

In the Matter of Letters Patent No. 286,057 Granted to Henry Conrad Heide.

eight months. In fact I have to bring into account the sale of no less than 560,000 packets of these patented articles which has been effected by the American company in lieu of the British company. Taking that figure into account, it seems to me impossible to suppose that even if the matter had been brought before me soon after the expiry of the British patent, I should have felt justified in granting any extension.

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Accordingly, I can do nothing but refuse this application. The usual order will be made as to costs.

IN THE HIGH COURT OF JUSTICE—CHANCERY DIVISION.

Before MR. JUSTICE BENNETT.

7th December, 1943.

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WILLIS & BATES LD. v. TILLEY LAMP COY.

Patent—Threats action—Alleged threats contained in letters—No actual threat of proceedings contained in any one letter—Letters written by Government Department held to have been written at Defendants' request—Letters read together held to constitute a threat—Person aggrieved—Patents and Designs Act, 1907-1942, ss. 29, 36.

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In an action for threats alleged to be contained in certain letters, no dispute existed as to the facts and the only issue was whether the said letters constituted a "threat" within the meaning of s. 36. No letter contained an actual threat of proceedings, but on 21st February, 1941, the Defendants wrote to the Plaintiffs stating that they were aware that the Plaintiffs were manufacturing a pressure paraffin lamp and suggesting a discussion on certain patent rights held by the Defendants. On 13th August, 1942, the Defendants wrote to the Ministry of Supply asking them to point out to the Plaintiffs that they (the Plaintiffs) were only entitled to incorporate the Defendants' patented feature in their lamps when manufacturing for the Ministry of Supply, and on 1st September, 1942, the said Ministry wrote to the Plaintiffs, pointing out that the Plaintiffs' lamps were alleged by the Defendants to infringe their Letters Patent, and that any manufacture other than for the Ministry of Supply would be at the Plaintiffs' own risk.

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Held: (i) That the letter of 1st September from the Ministry of Supply was written at the Defendants' request.

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(ii) *There was no need to prove that the Defendants had actually threatened proceedings to constitute a "threat" within the meaning of s. 36, and the letters read together did amount to such a "threat".*

(iii) *It was immaterial that at the time of the action the lamps were manufactured by another company, since the Plaintiffs were persons "aggrieved" at the material dates.*

[The following case was considered in the judgment: *Luna Advertising Coy. Ld. v. Burnham & Coy.*, 45 R.P.C. 258.]

The above action came on for hearing before **Bennett J.** on 7th December, 1943, the only issue between the parties was whether certain letters constituted a "threat" within the meaning of s. 36, there being no dispute of fact and no oral evidence was given. The nature of the arguments of counsel appears sufficiently from the judgment.

J. Mould (instructed by *Lake & Son*, agents for *Rice-Jones & Smiths* (Halifax) appeared for the Plaintiffs; and *G. S. W. Marlow* (instructed by *Mills Lockyer & Co.*) appeared for the Defendants.

Bennett J.—This is an action between a limited company manufacturing paraffin vapour lamps and a firm also manufacturing paraffin vapour lamps to restrain threats, the action being based upon the provisions of Sec. 36 of the Patents and Designs Act, 1907-1942, which provides by subsec. 1 that "Where any person, by circulars, advertisements or otherwise, threatens any person with an action for infringement of patent or other like proceedings, then, whether the person making the threats is or is not entitled to or interested in a patent or an application for a patent, any person aggrieved thereby may bring an action against him, and may obtain a declaration to the effect that such threats are unjustifiable and an injunction against the continuance of such threats and may recover such damage, if any, as he has sustained thereby, unless the person making the threats proves that the acts in respect of which the proceedings are threatened constitute or, if done, would constitute an infringement of a patent in respect of a claim in the specification which is not shown by the Plaintiff to be invalid or an infringement of rights arising from the acceptance of a complete specification in respect of a claim therein which is not shown by the Plaintiff to be capable of being successfully opposed." It is on that section that the Plaintiffs found their claim.

The Plaintiffs carry on their business at Halifax and the Defendants carry on their business at Hendon.

The facts are not in dispute and no oral evidence has been adduced. The case rests upon a few letters, and the only question is whether those letters contain, as the Plaintiffs say they do, a threat by the Defendants to bring against them an action for infringement of their patent. There has been no order for discovery, and it may be that there are in existence other letters which do or might have a bearing upon the case. I do not know; I am only concerned with the letters to which I am about to refer.

The first letter upon which the Plaintiffs rely is one of the 21st February, 1941. It is written on behalf of the Defendants by a Mr. *Dyson*, and it is: "For the attention of Mr. S. W. Bates", who I apprehend is a Director of the Plaintiffs. The letter says: "Dear Sirs, We beg to confirm the telephone conversation between your Mr. Smith and Mr. Dyson on Saturday last. It has, of course, come to our notice that you are manufacturing a pressure paraffin lamp, using a straight type of vapouriser passing through the mantle and we feel that if you could agree to a discussion on certain patent rights which we hold, it would save a good deal of complication in the future. We are not quite sure whether Mr. Bates still pays his weekly visits to London, but if so, perhaps he would agree to make an appointment at these works, or if it is more suitable Mr. Dyson will call to see him some time in Halifax. We trust that you will see your way to agree to our proposal, and look forward to hearing from you in the near future." That is the first letter.

