

*Prestige Group (Australia) Pty Ltd v Dart Industries Inc* [1990] FCA 406

**FEDERAL COURT OF AUSTRALIA**

NORTHROP, LOCKHART & GUMMOW JJ

**NORTHROP J:**

I concur with the reasons published by Gummow J. and with the orders proposed by him. I have nothing further to add.

**LOCKHART:**

I have had the advantage of reading the reasons for judgment of Gummow J. I agree with what his Honour says with respect to the United States doctrine of file wrapper estoppel including his conclusion that Prestige Group (Australia) Pty. Limited ("Prestige") could not succeed with its attempt to rely on that doctrine even if it were part of Australian law and that the relevant paragraphs of its pleading were properly struck out. His Honour expressed his provisional views as to the existence of any file wrapper estoppel doctrine in Australian patent law. He said that, although he would not regard that question as other than still open for decision by the courts of this country, nevertheless there appeared to be significant difficulties in the path of the acceptance of the doctrine of file wrapper estoppel either as an admission or as estoppel by representation. Like Gummow J. I regard the question of the application of file wrapper estoppel in Australia as still open for decision, but I prefer to express no view as to what, if any, difficulties may lie in the path of the acceptance of that doctrine.

The second issue in the appeal is whether the learned primary Judge (King J.) erred in striking out paragraphs 5(c) and (d) of the further amended defence of Prestige, and it is to that issue that I now turn.

The respondent, Dart Industries Inc. ("Dart"), seeks to assert that the patent in suit was "obtained on a false suggestion or representation" within the meaning of s. 100(1)(k) of the *Patents Act 1952* ("the Act") and is therefore invalid (see ss. 100(1)(k) and 105)).

Paragraphs 5(c) and (d) of the further amended defence of Prestige provides particulars of this ground of alleged invalidity and they are set out in the reasons of judgment of Gummow J., so I need not repeat them. The substance of those particulars is that Dart obtained the grant of the

letters patent in suit having previously represented to the relevant authorities that its invention was narrower in scope than the invention claimed in that it was limited to a closure with corrugations as distinct from the broader concept of a "biased" closure, that "biased" meant "corrugated" and that the representation was made to satisfy the examiners that the invention claimed was an advance over the prior art, and that Dart's conduct constituted the obtaining of the patent in suit on a false suggestion or representation.

King J. found that to make good an allegation of this kind it is necessary to allege and establish that were it not for the false suggestion or representation the patent would not have been granted in the form which it in fact took, and that as an allegation of this kind was not made the relevant paragraphs of the further amended statement of defence must be struck out. It is from these orders of the Supreme Court that Prestige brings this appeal by leave.

The history of the expression "false suggestion or representation" in relation to the law of patents and to the remedy of the writ of *scire facias* is discussed by Gummow J. in his reasons for judgment.

The words "false suggestion or representation" are of wide import. The statutory ground of revocation and invalidity expressed in s. 100(1)(k) is based on equitable notions of good faith, fairness, conscionable conduct and honesty. If an applicant for a patent has misled the Commissioner in a material respect in the course of procedures which led to the grant of the patent, he should not have the benefit of his misleading conduct. It is true that s. 100 separately defines other grounds of revocation, some of which are apt to include conduct which might otherwise fall within the concept of false suggestion or representation: for example, inutility (s. 100(1)(h)), absence of the entitlement of the applicant to apply for the patent (s. 100(1)(a)), valid claim of an earlier priority date (s. 100(1)(f)) and s. 100(1)(c) which includes non-compliance with s. 40 itself as a ground of revocation. It is possible that there is little work for s. 100(1)(k) to do; but that it has some work to do is recognised by its presence in the section as a separate ground of revocation. It is a good example of the kind of objection which should not be narrowed or circumscribed by judicial decision, but left to develop in the light of changing circumstances and as each case arises. Indeed, in many cases the material on which a defendant may seek to rely in support of a defence of file wrapper estoppel would be admissible as evidence of false suggestion or representation.

There are, at this stage in the development of the law relating to false suggestion or representation (but the categories must not be regarded as closed), two types of conduct which may fall within s. 100(1)(k): first, promises made by the patentee in the specification itself as to the results which he asserts are obtainable by the invention and second, conduct of the patentee during the process of application for grant.

The reported cases on s. 100(1)(k) and its equivalent in the *Patents Act 1949* (U.K.) (s. 32(1)(j)) generally relate to false suggestion or representation of the first kind. This ground of revocation is similar to an objection of inutility (s. 100(1)(h)): see Blanco White, *Patents for Inventions*, 5th ed. paras. 4-1001 and 4-405; Ricketson, *The Law of Intellectual Property*, para. 49-102.

The rationale of this basis for revocation is that it is not generally necessary that the inventor make statements of this kind to have the grant of a valid patent. But if he asserts an inventive merit of his invention and promises a particularly beneficial or useful result, this may persuade members of the public into believing his claims are valid and act on the faith of that by, for example, becoming a licensee or by not using the alleged invention. The point was put thus by Parker J. in *Alsop's Patent* (1907) 24 RPC 733 at 752-3:

"In considering the validity of a Patent for a process, it is therefore material to ascertain precisely what the patentee claims to be the result of the process for which the Patent has been granted; the real consideration which he gives for the grant is the disclosure of a process which produces a result, and not the disclosure of a process which may or may not produce any result at all. If the patentee claims protection for a process for producing a result, and that result cannot be produced by the process, in my opinion the consideration fails. Similarly if the patentee claims for a process producing two results combined and only one of these results is in fact produced by the process, there is a partial failure of consideration . . . and such partial failure of consideration is sufficient to avoid the Patent."

This passage from Parker J.'s judgment was quoted with approval by the House of Lords in *Hatmaker v Joseph Nathan and Co. Limited* (1919) 36 RPC 231 in the speech of Lord Birkenhead at 237. Lord Birkenhead L.C. summarised the point succinctly in the following passage, also at 237:

"In other words, protection is purchased by the promise of results. It does not, and ought not to, survive the proved failure of the promise to produce the results."

See also *Raleigh Cycle Company Limited v H. Miller and Company Limited* (1948) 65 RPC 141 per Lord Simonds at 149 and Lord Normand at 154.

