

know what expense has in fact been uselessly incurred; and in this case we cannot know what the expense is that has been rendered nugatory by the new plea until we have considered the proof. If the pursuers had maintained that all expenses incurred in the proof were unnecessary, because this proposed plea would have excluded the proof and may now be sustained without considering it, they would have had a good claim for such expenses. But they are not disposed to admit that, and therefore we must wait to see the result of this amendment before we can say how the expenses are affected by it. In my opinion it is clear that sooner or later the expense created by bringing forward this plea must be borne by the party who should have stated it earlier. But we must know what expense was incurred by the absence of the plea.

LORD M'LAREN was absent.

The Court allowed the amendment and reserved the question of expenses.

Counsel for the Defenders and Reclaimers — Cooper, K.C. — Macphail. Agents — Millar, Robson, & M'Lean, W.S.

Counsel for the Pursuers and Respondents — Clyde, K.C. — Pitman — Morison. Agents — Drummond & Reid, W.S.

Thursday, July 6.

FIRST DIVISION.

[Lord Stormonth Darling,
Ordinary.]

THE MICA INSULATOR COMPANY, LIMITED v. BRUCE PEEBLES & COMPANY, LIMITED.

Patent — Infringement — Particulars of Breach — Statement of Particulars — Patents, Designs, and Trade-Marks Act 1883 (46 and 47 Vict. cap. 57), secs. 29 (1) and 107.

The Patents, Designs, and Trade-Marks Act 1883, sec. 29 (1), enacts—"In an action for infringement of a patent the plaintiff must deliver with his statement of claim, or by order of the court or judge at any subsequent time, particulars of the breaches complained of." Sec. 107—"In any action for infringement of a patent in Scotland the provisions of this Act with respect to calling in the aid of an assessor shall apply, and the action shall be tried without a jury unless the court shall otherwise direct, but otherwise nothing shall affect the jurisdiction and forms of process of the courts in Scotland in such an action, or in any action or proceeding respecting a patent hitherto competent to those courts."

In an action of damages for infringement of two patents brought against manufacturers, *held* that section 29 of

the Patents, Designs, and Trade-Marks Act 1883 applied to Scotland, and that, in accordance with its provisions, the defenders were entitled to have particulars of the mode or manner in which they were supposed to have infringed the patents, and whether both or only one, and if so, which of them, and also similar particulars referring to foreign manufacturers from whom they had bought goods; but that in accordance with section 107 such particulars fell to be given not in any separate statement but in the pursuer's condescendence.

Patent—Amended Patent—Infringement—Damages for Infringement—Damages Sued in One Sum for Periods before and after Amendment—Patents, Designs, and Trade-Marks Act 1883 (46 and 47 Vict. cap. 57), sec. 20.

The Patents, Designs, and Trade-Marks Act 1883, sec. 20, enacts—"When an amendment by way of disclaimer, correction, or explanation has been allowed under this Act, no damages shall be given in any action in respect of the use of the invention before the disclaimer, correction, or explanation, unless the patentee establishes to the satisfaction of the Court that his original claim was framed in good faith and with reasonable skill and knowledge."

In an action raised by a firm who owned two patents, which had both been amended, to recover damages for infringement thereof both before and after amendment, *held* that inasmuch as under section 20 of the Patents, Designs, and Trade-Marks Act 1883 the onus of specifying the breach of patent committed before amendment was much higher than that of specifying the breach committed after amendment, while it was not necessary in the summons to conclude for separate sums for the two periods, the damages claimed must be distinctly apportioned in the condescendence between the two periods.

On 3rd November 1904 the Mica Insulator Company, Limited, London, manufacturers of and dealers in mica segments, cut mica, and micanite, raised an action against Bruce Peebles & Company, Limited, engineers, Edinburgh, in which the pursuers concluded (1) for £500 damages for breach of a contract of sale, whereby the defenders had bound themselves to purchase their whole supply of mica segments, micanite segments, and cut rectangular mica for the year 1904 from the pursuers; (2) for interdict against the defenders from "infringing the letters-patent No. 10,430* A.D. 1892 for 'an improvement in electrical insulating sheet,' and No. 6048* A.D. 1895 for 'improvements in the manufacture of flexible sheets for electrical insulation,' of which the pursuers are the registered proprietors, by making, vending, or using, in whole or in part, the said inventions for 'an improvement in electrical insulating sheet,' and 'improvements in the manufacture of flexible sheets for electrical insulation' described in the specifications rela-