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In reply to that at the end of a week Mr. *Hirst*, on behalf of the Plaintiffs, writes: "For the attention of Mr. J. E. Dyson" a letter addressed to the Defendants: "Dear Sirs, We are in receipt of your letter of the 21st instant, and, as you are aware, our Mr. S. W. Bates is at the moment away indisposed, and therefore unlikely to visit London for some time. We feel quite sure our Mr. Bates, when he is able and fit to return to work, would have no objection to meeting Mr. Dyson in Halifax as suggested in the third paragraph of your letter, but we should, in the meantime be obliged if you would be good enough to amplify the second paragraph of your letter by indicating more fully the matter intended to be discussed."

On the 3rd March, 1941, Mr. *Dyson* writes "For the attention of Mr. *Hirst*" to the Plaintiffs: "We are in receipt of your letter of the 28th February, and regret to learn that your Mr. S. W. Bates is still indisposed and not likely to visit London in the near future. Mr. *Dyson* will probably not be visiting Halifax this month, but we will endeavour to give you ample notice of his next visit, and we feel that it might be better if any discussion in connection with our lamps is left until it can be discussed personally either with Mr. Bates or a representative of the company. Yours faithfully, For and on behalf of The Tilley Lamp Company. J. E. *Dyson*."

From then until the 13th August, 1942, no letter is disclosed as passing between the Plaintiffs and the Defendants. On the 13th August, 1942, there is a letter from the Defendants, by whom it is signed does not appear in the copy I have, to the Assistant Director of General Stores, Ministry of Supply, School House, Bromsgrove, Worcestershire. It is in these terms: "Dear Sir, Willis & Bates, Halifax. As previously conveyed to you in conversation with our Managing Director, the Tilley Paraffin Pressure Lamps, which we are manufacturing for you under contract, incorporate a feature covered by our British Patent No. 518,977. We understand that orders have been placed with the above firm for lamps which include this patented feature. We are advised that under the 'Free user' clause, we are not entitled to any recompense in this connection, but we should be much obliged if you would make it clear to this firm that the use of Patent No. 518,977 is only for the purpose of contracts which may be placed by yourselves and may not be used for any other purpose. We shall be much obliged for your confirmation of this arrangement and remain, Yours faithfully."

The "free user" clause which is referred to in that letter is Sec. 29 of the Patents and Designs Acts, 1907-1942, which contains a proviso to subsection 1 which is in these terms: "Provided that any Government department may, by themselves, or by such of their agents, contractors, or others as may be authorised in writing by them at any time after the application, make, use or exercise the invention for the services of the Crown on such terms as may, either before or after the use thereof, be agreed on, with the approval of the Treasury, between the department and the patentee, or, in default of agreement, as may be settled in the manner hereinafter provided. And the terms of any agreement or licence concluded between the inventor or patentee and any person other than a Government department, shall be inoperative so far as concerns the making, use or exercise of the invention for the service of the Crown."

The effect of the section is not quite accurately stated, but it is plain from it that a department of the Crown is in a position to place orders for an article which involves the use in it of a patented feature.

There is no reply to that letter of the 13th August, but on the 1st September, 1942, there is a letter written by another branch of the Ministry of Supply to the Plaintiffs, and it is in these terms: "Dear Sirs, It is understood that you are making pressure lamps under contract to this department. Messrs. Tilley Lamp Coy. allege that the lamps infringe Letters Patent 518,977; but this department has the right of free user and has extended this right to you for the purpose of supplying the lamps to the department. However, I am to inform you that any manufacture by you for other purposes is undertaken at your own risk. Yours faithfully, J. H. Harman."

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On receipt of that letter the Plaintiffs write to the Assistant Director of Scientific Research on the 3rd September, 1942, the letter being the outcome of the letter of the 1st September which I have just read, and it says: "Dear Sir, We are obliged to you for your letter of the 1st inst. under the above reference and note. For your information we some time ago took
5 "advice and were assured that our lamp made according to our specification did not infringe
"Letters Patent 518,977. For your further information we would call your attention to the
"fact that as from 1st prox., by arrangement with the Ministry of Supply, the lamp will
"be manufactured by a separate company known as 'Vapalux Ld.,' whose registered office
"is at the above address, and we shall, therefore, appreciate it if you will be good enough
10 "to send us a letter addressed to Messrs. Vapalux Ld. in the terms of your above-mentioned
"letter of the 1st inst."

After the lapse of very nearly a month, on the 1st October, 1942, Mr. *Harman*, on behalf of the Ministry of Supply, writes to Messrs. *Vapalux Ld.* a letter which in terms is the same as that of the 1st September, 1942.

15 Those are the admitted facts of the case, and the only question is whether upon them the Plaintiffs have satisfied me that the Defendants have threatened them with an action for infringement of patent or other like proceedings. That is the only question I have to decide.