*Alsop's Case* is also a useful example of the distinction between a promise of results and a wrong statement of the purposes for which the results can be used. Parker J. said at 753:

"Further, there may be cases in which the result which the patentee claims to have produced can in fact be produced, but the patentee has gone on to detail the useful purposes to which such result can be applied, and that in fact the result produced cannot be applied to one or more of such purposes. In such a case I do not think the Patent is necessarily void, provided there are purposes for which the result is useful. If it be avoided it can only be because it contains a misrepresentation so material that it can be said the Crown has been deceived. The importance of drawing a distinction between what the patentee claims to have effected by the invention for which he claims protection, and a statement of the additional purposes to which the invention can be applied is well illustrated by the case of *Lyon v Goddard* (10 RPC 121 and 334, and 11 RPC 334)."

In *Lyon v Goddard* the patentee claimed a disinfecting apparatus enabling the use of steam subjected to high pressure in an inner chamber, but pointed out that his apparatus could be used for disinfection by dry heat without steam. The second method did not differ from that of a previously known apparatus, but the patent was held nevertheless to be valid.

As Blanco White pointed out at para. 4-405:

"It is not easy to distinguish between the sort of failure to fulfil a promise of results made in the specification that will amount to lack of utility and the sort that merely amounts to a false representation and accordingly will invalidate only if the patent has been 'obtained' upon it. The distinction has been phrased as one between a promise of results and a mere wrong statement of the purposes for which that which is attained can be used; also as one between a promise of results and a 'mere puff', or between a false representation of the attributes of the product claimed and an accurate representation as to its attributes coupled with an expression of an 'oversanguine and erroneous view of its character'. The drawing of this distinction in particular cases is by no means easy, unless some result to be attained is set out in the claim; if this is so, it will normally negative any implication that some different result, set out in the body of the specification, is to be attained by the invention."

It is only material, as distinct from non-material, false suggestions or representations that invalidate the patent under s. 100(1)(k): see *Raleigh Cycle Company Limited* per Lord MacDermott at 162; *Terrell on The Law of Patents* 13th ed., para. 5.48 and Bannon, *Australian Patent Law*, para. 159.

Although most of the cases involving "false suggestion or representation" are concerned with statements in the complete specification there is another class of case where the suggestion is not found in the specification itself; but is conduct which occurred in the application for the patent: *Kromschroder's Patent* (1960) RPC 75 per Lord Evershed M.R., Pearce and Upjohn

L.JJ. at 83. See also *Martin v Scribal Pty. Limited* (1956) RPC 215 per Lord Morton of Henryton who delivered the opinion of the Privy Council at 224; *Patent Concern N.V. v Melotte Sales Company Limited* (1968) RPC 263; Blanco White, para. 4-1001; Ricketson, para. 49.102; Terrell, para. 5.48 and the cases there cited.

Although s. 100(1)(k) uses the words "false suggestion" I derive no principle from the authorities to support the proposition that fraud in the sense of deliberate intent to deceive is necessarily involved. Indeed, quite the contrary, as the cases speak of the relevant conduct in terms akin to equitable fraud: see, for example, *Morgan v Seaward* (1837) 2 M and W 544 at 561, 150 E.R. 874 at 880-1; *Kromschroder's Patent* per Lord Evershed M.R., Pearce and Upjohn LJJ. at 83-4; *Re Parry-Husbands' Application* (1965) RPC 382 per Lloyd-Jacob J. at 386; Terrell, para. 5.48.

The next question that arises is whether the conduct constituting the false suggestion or representation must be such that in its absence the patent would not have been granted or, as it was put by counsel for the respondent in argument: "the false representation must be material in the sense that without it the patent would not have proceeded to grant" and that it was not enough to be merely one of a number of inducing factors.

Blanco White says at para. 4-1002 that the words "obtained on" if given their natural meaning would produce the result that the representation "must be one in whose absence the patent would not have been granted", but the learned author goes on to say:

"one may suppose that any court would broaden this cover to cover any representation calculated substantially to influence the Comptroller's decision whether or not to grant the patent."

The use of the words "obtained on" in paragraph (k) plainly connote some causal nexus between the conduct constituting the false suggestion or representation and the grant by the Crown of the letters patent; but it does not follow in my opinion that the conduct must be such that in its absence the patent would not have been granted.

I agree in substance with the statement in Blanco White that conduct "calculated substantially to influence the (Commissioner's) decision under the Act whether or not to grant the patent" is the proper test. I would state the test, however, in different terms, namely, whether the conduct

constituting the false suggestion or representation materially contributed to the Commissioner's decision to grant the patent even if other circumstances or causes also played a part in the making of that decision. It is sufficient if the conduct is a material inducing factor which led to the grant. It goes too far to say that the false suggestion or representation must be material in the sense that without it the patent would not have proceeded to grant.

As mentioned earlier, the words "obtained on" certainly suggest a causal link between the false suggestion or representation and the grant of the patent; but they do not in my view necessarily suggest, according to their natural meaning, that without the false suggestion or representation the patent would not have been granted. I do not agree with Blanco White's statement to the contrary, a statement which was adopted by counsel for Prestige.

I summarised earlier the allegations of Prestige as to Dart's false suggestion or representation. It is not, in my view, asserted as a representation about the construction of the claims made in the patent. Dart is not asserting that statements were made as to the true construction of the claims, but that Prestige made assertions about its invention the subject of the application for the patent in relation to the prior art, namely, that the presence of corrugations in the closure was an advance over the prior art in order to lend resiliency to the construction of the article the subject of the invention. This seems to me to be a representation of fact and not of law.

In my opinion Prestige should be entitled to assert, in support of its allegation of false suggestion or representation, matters of the kind to which paragraph 5(c) and (d) of its pleading are directed and such allegations should proceed to trial in support of the issue of invalidity under s. 100 (1) (k) of the Act. As discussion between the bench and counsel revealed on the hearing of the appeal, there are some difficulties with these paragraphs of Prestige's pleading as presently framed and they ought to be patched up.

I agree with the orders proposed by Gummow J.

**GUMMOW J:**  
**Introduction**

This is an appeal, by leave, from an order of a Judge of the Supreme Court of Victoria (King J.) striking out certain paragraphs in the Further Amended Defence by the appellant ("Prestige") to the Statement of Claim by the respondent ("Dart") in which it alleges infringement of

Australian standard patent No. 462612 ("the Patent"). His Honour was exercising powers of the nature described in *General Steel Industries Inc. v Commissioner for Railways (N.S.W.)* 112 CLR 125 at 129-130, and the other well known authorities there referred to. On the appeal, Prestige submitted that King J. should have held that there were real questions to be determined upon the paragraphs which were struck out.