tive to the said patents, dated 28th January 1893 and 20th December 1895 respectively, as amended in accordance with the decisions of the chief examiner, dated 2nd August 1904 and 27th August 1904 respectively, and in particular from making, vending, or using any micanite or electrical insulating sheets or flexible sheets for electrical insulation, constructed or used in the manner described in the said amended specifications, or either of them, or in manner substantially the same, and from infringing the said letters-patent in any other manner of way;" and (3) for decree ordaining the defenders "to exhibit and produce a full and particular account of the whole micanite electrical insulating sheets or flexible sheets for electrical insulation made, or which during the dependence of this action they may make, in infringement of the said letters-patent or either of them, and of the whole micanite and others as aforesaid made in infringement of the said letters-patent or either of them, bought by the defenders from persons other than the pursuers, and to pay to the pursuers the sum of £500, with interest thereon at the rate of 5 per centum per annum from the date of citation to follow hereon until payment, as the damages sustained by the pursuers through the defenders' infringement of the said letters-patent or either of them." . . .

The pursuers stated—" (Cond. 1) . . . The pursuers manufacture in accordance with said patent of 1892 a substance which is sold by them and known in the trade as 'micanite,' and in accordance with said patent of 1895 a substance which is sold by them and known in the trade as 'extra flexible micanite cloth' or 'extra flexible micanite paper.' The pursuers have the sole right of making and selling the same. The terms 'micanite' and 'extra flexible micanite cloth' are hereafter used in this condensation as conveniently expressing the name of the material or substances particularly described in the amended specifications of said letters-patent respectively." . . .

They further stated—" (Cond. 5) The pursuers further believe and aver that the defenders have been manufacturing and continue to manufacture 'extra flexible micanite cloth.' In manufacturing the said micanite and extra flexible micanite cloth as aforesaid, the pursuers have used and employed the inventions protected by the said letters-patent, or one or other of them, and described in the amended specifications relative thereto, and have infringed the said letters-patent or one or other of them. The pursuers further believe and aver that since the beginning of 1902 the defenders have been purchasing from other persons micanite and extra flexible micanite cloth made in contravention and infringement of the said letters-patent, or one or other of them, and have thereby infringed the same. In particular, they believe and aver that at various dates during said period the defenders have bought from one Brandt in Hamburg, and used in their machines in Scotland, mican-

ite made in contravention of said letters-patent, and have purchased from the Bergmann Electricitäts Gesellschaft of Berlin machines insulated in infringement of said letters-patent, and sold them to various persons in England and Scotland."

The defenders admitted that prior to 1904 they had purchased from Mr Brandt, and that they had purchased from the Bergmann Company, and they called on the pursuers to specify the points in which they had infringed the said patents. They pleaded, *inter alia*—" (1) The pursuers' averments are irrelevant and lacking in specification, and ought not to be remitted to probation.

By interlocutor of 27th March 1905 the Lord Ordinary (STORMONTH DARLING) repelled the first plea-in-law for the defenders, and allowed the parties a proof of their averments.

Opinion.—"The defenders plead that the pursuers' averments are irrelevant, and lacking in specification, both as to their claim of £500 of damages for breach of the contract of sale, and their claim of £500 of damages for infringement of patent. As to the first claim, they say that a contract to purchase their whole supply of mica segments and similar articles during a particular year does not debar them from manufacturing the articles for themselves, which is the main part of the pursuers' complaint against them. Perhaps so, but the pursuers go on to say (Cond. 4) that the 'defenders have also been buying mica and micanite from persons other than the pursuers, whose names are unknown to the pursuers.' I see no objection to the relevancy of this averment. If true, it would constitute a breach of contract, and the defenders can hardly complain of it as wanting in specification, because it is a fact within their own knowledge.

"As to the second claim of damages, it certainly comes to a very narrow point, because the two patents said to have been infringed were each made the subject of amendment (it is not said whether 'by way of disclaimer, correction, or explanation,' but it must have been by one or other) in August 1904. Now, this action was raised on 3rd November of that year, and therefore there were only ten or twelve weeks during which damageable infringement can have taken place without the patentee undertaking an almost prohibitory onus of proof under the 20th section of the Act of 1883. I can hardly suppose that the pursuers, knowing this, seriously intend to undertake that onus, and if not, the period of available infringement is so short that the defenders cannot be put to any real disadvantage in not being told more particularly the occasions when they are said to have used the pursuers' processes in manufacturing their own machines. But I cannot say that the pursuers are absolutely debarred by the statute from undertaking if they please the onus which section 20 lays upon them, and therefore it is formally open to them to prove infringement from 1895 downwards. The rather vague nature of the averments in Cond. 5 is, I

think, to be excused by the fact that the thing complained of is, not sale of this or that article, but use of the patented processes in the defenders' own works. The real question between the parties, so far as I see, will thus come to be whether the patents are good, and cover the sheets for electrical insulation used by the defenders.