I think it is plain that in a proceeding under the section it is not necessary for the plaintiff to prove that the defendant has in so many words said: I intend to issue a writ against you
20 for infringement of letters patent. The terms of the Act are satisfied if the defendant in the action is proved to have asserted that he has legal rights in respect of letters patent and that he intends as against the plaintiff to enforce those rights. So much I think may be taken to have been decided by *Clauson J.*, as he then was, in the case of *Luna Advertising Coy. Ld. v. Burnham & Coy.*, 45 R.P.C. 258.

25 There is in this correspondence no use of words directly suggesting the issue of a writ or directly suggesting the beginning of legal proceedings, but Mr. *Marlow*, on behalf of the Defendants, has very frankly admitted that if A. being the holder of a patent covering a feature in the particular article which A. manufactures and sells, writes to B. who makes a similar article, and says to B.: Now, if you put that article on to the market you put it on at
30 your peril, or you put it on at your own risk, or words to that effect, A. would be a person making a threat within the meaning of sec. 36.

That I think leaves only one question for me to determine, namely, whether when Mr. *Harman* wrote to the Plaintiffs as he did on the 1st September, 1942, the letter which I have read, Mr. *Harman* was acting in accordance with the request of the Defendants contained in
35 the letter of the Defendants to the Ministry of Supply of the 13th August, 1942, which I have just read. I believe that to be the only question involved in this action. I will deal in a moment with the subsidiary question which Mr. *Marlow* says he ought to take as to whether the Plaintiffs are persons aggrieved.

Now if the letter of the 21st February, 1941, had been the only letter in the case, I should
40 myself have been doubtful whether that letter was one which threatened the Plaintiffs with an action or with legal proceedings for infringement of a patent: I should have doubted it, but that letter has to be read in connection with the other two letters of the 13th August, 1942, and the 1st September, 1942. I ask myself the question whether if the only letter in the case had been the letter of the 13th August, 1942, addressed to the Assistant Director of
45 General Stores, Ministry of Supply, that letter would have been a threat by the Defendants to bring against the Plaintiffs an action for infringement of a patent. Again, you have to take that letter in connection not only with the Defendants' letter of the 21st February, 1941, but with the letter of the 1st September, 1942, which is the direct outcome of the letter of the 13th August.

50 When you take the three letters, the letter of the 21st February, 1941, the letter of the 13th August, 1942, and the letter of the 1st September, 1942, and put them all together, the effect upon my mind is that the Defendants have asked Mr. *Harman* to communicate with

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the Plaintiffs on their behalf and to tell the Plaintiffs that they are the owners of Letters Patent 518,977, that Mr. *Harman* or his Ministry, the Ministry of Supply, is exempt from proceedings by virtue of sec. 29 of the Patents and Designs Acts, 1907-1932, that by virtue of that section the Plaintiffs in so far as they supply the Ministry of Supply are exempt from the provisions of the Act, but that if they make any other lamps of the kind they are making for any other person they will be making those lamps at their own peril. 5

On that view of the correspondence, on Mr. *Marlow's* concession, the Plaintiffs have, in my judgment, established that the Defendants have made a threat within the terms of sec. 36 of the Act, a threat which leads the Plaintiffs to suppose that they, the Defendants, have legal rights in respect of letters patent, and that having those legal rights they, the Defendants, will proceed to enforce those rights against the Plaintiffs if the Plaintiffs manufacture lamps of the kind they are manufacturing for persons other than the Ministry of Supply. 10

The only other subsidiary question taken by Mr. *Marlow* was that by the letter of the 3rd September, 1942, in which the Plaintiffs refer to the fact that they were no longer making the lamps but that a company called *Vapalux* were, the Plaintiffs were no longer persons aggrieved by the Defendants' threat. It does not seem to me that that follows at all. The Plaintiffs had been making lamps in 1941 and were making lamps in 1942. All that the letter of the 3rd September, 1942, states is that by arrangement between the Plaintiffs and the Ministry of Supply the lamps which the Ministry of Supply were receiving were manufactured by *Vapalux Ltd.* It does not follow from that that the Plaintiffs in respect of the letter of 1st September, 1942, were not persons aggrieved. 15 20

The only relief which the Plaintiffs ask is for an injunction. I think the Plaintiffs have established their right to an injunction, and I think the injunction to grant is: To restrain the Defendants, their servants and agents from, by circulars, advertisements or otherwise, threatening the plaintiffs with an action for infringement of patent No. 518,977. 25

The Defendants were ordered to pay the costs of the action.

IN THE HIGH COURT OF JUSTICE—CHANCERY DIVISION.

Before THE MASTER OF THE ROLLS, LORD JUSTICE LUXMOORE, AND LORD JUSTICE GODDARD.

15th and 16th November, 1943.

MASSMANN *v.* MASSMANN AND THE CUSTODIAN OF ENEMY PROPERTY. 30

Patent—Exclusive Licence—Assignment of Licence—No mention of exclusive sub-licence—Application for rectification to include sub-licence—Application dismissed—Appeal to the Court of Appeal—Evidence as to intention of parties—Balance of probability—Appeal allowed—Order made dispensing with service of notice of appeal on enemy Defendant.*

* Reported 60 R.P.C. 45.