Dart was the registered proprietor of the Patent at all material times prior to 18 February 1988, the date on which the patent expired. The application had been lodged on 18 February 1972 and had been accepted on 12 June 1975. In the proceedings in the Supreme Court of Victoria, Dart seeks an inquiry as to damages or, at its option, an account of profits made by Prestige.

Plastic food storage containers have been available for many years and have generally employed a bowl, cylinder, pitcher or similarly shaped vessel with a separate closure or lid made of a relatively flexible material. The invention, the subject of the Patent, concerned distortable, re-usable, plastic closures or lids for open-mouthed containers which were quickly and easily operable and which assured a reliable hermetic seal.

The Complete Specification was entitled "Three-Part Press Type Seal" and contained six claims defining the invention. Some claims were for closures and others for combinations of closure and container. The Patent was granted upon a convention application to which Part XVI of the *Patents Act 1952* ("the Act") applied. The basic application was made by Dart in the United States of America on 9 March 1971, which is the Australian priority date: Bannon, "Australian Patent Law", 1984, S66. Hence, as will appear, the significance for the Australian Patent of the alleged history of the basic application in the United States Patent Office, in addition to what transpired in the course of examination in the Australian Patent Office.

The present proceedings were commenced in the Supreme Court of Victoria as long ago as 1981. In that same year, Dart also commenced proceedings in the Supreme Court of Victoria against another party, Decor Corporation Pty Limited ("Decor") again alleging infringement of the Patent. In August 1987, this matter went to trial before King J. and judgment was delivered on 4 February 1988. It is reported (1988) 11 IPR 385. An appeal against the decision of King J. was dismissed by the Full Court of this Court on 18 November 1988. The decision is reported: *Decor Corporation Pty Limited v Dart Industries Inc.* (1988) 13 IPR 385. The Full Court dismissed an appeal against the decision of King J. that Decor had infringed claims 1, 2

and 5 of the Patent. The Full Court also dismissed an appeal against the dismissal by King J. of Decor's cross-claim alleging invalidity of these claims, but nothing turns upon this for the present proceedings.

### **The Issues on the Appeal**

What is important is the interpretation placed both by King J. and by the Full Court upon certain terms appearing in the claims which were held to have been infringed.

As I have indicated, the Patent is for a "three-part press type seal", that is to say a lid adapted to seal hermetically an open-mouthed container. Claim 1 is for a lid or closure being a combination of four integers. Claims 2 and 5 are subsidiary claims to claim 1. The first of the four integers of claim 1 is expressed as follows (with emphasis supplied):

"a center main wall including a biased area radially emanating from a central portion thereof to a peripheral terminus, said center main wall being adapted for the application of pressure to the approximate center thereof in such manner that said biased area tends to collapse upon itself and substantially uniformly displace said peripheral terminus until said closure is easily positionable in an open-mouthed container . . ."

In the body of the Complete Specification, when describing the preferred embodiment, it is said that what is edified as "the closure member" is composed of a plurality of separate parts which function together in the operation of the closure, and that these include "a radially biased, fluted or corrugated center main wall . . ." (emphasis supplied).

In the earlier litigation in the Full Court, Sheppard J. held that the term "biased" in claim 1 and in the relevant subsidiary claims was not to be restricted in its meaning by the meaning in the preferred embodiment, so as to apply to corrugated, fluted or similar surfaces which are biased in the sense that they have a pre-disposition to move in a particular way. Lockhart and Foster JJ. were of the view that the term "biased" as appearing in claim 1 is not unclear or ambiguous, so that it neither necessary nor permissible to construe it in the light of the body of the specification. Their Honours held that the term "biased" bore the meaning of "oblique or slanting" (per Lockhart J., 13 IPR at 392), "predisposed to move in a particular way when pressure is applied" (per Sheppard J. at 412) and "conical" (per Foster J. at 421-422). Their Honours held that the relevant portion of the lid of the Decor product was "biased" and was not saved from infringement by the absence of a "fluted or corrugated center main wall", as specified in the preferred embodiment.



The Prestige product at issue in the present proceedings is similar to the Decor product which was the subject of the earlier proceedings. In the present proceedings, Prestige wishes to allege that during examination of the basic application and the application for the Australian patent, Dart adopted a narrower construction to that accepted by the Full Court, namely that "biased" meant "corrugated", and that this narrower construction was adopted by Dart to satisfy the examiners that the invention claimed was novel as against certain prior art. Prestige submits that if the paragraphs which it seeks to plead were made good, they would have the wholesome result of preventing Dart both approbating and reprobating, by maintaining one construction in order to obtain a patent grant and a different construction for the purposes of infringement. Prestige submits that whilst there is no Australian authority on the point, support for such a defence is to be found both in British and, particularly, in United States patent law. The points Prestige seeks to make good emerge in detail from the material struck out by King J. by the order under appeal.

### **The Pleadings**

In answer to Dart's Statement of Claim, Prestige pleaded, in para. 5 of the Further Amended Defence, invalidity on various grounds. This was a course permitted by s. 105 of the Act. Prestige gave particulars of its objections, which appear to have been framed to comply with the requirements of s. 117 of the Act. Paragraph (a) of the particulars does not come into contention on the appeal but it is of some importance to an understanding of the case. It is there alleged that the complete specification of the Patent did not comply with s. 40 of the Act, and that, in particular, (i) the complete specification did not fully describe the invention or the best method of performing the invention, (ii) it did not end with a claim defining the invention, and (iii) it contained claims which were not clear and succinct and were not fairly based on the matter described in the complete specification.

Paragraph (b) of the particulars contained the allegation that the Patent was "obtained on a false suggestion or representation", as provided in para. 100 (1) (k) of the Act as a ground of revocation. The content of that allegation was supplied by paras. (c) and (d), which were struck out by the order presently under appeal. They were in the following terms:

"(c) (Dart), to obtain the grant of the said Letters Patent, represented that the invention claimed in the said Letters Patent was an advance over the prior art because of the requirement of corrugations in order to lend resiliency to the construction of the article the subject of the invention. This representation is contained or made, inter alia, in the following:

(i) correspondence between [Dart] and its patent attorneys and the Commissioner of Patents in relation to the subject patent application, and replies to Examiner's Reports, including the reply dated 27 May 1975.

(ii) the body of the complete specification of the subject Letters Patent.

(iii) Appeal Brief to the Board of Appeals in the United States Patent Office filed 9 March, 1971 by or on behalf of [Dart].

(d) The submission by (Dart) of the complete specification without an express inclusion of corrugations as an essential integer or feature of the claims, and the failure of [Dart] to inform the Commissioner of Patents to that effect."