"I will therefore repel the first plea for the defenders, and allow a proof on a day to be fixed."

The defenders reclaimed, and in the course of the debate in the Inner House pursuers counsel tendered a proposed amendment of Cond. 5, to make it read as follows:—"The pursuers further believe and aver that since 27th August 1904 the defenders have been manufacturing and continue to manufacture 'extra flexible micanite cloth.' In manufacturing the said 'micanite' and 'extra flexible micanite cloth' as afore-said the pursuers have used and employed the inventions protected by the said letters-patent respectively, and described in the said amended specifications relative thereto, and have infringed the said letters-patent. The pursuers further believe and aver that since the 27th August 1904 the defenders have been purchasing from other persons," &c., as above set forth in the original Cond. 5. This amendment was embodied in a minute which the Court allowed to be received.

The defenders and reclaimers argued—It was admitted that the Lord Ordinary was right in allowing a proof on the averments of breach of contract. But as to the averments of infringement of patent, it had been decided that "micanite" could not be protected by letters-patent—*The Mica Insulator Co. v. The Electrical Co., Limited*, 15 Patent Cases Reports 489—and the averments of infringement were irrelevant as lacking specification. The pursuers therefore were not entitled to proof. Section 20 of the Patents, Designs, and Trade-Marks Act 1883 dealt with damages for infringement of amended patents, and prescribed that where a patent had been amended no damages were to be given in any action in respect of use before the amendment, unless the patentee proved that his original claim was framed in good faith and with reasonable skill and knowledge. No averments to this effect were present on record. Nor had particulars of the breaches complained of been put on record in terms of section 29, (1). Such averments were necessary in terms of the Act, and as notice to the defender to procure evidence of skilled persons—*Neilson v. Househill Coal and Iron Company*, November 15, 1842, 5 D. 86, 2 Bell's. App. Cas. 1; *Kerr v. Clark & Company*, November 4, 1868, 7 Macph. 51, 5 S.L.R. 736; *Hutchison, Main & Company v. Patullo Brothers*, May 24, 1888, 15 R. 644, 25 S.L.R. 519. There was no distinction between the law of England and that of Scotland as to the necessity for particulars, and sec. 29 (1) was of as binding a nature in the latter as in the former country. The case of *Neilson v. Househill Coal and Iron Company*, *ut supra*, however, decided that in a case in Scotland the particulars could

not be given at a later stage than the record.

Argued for the pursuers and respondents—The Lord Ordinary's judgment should be affirmed. The averments were sufficiently specific. There were two sorts of infringement complained of, viz., manufacturing and purchasing from foreign manufacturers. The case of *Mandleberg v. Morley*, June 21, 1893, 10 Patent Cases Reports 256, had decided that manufacturers were not entitled to such detailed particulars as a person who only sold infringing articles since they knew what processes were carried on in their own works. Nor was any special averment necessary to show that the original claim was framed with reasonable skill and knowledge. That might be taken from the evidence given at the proof—*Hopkinson v. The St James and Pall Mall Electric Light Company, Limited*, March 15, 1893, 10 Patent Cases Reports 46.

At advising—

LORD PRESIDENT—This is an action of damages at the instance of the Mica Insulator Company, who are manufacturers of electrical materials, against a firm of engineers, and damages are sought on two different grounds. They are sought on the ground of an alleged breach of contract which the defenders are said to have committed by having bought certain materials from others than the pursuers, from whom alone, by the terms of their contract, they had undertaken to purchase.

Damages are also sought on the ground that the defenders have sold goods which they themselves have manufactured, and by such manufacture have infringed the patent rights of the pursuers, or that their goods had been purchased from others who, in manufacturing them had been in breach of their patent rights. There is no controversy between the parties that, in so far as regards the alleged breach of contract, the matters in dispute must be remitted to probaton. But the defenders say that as to the second claim for damages, the pursuers' averments are so wanting in specification as not to entitle them to a proof. The Lord Ordinary has, though as appears to me from his opinion only after considerable doubt, come to the conclusion that he cannot refuse a proof on the ground of want of specification, and it is against that decision that this reclaiming note is taken.

