IN THE COURT OF APPEAL.

Before Lord ESHER, M.R., and Lords Justices BOWEN and KAY.

July 31st, 1893.

LYON *v.* GODDARD (2).

Patent.—Action for infringement.—Patent upheld in Court of Appeal.—Stay of proceedings pending Appeal to House of Lords refused.

In an action for infringement of a patent for disinfecting machines the Plaintiff succeeded at the trial, and on the appeal by the Defendants. He obtained an injunction.

The Defendants now applied to the Court of Appeal to stay the operation of the injunction, pending an Appeal to the House of Lords, as to four machines which had been ordered by Local Authorities since the commencement of the action, and which were in process of construction.

Held that the Defendants had made out no case for a stay of proceedings.

As will be seen from the preceding report, this was an action for infringement of a patent (dated 3rd of August 1880), and the Plaintiff, the Patentee, was successful in maintaining his patent and obtaining an injunction at the trial, and the appeal of the Defendants from this decision was dismissed.

The Defendants intended to appeal from the decision of the Court of Appeal to the House of Lords, and now applied for a stay of the injunction pending their appeal.

The patent in question in the action was for "Apparatus for disinfecting wearing-apparel, bedding, and other articles," and this apparatus and the apparatus made by the Defendants in infringement of the Plaintiff's rights had been largely purchased and used by local authorities.

The action was commenced on the 10th of December 1891 in the Chancery Division, and was finally transferred to a separate list to be heard by Mr. Justice *Wright*, sitting as an additional judge of the Chancery Division. The trial commenced on the 20th of April 1893. Not long before the trial the Defendants, who had refused to desist from making the apparatus, accepted orders for four machines from four Local Authorities, and these machines were still in process of construction. *Wright*, J., suspended the injunction granted by him pending the appeal to the Court of Appeal.*

Hopkinson, Q.C., and *R. W. Wallace* (instructed by *Hind and Robinson*, agents for *Wells and Hind*, of Nottingham) appeared for the Appellants; *Moulton*, Q.C., *Bousfield*, Q.C., and *A. J. Ashton* (instructed by *Finney, Thomas, and Co.*), for the Respondents.

Hopkinson, Q.C., for the Appellants.—We ask that the operation of the injunction may be stayed, pending the appeal to the House of Lords, as to the four machines now in process of construction to the order of the four Local Authorities. It will be an irreparable injury to the Appellants if they are not allowed to finish these four machines, and as it is not a case of interlocutory injunction they will get no damages if they happen to be successful in the House of Lords. The Respondents knew that the Appellants had been constructing machines of this kind for five years before the action was commenced. The apparatus is of large size and costly; the four machines will be worth £1,000. [BOWEN, *L.J.*—When were they ordered?] Since the commencement of the action. The Appellants had a very good case for the defence, and it is very hard on Appellants, who have been going on years, to be pulled up suddenly. [KAY, *L.J.*—It would be, perhaps, if they had commenced these machines before the writ.] They are nearly finished, and *Wright*, J., suspended the injunction pending the

* *See* Report, *ante* p. 121.

appeal to this Court. The Appellants will undertake, if their appeal is unsuccessful, to pay the profits on the four machines to the Respondents.

The Court refused to hear two counsel on the same side.

Moulton, Q.C., for the Respondent.—The Appellants come here because they are competing patentees with the Respondent, who has got the one successful disinfecting machine; they desire to paralyse the Respondent's trade till their Appeal is finished. The machines now in question were not ordered till a year after the action was commenced, and the Appellants undertook to indemnify the purchasers, or they can do so. The Appellants have been destroying the Respondent's business by underselling him. The Respondent will allow these four machines to be finished on the Appellants' undertaking, if the Local Authorities who are going to use them will take a license. [Lord ESHER, *M.R.*—We should like the Local Authorities to have the use of these useful disinfecting machines.] The Judgment ought to be acted on. We will grant a license for £100 for each machine: the Local Authorities must pay for them if they use them. The royalties would not be recoverable if the Respondent was unsuccessful in the House of Lords, but there would even then be consideration, for the Local Authorities would have had an undisputed right to use the machines. [Lord ESHER, *M.R.*—Will you not undertake to pay back these royalties if you lose?] No, it is fair to the Patentee.

Hopkinson, Q.C.—The Respondent ought to give an undertaking to be responsible for damages if he loses. It will not hurt him if he is successful. The Appellants will pay the royalties if the Respondent will undertake to return them. If no stay is granted, the Appellants will suffer irreparable injury. [KAY, *L.J.*—Only money damage.]