His Honour understood the substance of these allegations to be that Dart, whilst representing to the relevant authorities that its invention was limited to a closure with corrugations, should have pointed out to them that the specification was not so limited. He accepted the submission that an allegation of obtaining by false suggestion or representation is incomplete without an allegation that were it not for such suggestion or representation there would have been no patent grant in the form in fact taken by the grant. Such an allegation was not made. Upon the appeal, Prestige submitted that his Honour erred in treating as an essential allegation the actual effect of the suggestion or representation upon the mind of the Commissioner, or the examiner, provided the materiality of the suggestion or representation appears on the face of the record in the Patent Office. Subject to what I say later upon the question of false suggestion or representation, I accept that submission.

King J. also ordered that paras. 6 and 7 of the Further Amended Defence be struck out. The appeal is not pursued against the order in relation to para. 7. Prestige pleaded in para. 6 that Dart was estopped from asserting, in the present proceedings, a construction of the claims in the Patent contrary to that which allegedly had been represented to the Commissioner of Patents in Australia and to the United States Patent Office, allegedly in order to obtain the grant of the Patent and the grant of the United States patent.

Paragraph 6 of the Further Amended Defence was lengthy, and not all of it was pressed by Prestige upon the appeal. I set out what is now relied on by Prestige:

"6. (1) [Dart] in order to obtain the grant of the United States Patent which was the Patent upon which a Convention Application for the said Letters Patent was based, through its United States Patent Attorneys in the United States Patent Office represented to the United States Commissioner of Patents that it was an essential feature of the invention of the said Letters Patent that the interior of the closure main wall was corrugated to lend resiliency to its construction and that the invention was on that account patentable over prior art.

(2) [Dart] in order to obtain the grant of the said Letters Patent through its Australian Patent Attorneys represented to the Commissioner of Patents that it was an essential feature of the invention of the said Letters Patent that the interior of the closure being the wall of the closure of the main wall was corrugated in order to lend resiliency to its construction.

#### PARTICULARS

Particulars of these representations, made in documents to the Australian and United States Patent Offices, have been provided.

(3) [Dart] at all material times knew that the United States Basic Patent and the Australian Patent were granted on the basis that those representations had been made and were true, and that the respective Commissioners of Patents believed the claims of the Patents as granted to reflect the truth of those representations. . . .

(5) [Dart] did not at any stage seek to correct any of its representations or amendments or to inform the respective Commissioners of Patents that their beliefs were incorrect before the grant of the respective Patents.

(6) [Dart] at all material times knew that the Complete Specification of the said Letters Patent did not and intended that it would not carry into effect [Dart's] representations to the Commissioner of Patents. . . . "

King J. referred to the United States doctrine of "file wrapper estoppel" but held it inapplicable for various reasons:

(i) Provisions of the Act such as ss. 48 and 52 show that both the examiner and the Commissioner exercise independent judgment when evaluating applications such that it is incongruous to suggest they would bend to representations on behalf of an applicant unless satisfied in their independent judgment. (That may well be so, but of itself, I would not treat it as a sufficient answer to the case put by Prestige.)

(ii) Examiners' reports are not published or open to public inspection, subject to a special direction under s. 55 of the Act. (On the appeal, Prestige submitted that whilst his Honour recognised that the law in the United States may be to the contrary effect, he had failed to consider the impact upon s. 55 of the *Freedom of Information Act 1982* ("the FOI Act"). It is not necessary for the purposes of this appeal to resolve that issue concerning the FOI Act.)

(iii) Prestige had not pleaded that it had relied upon any representations by Dart to the Patent Office before the grant of the Patent; accordingly, it had in some way to claim the benefit of an estoppel good at best only against the Commissioner. (I will return to this point later in these reasons.)

(iv) No relevant English or Australian authority upon the point had been brought to his attention. (In this regard, on the appeal, Prestige conceded a failure in the Supreme Court to refer to what had been held by Falconer J. in *Furr v C.D. Truline (Building Products) Ltd* (1985) FSR 553 at 560-564. On an application for an interlocutory injunction, his Lordship treated as an admission against interest by the patentee the steps it had taken before grant to limit the specifications and claims in a way from which it now sought to escape by pursuing a "purposive" construction, whereby there was a departure from an ordinary reading of the text of the claims.)

(v) In any event, there was no ground upon which to take into account the "file wrapper

estoppel" doctrine with regard to the basic application; the Convention priority date would be relied on in this country at its face value and the Australian Patent could lose its Convention priority date only if the United States patent were construed more narrowly than the Australian Patent so that the Australian Patent lost its priority date, with consequent lack of novelty; this had not been alleged. (However, as was pointed out on the appeal by counsel for Prestige, there is authority in the United States that the file wrapper estoppel doctrine may extend beyond events in the forum and include representations made to foreign patent offices during the prosecution there of patent applications on the same invention: *Caterpillar Tractor Co. v Berco SpA* 714 F 2d 1110 at 1116 (1983). Thus, if the file wrapper estoppel doctrine, in its various forms, were to be adopted in this country, that could bring with it, in the present case, the need to look at what had transpired in the United States Patent Office.)

### **File Wrapper Estoppel**

It is appropriate at this stage to refer to the position in the United States. The doctrine of file wrapper estoppel, as it is there understood, has its roots in nineteenth century decisions, and the doctrine appears to have varied from time to time with no universal agreement as to the fundamental principles from which it derives its life. The position as understood in recent times is discussed in Lipscomb's "Walker on Patents", 3rd Ed., 1987, S21:10, and in the article by Carole Barrett, "The Applicability of the Doctrine of File Wrapper Estoppel To Prevent Recapture of Abandoned Patent Claims", (1980) 54 St. John's Law Review 767. The practice of the Patent Office involves the storage in a jacket, known as a file wrapper, of the original patent application, amendments during prosecutions of the application, and documents submitted by the applicant and his patent attorney: *Autogiro Company of America v The United States* 384 F 2d 391 at 398-399 (1967). The file is open to the public, on payment of a fee, after the patent has been issued: Title 37, Code of Federal Regulations, Patents, Trade Marks and Copyrights, Ch. 1, Part 1, S1.11, S1.14.

A number of decisions apply the doctrine to prevent the patentee, in an infringement suit where there is not "literal" infringement, from "expanding" the scope of the claims by reliance upon the doctrine of "equivalents", if the elements it is sought to include in the monopoly in this way were abandoned during the prosecution of the application in the Patent Office.

