always be a question of degree, to be decided according to the special circumstances of each case.

In the present case, the evidence does not suggest that there is much, or any appreciable competition, in the markets of the world, between coke of British and of foreign manufacture, or between articles British and foreign, which depend for their manufacture upon the use of coke as fuel. Then, in Russia and Spain, the two countries in which the patents taken out for the present invention have lapsed, the evidence shows that the invention is not used. In these circumstances, their Lordships have come to the conclusion that the patent ought to be extended for the term of five years; and they have humbly advised Her Majesty to that effect.