Lord ESHER, *M.R.*—We have tried our best to get an advantage for the public—that is, for that portion of the public who would be affected by this matter in the four districts, but we have failed in that, and we have no right to try and protect the public further. All that we have to do, therefore, is to see what are the rights between the two parties.

Now, in my opinion, those who are asking for the interference of this Court have no merits whatever as against the other side—not the smallest. I think the other side have (and I do not hesitate to express my thoughts) not met the Court in a way that I should have expected they would, when the Court is trying to protect the public; they have insisted upon their rights without regard to the wishes of the Court at all. I cannot help saying that. I daresay they do not care much for my opinion, but such is my opinion.

As between these parties, the persons who ask for a stay ought to show some ground for it. Now, what is their position? The Plaintiff had a patent and the Defendants knew it, but the Defendants chose to take it into their heads that it was a bad patent, and taking that into their heads, they made machines which, if the Plaintiff's patent was not a bad one, were clearly an infringement of it. They were warned. The Plaintiff said, "I have a patent, and it is a "good one." The Defendants chose to say to themselves, "Really, we do not "care for this warning, we believe the patent is a bad one, and we will go on." They go on for some years, and then they say, "Now we shall complain of you "because you did not bring your action—a patent action—at once." Then, when an action is brought, what do they do? They go on still saying in effect: "Oh, no, we do not care for the patent; it is a bad patent: we shall "go on." They must have gone on until the pleadings were nearly closed from what we see now—I understand so; and they went on obviously because this case was in Mr. Justice *North's* Court. There was a long list there, and they thought: "We can go on until the issue at all events: there is no stay; and on "account of the business in that Court being in arrear, we shall go on for a long "time;" but, to their horrible disgust, the case is taken out of Mr. Justice *North's* list, and put into the list of actions to be tried by Mr. Justice *Wright*. So that, as I understand, they had taken orders up to within a month of the time the trial came on—not up to the time that the trial was originally expected to come on—but up to the time that it came on. Then the case comes

before Mr. Justice *Wright*, and the objection which they take to the Plaintiff's patent is over-ruled by him. They then appealed to this Court, and, upon the hearing of the arguments, we thought that Mr. Justice *Wright's* view of the matter was correct.

There is the Act of Parliament. What Mr. *Moulton* has said about that is perfectly true. The meaning of the Act of Parliament is, that the Judgment is to be deemed to be a judgment which may be acted upon at once, notwithstanding that the parties may appeal to the House of Lords: in other words, that there is to be no stay unless there are exceptional circumstances. Now, the exceptional circumstances in this case are all against the Appellants and not in their favour. They, in the face of a warning, in the face of an action, in the face of everything, that I can see, choose to take these orders from certain local authorities. Therefore, so far from there being any exceptional case in their favour, it is really against them. The Act of Parliament says, "No stay." We must say the same, and there must be no stay. The case must go on in respect of what has passed. The Judgment must stand and have full effect at once with regard to these four machines, and the Appellants must, if they please, go to the House of Lords, and if they do not please to go to the House of Lords, the sooner they can make terms with the Plaintiff the better. We dismiss the application, and dismiss it with costs.

BOWEN, *L.J.*—I am of the same opinion. I shall add nothing to the general features of the appeal, except this, that I quite agree with my Lord that Mr. *Moulton's* clients ought to have accepted the suggestion put to them by the Court; but they choose to stand upon their strict rights, and we are bound, as a Court of Justice, to give them their strict rights, and not allow any view that we may entertain as to what they ought to have done to diminish those strict rights, either as to the substance of the appeal or as to its course, by one iota. This application fails, and must be dismissed, with costs.

KAY, *L.J.*—I agree.

IN THE COURT OF APPEAL.

Before LORDS JUSTICES LINDLEY, LOPES, AND SMITH.

July 6th, 7th, and 17th, 1893.

Before LORDS JUSTICES LINDLEY AND LOPES.—Aug. 10th, 1893.

MOSER *v.* MARSDEN.

Patent.—Action for infringement.—Construction of Patent.—Validity.—Alleged enlargement of claim by amendment.—Anticipation.—Communication from abroad.—First and true inventor.—Subject-matter.—Combination.

The owner of a patent (communicated from abroad and the Specification of which had been amended) for raising fabrics, such as flannelettes, brought an action for infringement. The Defendant alleged that the patent was invalid on the ground of want of subject matter, anticipation, and extension of the claim by amendment, and also alleged that the Patentee had added part of the invention and should have declared this on making his application. Held at the trial that the invention could not be subject-matter of a patent; and that the amendment had enlarged the scope of the claim and thereby invalidated the patent, and the action was dismissed with costs. The Plaintiff appealed.

***Held on** appeal that the Plaintiff had discovered a new mode of using the old*