While the doctrine of equivalents allows the patentee to go beyond what might be called literal or textual interpretation of the claims, the estoppel doctrine places a limit upon the scope permitted the patentee. Learned Hand J. explained the matter as follows in *Keith v Charles E. Hires Co., Inc.* 116 F 2d 46 at 48 (1940):

"The 'estoppel' is itself important only as a bar to any resort to the doctrine of

equivalents. Without that doctrine every claim is indeed entitled to be interpreted in the light of the specifications as a whole, and not to be read merely with a dictionary. But often even with the most sympathetic interpretation the claim cannot be made to cover an infringement which in fact steals the very heart of the invention; no matter how auspiciously construed, the language forbids. It is then that the doctrine of equivalents intervenes to disregard the theory that the claim measures the monopoly and ignores the claim in order to protect the real invention. . . . The 'estoppel' of the file-wrapper puts an end to the court's power to do this; the applicant has abandoned his privilege to resort to an equivalent of the differentia, which all infringements must therefore embody. He may still insist that his claim shall be generously interpreted, but his monopoly stops where interpretation stops."

Recent applications of these principles include *Coleco Industries, Inc. v United States International Trade Commission* 573 F 2d 1247 at 1253-1254 (1978); *Nationwide Chemical Corporation v Wright* 584 F 2d 714 at 715-719 (1978); *Johnson and Johnson v W.L. Gore and Associates, Inc.* 436 F Supp 704 at 730-731 (1977); *Hughes Aircraft Company v The United States* 717 F 2d 1351 at 1360-1363 (1983), and *Caddock v Hy-Meg Corporation* 668 F Supp 1179 at 1181 (1987).

What then is the content of the doctrine of equivalents and is it capable of expression in terms ordinarily used in the patent law of this country? The doctrine has a long history, dating at least from the decision of the Supreme Court in 1853 in *Winans v Denmead* 15 How. 330; 55-56 US 545. The doctrine is well entrenched but, as Learned Hand J. pointed out in *Claude Neon Lights, Inc. v E. Machlett and Son* 36 F 2d 574 at 575 (1929), it violates the theory that it is the claim alone which measures the monopoly. Indeed, *Winans v Denmead* antedated the modern use of claims, carefully drawn and distinct from the body of the specification, for the specific purpose of defining the ambit of the monopoly: see *British United Shoe Machinery Company Ltd. v A. Fussell and Sons Ltd.* (1908) 25 RPC 631 at 649-651 per Fletcher Moulton L.J.; *Tate v Haskins* (1935) 53 CLR 594 at 606-610; Blanco White, "Patents for Inventions", 4th Ed., 1974, S1-305.

In *Graver Tank and Mfg. Co., Inc. v Linde Air Products Co.* 339 US 605 at 608 (1950), the Supreme Court approved the earlier formulation in *Machine Company v Murphy* 97 US 120 at 125 (1877) that if two devices perform "substantially the same function in substantially the same way to obtain the same result", the doctrine of equivalents may be invoked so as to "temper unsparing logic and prevent an infringer from stealing the benefit of the invention" (the latter quotation is from the judgment of Learned Hand J. in *Royal Typewriter Co. v Remington Rand, Inc.* 168 F 2d 691 at 692 (1948)). One may note that in the same year, 1877,

Lord Cairns L.C. had introduced the term "pith and marrow" into English law: *Clark v Adie* (1877) 2 App Cas 315 at 320. Learned Hand J. described the doctrine of equivalents as "altogether anomalous" and as "a kind of *cy-pres* doctrine" in aid of justice to the patentee, whereby the court will disregard the language in which the claims are couched: *Lyon v Boh* 1 F 2d 48 at 50 (1924). Lord Reid later spoke in not dissimilar terms when dealing with textual infringement and contrasting the "pith and marrow" doctrine in English patent law: *C. Van der Lely NV v Bamfords Limited* (1963) RPC 61 at 75. See also what was said by Menzies J. in *Commonwealth Industrial Gases Limited v M.W.A. Holdings Pty Limited* (1970) 44 ALJR 385 at 388.

From the United States authorities it is apparent that the doctrine of equivalents may embrace concepts, some (admittedly imperfect) analogies to which are found in our law. I refer to the distinction drawn in infringement suits between "essential" and "inessential" integers in claims for a combination, to the "pith and marrow" doctrine, to the substitution of "inessential integers" by "mechanical equivalents", and to the more recent notion of "purposive" construction. It should be said that the notion of "purposive" construction, championed by Lord Diplock in *Catnic Components Limited v Hill and Smith Limited* (1982) RPC 183 at 243, has had an uneven reception in this Court; see the discussion of the authorities in *Rehm Pty Ltd v Websters Security Systems (International) Pty Ltd* (1988) 81 ALR 79 at 91-92, and see also *Nicaró Holdings Pty Ltd v Martin Engineering Co.* (1990) 91 ALR 513 at 527-529.

In the leading United States text, it is said that:

"The doctrine of equivalents is to give the inventor an opportunity to secure a just reward for his invention - an opportunity which he would otherwise be denied because of the failure of the language of his claim to include devices which were in fact the same as his own in function, means, and result. The degree of protection afforded beyond the language of the claims will vary directly with the value of the inventor's contribution to the art. As the principle is commonly put, the inventor is entitled to a range of equivalents commensurate with the scope of his invention: broad if his invention is broad; narrow if his advance is a small one in a crowded field." ("Walker on Patents", supra, S22:34.)

The reference to the importance attached to the value of the invention in applying the doctrine of equivalents, is well supported by authority such as *Autogiro Company of America v The United States*, supra at 400. This is an indication of the caution necessary in treating the possible analogies in Australian law as being of an immediate significance. The emphasis in our law is on the principles of construction applicable generally to patent claims. Further, as counsel for Dart rightly emphasised, the concept of mechanical equivalents, as understood in

our law, is applicable not to all integers in patent claims, but only to what have been construed to be "inessential integers"; the doctrine of equivalents does not appear to be so limited.

In *Graver Tank and Mfg. Co., Inc. v Linde Air Products Co.*, *supra* at 608-609, the Supreme Court said that the "wholesome realism" of the doctrine of equivalents was not always applied in favour of the patentee; sometimes it worked against him and thus "in reverse". The Court continued:

"Thus, where a device is so far changed in principle from a patented article that it performs the same or a similar function in a substantially different way, but nevertheless falls within the literal words of the claim, the doctrine of equivalents may be used to restrict the claim and defeat the patentee's action for infringement."

