Reasons for the Report of the Lords of the Judicial Committee of the Privy Council on the Petition of John Hopkinson and the Westinghouse Electric Company, Limited, for prolongation of Hopkinson's Patent No. 3576 *of* 1882; *delivered* 16*th December* 1896.

Present:

LORD HOBHOUSE.
LORD MACNAGHTEN.
LORD DAVEY.
SIR RICHARD COUCH.

[*Delivered by Lord Hobhouse.*]

The petitioners in this case are Dr. John Hopkinson the inventor and patentee, and the Westinghouse Electric Company who are assignees of the patent. Before the case was opened, the Attorney-General drew the attention of their Lordships to some statements in the petition which, as he contended, disclose a grave objection to the extension prayed for.

It appears that in the year 1889 the petitioning Company was formed for the purpose of acquiring the beneficial interest in the patent, which was then vested in an American Company under an agreement with Hopkinson; that since the 20th July 1889 the petitioning Company have worked the invention for their own benefit; and that in 1891 Hopkinson formally declared himself to be a trustee for them. It further appears that prior to 1889 Hopkinson made the trifling profit of 350*l.* from this patent and from one taken out by him in Germany; but that subsequently to the agree-

92502. 100.—12/96.

ments by which the Company acquired the beneficial interest he has received the sum of 19,400*l.* as the price of the English and German patents. The only substantial petitioners therefore are the Company. Hopkinson has no interest, and it is not alleged that the sum of nearly 20,000*l.* is less than an adequate remuneration to him.

The Company state that their expenditure in acquiring the patents, and in defending them against encroachment, has largely exceeded their receipts; and they contend that they stand in the position of persons who take up, and assist inventors in developing, useful inventions, and that this merit has been recognized as entitling assignees of patents to a prolongation of the term.

To support this contention Mr. Moulton referred to the judgment of this Board delivered by Lord Brougham in the year 1843 in the case of *Morgan's Patent* (1 Webst. Pat. Ca. 737). Lord Brougham there points out that a patentee is benefited by the chance of a sale, and therefore in his interest consideration has been given to the claims of assignees. That shows the reason why assignees have been allowed to come for prolongation, and it shows no more. When they do come, all the circumstances, including the inventor's remuneration, must be considered. In the particular case cited prolongation was refused.

The claims of assignees were the subject of consideration in the case of *Claridge's Patent*, which was decided in the year 1851 (7 Moo. P. C. 394). The judgment of the Board was delivered by Sir J. Jervis. He pointed out that assignees, though their right to petition was recognized, were not to be treated with the same indulgence as patentees. In that case Claridge the inventor had received ample satisfaction. The Company, his assignees, had entered into a

commercial speculation, and their loss was not a ground for prolongation of the patent.

The same subject was discussed more fully in the year 1863, in the case of *Norton's Patent* (1 Moo. N. S. 339) when Lord Romilly delivered the judgment of this Board. He quotes the language of Lord Langdale in a previous petition by the Electric Telegraph Company. After saying that it would not be right to take into consideration the commercial affairs of the Company, Lord Langdale continues thus :—

"They buy this Patent right; they buy it for a commercial "purpose, not at all with the view of encouraging the "Inventors, or of rewarding the Inventors, though when they "are sinking their own capital in this particular mode, they "do incidentally give a profit to the Inventors. It is not the "same case as some cases which have arisen, where the "Inventor, being himself struggling with difficulty for "the want of capital, is obliged to obtain the assistance of "persons who have capital, giving them a share of the profits, "which may be done in a great variety of ways and under "many different circumstances; but these parties, with a "knowledge of the value of the invention, and its capability "of being reduced to practical use to any extent to which "capital might be employed upon it, think fit to engage that "capital in carrying on a trade by the use of this particular "invention."

Lord Romilly then adds, "The ground that "the merits of the inventor ought to be properly "rewarded in dealing with the merits of an "invention which has proved useful and bene-"ficial to the public, does not exist in the case "of an assignee unless the assignee be a person "who has assisted the patentee with funds to "enable him to perfect and bring out his "invention, and thus enabled him to bring it "into use, none of which grounds exist in the "present case."

The Act of 1883 has by defining the word "Patentee" confirmed the assignee's right to petition for prolongation; and it empowers Her Majesty to grant it if this Board reports that

"the patentee" has been inadequately remunerated. But their Lordships do not consider that by this definition the Legislature has placed assignees on the same favourable footing as inventors with regard to prolongation, or has altered the principles which guided this Board in the cases above cited. It cannot be seriously contended that an assignee who may have purchased a patent at a late period of its life, can, if he has lost money, come here alleging that he is by statute a patentee who has been inadequately remunerated, and ask for a report to that effect.

In the case of the *Bower-Barff Patent* (App. Ca. 1895, p. 675) the principles of the prior cases were applied by this Board. In that case, as in the case now before their Lordships, the original inventors had received substantial remuneration, and the assignees had suffered loss. In delivering the judgment of the Board Lord Watson pointed out that the inventors had no practical interest in the question, and were in the same position as if they were dead, because they had no longer an interest to ask for a prolongation on their own account, seeing that they had been sufficiently remunerated at the expense of the public.

Their Lordships consider that they would be departing both from authority and from sound principle if they were to hold that this Company occupies the position of an inventor who has been inadequately remunerated. The Company entered on a purely commercial speculation, which unluckily for them has up to the present time proved unremunerative. They did not assist to perfect or bring out the invention. They purchased it, or at least the beneficial interest, out and out, from a prior assignee of the inventor, who has in one way or another been well paid, and has now no claim or interest

to ask for an extension. It is therefore impossible for their Lordships to make such a report as under Section 25 of the Act is the necessary condition of extension.

The petitioners must pay the costs. There are as many as seven sets of opponents, and in this case there ought not to be more than one set of costs allowed. The matter stood over to give the parties an opportunity of agreeing as to the amount. It was intimated that in case of non-agreement their Lordships would themselves name a sum, as has sometimes been done. As no agreement has been come to, the sum they name is 400*l*.