That makes it necessary to scan pretty closely the averments which the pursuers have made on this point, and they are set forth in Cond. 5—(*reads Cond. 5*). I ought to explain that the patents which are here said to have been infringed are patents of which the pursuers are owners, and they consist of a patent of 1892, amended on August 2, 1904, and a patent of 1895, which was also amended on August 27, 1904. Now, your Lordships are aware that it was long ago laid down by this Court that it was not necessary under our forms of process to have a separate statement of the particulars of the alleged breach of patent,

such as is required in England, and that decision was based on the ground that by our forms the particulars must be set forth on record, to prevent surprise, with the same distinctness as is required in the separate statement which is necessary in England. I think that that difference has been statutorily recognised in the Patents, Designs, and Trade-Marks Act 1883, where, while section 29 provides that the plaintiff must deliver with his statement of claim, or subsequently, particulars of the breaches complained of, section 107, dealing with the application of the Act to Scotland, says that nothing is to affect the forms of process of the Courts in Scotland. I take that to mean that the requirements of the Act are to apply just as much to Scotland as to England though the Courts in Scotland are not to depart from their own forms of process; so I think the provision for setting forth particulars of the breaches complained of is just as much a statutory requirement in Scotland as in England, though the form in which it is to be done may be different.

Now, it is very necessary in patent cases to have full particulars of what is complained of, and I do not think the averments in this record are sufficient. The pursuers have come here with two amended patents, and the 20th section of the Patents Act of 1883 provides that where an amendment by way of disclaimer, correction, or explanation has been allowed no damages will be given unless the patentee establishes to the satisfaction of the Court that his original claim was framed in good faith and with reasonable skill and knowledge. Accordingly the onus of clearly specifying the breach alleged to have taken place before disclaimer is much greater than with regard to a breach after disclaimer, and therefore I think it is necessary that a pursuer with a disclaimer should make this clear by splitting up the sum claimed as damages so as to show what amount is claimed for breaches before disclaimer and what for breaches after it. I do not think it is necessary that separate sums should be claimed in the summons, but they must be clearly distinguished in the condescendence. That has not been done here, and the pursuers, feeling that difficulty, have lodged a minute of amendment which would make condescendence 5 read thus—[*His Lordship here read condescendence 5 as amended*]. Now, that amendment would of course obviate the difficulty that I have hitherto been dealing with, and if there were no other difficulty in the case the course would be to allow this amendment to condescendence 5 and send the case to proof.

But a further objection has been taken, which is in my view a good one, and it is that there are no averments to show what is the nature of the breach complained of. The averments are that the defenders have made and sold a certain cloth manufactured in breach of the pursuers' patents. Nothing is said but that it is an "extra flexible micanite cloth," and when we look at the pursuers' patents we see that they are for making extra flexible micanite cloth, but

by different processes. I think the defenders are entitled to have a specification of the manner in which they are alleged to have infringed these patents, and as to which of the processes of manufacture the breach has occurred, whether it is the one or the other or both of them that are alleged to have been followed. There is also a want of specification as to the alleged purchases from the foreign firms. The pursuers must specify in what way Brandt and the Bergman Electricitäts Gesellschaft are in breach of their patents, and which process they have infringed in manufacturing the articles which were purchased by the defenders. I think, therefore, the averments made here by the pursuers are not sufficient, and that, with regard to the second ground on which damages are claimed, they are not entitled to a proof. I would propose, then, that the Lord Ordinary's interlocutor should be recalled, and that the pursuers should be given an opportunity to amend their record should they see fit, but whether they decide to amend or not the case must go back to the Lord Ordinary.

LORD ADAM and LORD KINNEAR concurred.

LORD M'LAREN was absent.

The Court pronounced an interlocutor recalling the interlocutor of the Lord Ordinary of 27th March 1905, allowing the pursuers, if so advised, to lodge a minute of amendment in supplement of that tendered at the Bar, No. 30 of process, and continuing the cause.

Counsel for the Pursuers and Respondents—Younger, K.C.—Macphail. Agents—Mackenzie & Kermack, W.S.

Counsel for the Defenders and Reclaimers—Clyde, K.C.—J. R. Christie. Agent—E. I. Findlay, S.S.C.

Thursday, July 6.

SECOND DIVISION.

[Lord Low, Ordinary.

FERME, FERME, & WILLIAMSON v.
DEWAR.

Trust—Testamentary Trust—Liability of Trust-Estate to the Trust Law-Agents for Expenses of Unsuccessfully Defending an Action—Interlocutor Finding Trustee not Entitled to Deduct from Trust-Estate his Expenses in Defending Action—Agent and Client—Bankruptcy.

In an action against a testamentary estate unsuccessfully defended by the trustee, the final interlocutor found "that in all questions with the pursuer in this action the defender is not entitled to deduct the expenses which he has incurred in the action from the trust estate." The trust estate having been sequestrated on the petition of the successful pursuer, the law-agents who