See also *Kalman v Kimberly-Clark Corporation* 713 F 2d 760 (1983); *SRI International v Matsushita Electric Corporation of America* 775 F 2d 1107 (1985); *Loctite Corporation v Ultraseal Ltd* 228 USPQ 90 at 95 (1985). The issue presented in this way in the United States would be resolved in this country not by denying the evident textual infringement, but rather by an attack under s. 40 of the Act on the validity of the claim itself. A claim whose subject matter is wider than what is new and not obvious or wider than that which is useful in the sense of giving the result aimed at by the inventor, is clearly invalid: Blanco White, "Patents for Inventions", *supra* at S2-301. Such a claim may be stigmatised as not being fairly based on the matter described in the specification, within the sense of s. 40 of the Act: *Olin Corporation v Super Cartridge Co. Pty Ltd* (1977) 51 ALJR 525 at 532. Thus, the so-called "reverse doctrine of equivalents" has no role to play in the law of this country.

There has been a development in the United States authorities as to what material in the conduct of the application in the Patent Office may found the estoppel. One view was that the Court was concerned only with claims which had been amended or abandoned to meet objections based on the prior art, and that statements made by the parties during prosecution of the application were extrinsic to the record. That for a long time was the position of the Court of Appeals for the Second Circuit, under the sway of Learned Hand J. who said that from "threading one's way through all the verbal ingenuities which casuistical solicitors develop to circumvent the objections of examiners, a labyrinth results, from which there is no escape": *Catalin Corporation of America v Catalazuli Mfg Co., Inc.* 79 F 2d 593 at 594 (1935); see also *A.G. Spalding and Bros. v John Wanamaker* 256 F 530 at 533-534 (1919).

That view is one which no longer holds. Even in the Second Circuit, regard is paid to such materials to elicit any "estoppels by admissions" on behalf of the patentee: *Capri Jewelry Incorporated v Hattie Carnegie Jewelry Enterprises, Ltd* 539 F 2d 846 (1976). See also *Quikey Manufacturing Co., Inc. v City Products Corporation* 409 F 2d 876 (6th Cir.) (1969); *Coleco Industries, Inc. v United States International Trade Commission, supra* at 1257; *Hughes Aircraft Company v The United States, supra* at 1362. In the present proceedings, the terms in which the estoppel is pleaded by Prestige suggest that what is involved is an alleged estoppel by admissions rather than the "classic" file wrapper estoppel arising simply from the text of the claims as they were varied during prosecution. But that circumstance does not require any qualification of the views expressed above, both species of estoppel being linked in the same way to the doctrine of equivalents.

Further, there is a body of United States authority in which the patentee is estopped from reasserting a claim, or its equivalent, which during prosecution had been amended or abandoned to avoid rejections founded other than in prior art. What in this country would be treated as amendments to meet objections that claims were not clear and succinct and did not define the invention (in the sense of s. 40 of the Act) may found so-called "non-art estoppel". The divergence between the different Circuits of the Court of Appeals as to the existence of a doctrine of "non-art estoppel" is discussed in Carole Barrett's article, *supra*, under the heading "Non-Art Estoppel".

But even in its various extensions, the authorities show that the doctrine still retains its basic character as a check upon reliance by patentees upon the doctrine of equivalents where the defendant escapes so-called literal or textual infringement.

The primary proposition is that the doctrine of equivalents "comes into play only when actual literal infringement is not present": *Hughes Aircraft Company v The United States, supra* at 1361. The point of immediate importance is that if the principle is that a patentee may not rely upon the doctrine of equivalents (or its possible Australian analogues) where his conduct has given rise to a file wrapper estoppel, there would be no ground for the application of the estoppel in the present case. In the previous appeal to this Court, the patentee, Dart, successfully resisted the submission of the infringer, Decor, that the relevant claims be narrowed by reference to the description of the preferred embodiment. It was Decor which, in effect, sought a result that would have followed if the claims had been narrowed by inclusion of corrugations



as an essential integer. The patentee was content to rest on the ordinary reading of the claims as they stood. This was therefore not a case of the character described in the United States authorities I have discussed. There, the patentee seeks to broaden the claims by going beyond the literal or textual meaning with use of the doctrine of equivalents and the alleged infringer seeks to confine the patentee to the "unsparing logic" of the language of the claims. The estoppel doctrine operates as a counter-balance to pin back the patentee to what has been claimed on a proper reading of the claims.

It may be noted that the English decision to which we were referred, *Furr v C.D. Truline (Building Products) Ltd, supra*, involved a patentee who relied upon a "purposive" construction to broaden the literal meaning of the claims, against whom the defendant relied upon what in the United States would have been called file wrapper estoppel. As I have indicated, the present case stands in contrast to such cases.

It follows that Prestige could not succeed with its attempt to rely on the United States doctrine even if it were to be adopted here and that the relevant paragraphs of its pleading were properly struck out.

Thus, it is not necessary to reach a decision as to the existence of any file wrapper estoppel doctrine in Australian patent law. I am conscious that this is an appeal not from a trial, but from a strike out application. Nevertheless, in response to the full argument, I should express my provisional views. First, as I have indicated, what might be thought to provide the occasion for the existence of the doctrine in the United States, namely the interpretation of specifications in accordance with the doctrine of equivalents, has no immediate counterpart in the Australian decisions.

Further, there appear to be significant problems in anchoring the United States estoppel doctrine in any body of fundamental principle of general application in this country. The patent specification is much more than a document setting down a commercial bargain. It is not "a written instrument operating *inter partes*, but a public instrument": *Welch Perrin and Company Proprietary Limited v Worrel* (1961) 106 CLR 588 at 610. Provision for it is made in legislation permitting a special monopoly, and the English predecessor to the present standard patent, the issue of which is provided for in Part VI of the Act, was Letters Patent issued by the Crown. The granting of the modern standard patent is an activity not contractual but quasi-

legislative in character. Hence, one should have thought that the restrictions which apply to the admission of negotiations prior to contract as aids to construction (as to which see *Codelfa Construction Proprietary Limited v State Rail Authority of New South Wales* (1982) 149 CLR 337 at 352-353 per Mason J.) would apply *a fortiori* to dealings and procedures preceding the grant of patent protection. Learned Hand J. was well aware of the difficulty, saying in *Lyon v Boh* (*supra* at 50-51):

"Ordinarily the final writing, which incorporates a solemn agreement, is taken by the courts as the parties want it taken; that is, it is the sole resort for ascertaining their intentions, for the excellent reason that the parties meant it to be such. All prior negotiations are disregarded, since otherwise the chief purpose of reducing the contract to writing would be frustrated. However, there is the exception, well settled and very recently confirmed by the Supreme Court (*Weber Electric Co. v Freeman Electric Co.* 256 US 668), that, if a patentee submits to the rejection of a claim while his application is in the Patent Office, he may not later insist that other claims which he does get are to be regarded as equivalent to that which was rejected."

His Honour also there described "file wrapper estoppel" and the doctrine of equivalents as "equally anomalous, judged by other legal analogies"; cf. *Autogiro Company of America v The United States*, *supra* at 398-401.

Then it has been said in the United States that the patentee is confined in the interpretation he later seeks to place upon the claims by reason of the admissions made against his interest in the proceedings in the Patent Office; e.g. *The Duplan Corporation v Deering Milliken, Inc.* 379 F Supp 388 at 393 (1974). The meaning of the claims must be a matter of law or at least of mixed fact and law. The view of the United States Court of Appeals, Federal Circuit, is that "Claim construction is a question of law . . .": *Howes v Medical Components, Inc.* 814 F 2d 638 at 643 (1987). Whilst it may be that admissions are receivable to prove such matters, they must be generally of little weight, being founded on opinion, unless they amount to estoppels; see "Phipson on Evidence", 13th Ed., 1982, S19-19. A statement which amounts to a representation may in an appropriate case found an estoppel affecting legal rights. But, whilst it is immaterial whether an admission be made to the other party to the cause or to a third party, it would usually be required of a representation founding an estoppel that it has been directed to the other party in the cause or to his privy or at least that the other party has relied upon it: "Wigmore on Evidence", Chadbourn Revision, Vol. IV, S1057.

Counsel for Prestige sought to meet this difficulty by adopting the term "public estoppel" to describe the position of the grantee of a monopoly right issued by a public authority upon representations by the future grantee; it was said to be sufficient that the public authority had

acted upon the representations. An argument of this nature was noted but not passed upon by the Privy Council in *Interlego AG v Tyco Industries Inc.* (1988) RPC 343 at 364. The fate of such an argument thus still awaits judicial decision.

As I have indicated, in my view there appear to be significant difficulties in founding "file wrapper estoppel" in either the law of evidence as to admissions or in the law as to estoppel by representation as they are presently understood in this country. But I would not regard the issue of the role of "file wrapper estoppel" in this country as other than still open for decision.

There was a further submission upon the more recent United States authorities to which I should refer. We were taken to the statement in *Glaros v H.H. Robertson Company* [615 F Supp 186](#) at [192](#) (1985):

"File wrapper estoppel is only applicable where infringement is found under the doctrine of equivalents . . . Accordingly, it is not a defense to literal infringement... Nonetheless the file wrapper, or prosecution history is properly considered in evaluating the scope of (a claim) for the purposes of determining literal infringement..."

In *McGill Incorporated v John Zink Company* 736 F 2d 666 at 673 (1984), the Court of Appeals, Federal Circuit, said "Prosecution history may be used not only in an estoppel context but also as a claim construction tool". See also *Howes v Medical Components, Inc.*, *supra* at 643-645; *Loctite Corporation v Ultraseal Ltd*, *supra* at 93; *Moleculon Research Corporation v CBS, Inc.* 793 F 2d 1261 at 1270 (1986). As the last of these cases emphasises, the present United States legislation itself indicates that the file wrapper, along with the specification and the drawings, is to be considered when interpreting claims. There is no such legislative encouragement here, subject to the comparatively limited scope of s. 157A of the Act, to which I will return.

As something of a fall-back position, counsel for Prestige sought to rely on these authorities as showing that the "prosecution history" of the Patent might be an aid to construction of claim 1, even on the assumption that the case was one of textual infringement, with which the estoppel doctrine was not concerned. But counsel for Dart responded (correctly in my view) that to accept that submission would be to run counter to the scheme of the Act as well understood in many decisions including those of the High Court. Section 40 of the Act requires a full description of the invention and claims which are clear and succinct and fairly based on the matter described in the specification. Whilst it is well settled that the complete specification

must be read in the light of common knowledge in the art before the priority date, the patentee must stand or fall upon the specification and the claims. It is not for a third party, wishing to know the ambit of the monopoly, to be put to enquiry as to the carriage of the application before the specification took its final form. The authorities in this country have eschewed recourse to extrinsic materials of this kind, and it is not even permissible to resort as of course to the body of the specification to vary or qualify the meaning of terms in the claims: *Welch Perrin and Company Proprietary Limited v Worrel*, *supra* at 610; *Interlego AG v Toltoys Proprietary Limited* (1973) 130 CLR 461 at 479. These principles were applied in this Court in the earlier litigation concerning the Patent, which is presently further in suit. Where the complete specification has been amended before grant, the Court may construe it in its final form by referring to the specification without the amendments, but that is the consequence of specific provision in s. 157A of the Act: *Rehm Pty Ltd v Websters Security Systems (International) Pty Ltd*, *supra* at 89-90.

I turn now to consider the other way in which Prestige seeks to have its defence go to trial.

### **"Obtained On A False Suggestion Or Representation"**

The principal method in England of recall of grants not regularly made was by writ of *scire facias*. The grounds on which this remedy was available was formerly enshrined in s. 86 of the *Patents Act 1903*, which stated that no proceeding by way of *scire facias* might be taken to repeal a patent but that every ground on which at common law a patent might be repealed by *scire facias* was available as a ground for a petition for revocation. (The English law was to similar effect until s. 32 of the *Patents Act 1949* (U.K.)) A provision of that character offered scope for judicial development to meet new circumstances, as Lord Reid pointed out in *American Cyanamid Company (Dann's) Patent* (1971) RPC 425 at 435-436. But no such saving provision was included in the present Act nor in the 1949 British statute. The narrower question which the Act does pose is whether, if (as one must assume on this type of application) Prestige could make out the facts alleged in paras. (c) and (d) of the particulars appended to para. 5 of the Further Amended Defence, it would follow that the Patent should be revoked because it had been obtained on a false suggestion or representation. To this submission I now turn.

As amended by s. 3 of the *Patents and Designs Act 1932* (U.K.), para. 25 (2) (k) of the *Patents and Designs Act 1907* (U.K.) provided that a patent might be revoked upon the ground that the

patent "was obtained on a false suggestion or representation". This marked the introduction in express terms of that concept into the statutory patent law. However, s. 25 also provided for revocation "upon any other ground upon which a patent might, immediately before the first day of January one thousand eight hundred and eighty-four, have been repealed by *scire facias* . . .". This suggested that obtaining on a false suggestion or representation was seen by the legislature as a ground upon which a patent might have been repealed by *scire facias*; see *Martin v Scribal Proprietary Limited* (1954) 92 CLR 17 at 63, 67-68; (1956) 95 CLR 213 at 220-222.

In truth, the expression "false suggestion" has a long history in relation to the repeal of patents. For example, in the United States statute of 1793, it was provided in s. 10 that a patent might be repealed by the federal courts if it was established that it had been "obtained surreptitiously, or upon false suggestion". In order to appreciate the circumstances that provide a link between the United States statute of 1793 and the British statute of 1932, it is necessary to look first to the nature of letters patent.

Letters patent are one of the means by which the wishes and commands of the Crown in executive matters are made known to the public at large, or to the individuals particularly concerned. They were the means by which grants were made by the Crown in a form not sealed up, but exposed to open view, with the Great Seal displayed, and usually addressed to all subjects. They are still in use in Great Britain for ratifying treaties with foreign powers, for conferring titles or dignities, and for creating and conferring certain offices: "Halsbury's Laws of England", 4th Ed., Vol. 8, p 677. In this country, letters patent are still in use for appointments to various offices such as that of Judge of a superior court, and as Royal Commissioner. In former times, letters patent also were employed for the grant by the Crown of franchises to hold markets, to maintain ferries and to exact tolls, such franchises being classified as incorporeal hereditaments; see *Spook Erection Ltd v Secretary of State for the Environment* (1988) 2 All ER 667 at 668-669. Letters patent were also used for the grant of monopolies in respect of inventions for new manners of manufacture, as permitted after the *Statute of Monopolies* of 1623. Legislative changes, commencing with the *Patent Law Amendment Act 1852* (15 and 16 Vict., c. 83) (U.K.) has meant that patents for inventions are no longer issued under the Great Seal.

It is necessary next to consider the use of the writ of *scire facias* in relation to the repeal of grants made by letters patent. The writ received its final quietus in Britain in the First Schedule to the *Crown Proceedings Act 1947*. *Scire facias* was a writ founded on some record, such as letters patent, requiring the person to whom the writ was addressed to show cause why the record should not be annulled. It was issued, with the grant of the Attorney-General's fiat, out of Chancery on its common law side, but cases were determined by a jury in the Court of King's Bench; see the learned argument of counsel in *United States v American Bell Telephone Company* 128 US 315 at 336-338 (1888) (*Bell I*), the footnote to *R. v Arkwright* (1785) 1 WPC 64, and Hindmarch, "A Treatise On The Law Relating To Patent Privileges For The Sole Use of Inventions", 1846, Chapter 10, Section 6. The practice was to entrust the prosecution of the *scire facias* to a private prosecutor who was required to give a bond to pay to the patentee, if the prosecution failed, full costs and expenses taxed as between solicitor and client. Thus, subject to the provision of the Attorney-General's fiat, a remedy which was public in form was placed in private hands. Further, subject to the provision of security for costs, and to the obtaining of the fiat, any person might, on behalf of the public, proceed by *scire facias* to repeal a patent. This liberal view of standing is reflected in the terms of s. 99 of the present Act, which provides that the Minister "or any other person" may present a petition for revocation.

The grounds upon which *scire facias* lay was said by Sir Edward Coke in the Fourth Part of his "Institutes of the Laws of England", S88, 1797, to be,

"The first, when the king by his letters patents doth grant by several letters patent one and the self same thing to several persons, the former patentee shall have a *scire facias* to repeal the second patent. Secondly, when the king granteth any thing that is grantable upon a false suggestion (emphasis supplied), the king by his prerogative *jure regio* may have a *scire facias* to repeal his own grant. Thirdly, when the king doth grant any thing, which by law he cannot grant, he *jure regio* (for advancement of justice and right) may have a *scire facias* to repeal his own letters patents."

That statement of the position was repeated in similar terms in s. III of Chapter XII of Chitty's "A Treatise on the Law of the Prerogatives of the Crown", 1820.

The earlier cases are concerned with the use of the writ in respect of letters patent other than those for inventions. The issue of validity in such cases usually was tried by way of defence to an action for infringement. If the patentee sought an injunction in Chancery, an issue as to validity of the grant would be referred to a jury trial in a common law court. An example to which we were referred in argument is *Morgan v Seaward* (1837) 2 Hayward's Patent Cases 670; (1835-7) 1 WPC 167. The patent in suit was for improvements in steam engines and in

machinery for propelling vessels by paddle wheels. In the Court of Exchequer, a rule nisi to enter judgment for the plaintiff (the patentee), *non obstante veredicto*, on the issue whether the invention was not an improvement upon the prior art, was discharged. The Court *in banc* held that the Crown had been "deceived in its grant" and that the grant had been made upon "a false suggestion" because the patent related to both new and old subject matter. Whilst the patent would be bad in part because of lack of novelty, the whole of it failed because of the application of the wider principle referred to.

This was a decision in an age before claims were used as we understand them and before the introduction of a system of investigation before grant. A contemporary account is to be found in Hindmarch, *supra* at 377-378, where it is said (omitting footnotes):

"Crown grants are indeed almost always obtained by means of representations made by, or on the behalf of the grantees, and as the sovereign is so much occupied with the affairs of the state, it would be impossible always to ascertain with certainty whether the representations of a petition for a grant by patent were true or not. The law, therefore, takes especial care to protect the Crown against false petitions and representations. It is accordingly laid down that it is the duty of every one obtaining a grant from the Queen, to see that she is correctly informed respecting the grant. And if it appears that the Queen has been deceived in any material particular, by a false representation or suggestion of the grantee, the patent will be wholly void. And when facts are recited in a patent respecting the subject-matter of the grant, it will be presumed that the statements contained in the recital were represented or suggested to the Queen by the patentee.

The material particulars respecting an alleged invention for which a party seeks to obtain a patent, must, as has already been observed, be stated in the petition for the patent. The petition must therefore state, that the petitioner is the inventor or importer of the invention, and that the invention possesses the qualities of novelty, utility, andc., so as to be the proper subject of a grant by patent. The substance of the petition for a patent is always recited in the patent itself, and therefore the patent itself shows upon what representations of the patentee it has been granted; and if the patentee has represented any thing which was untrue in any material particular, or has induced the Crown to make an illegal grant, the patent is entirely void."

But it is of importance in understanding the content of the present para. 100 (1) (k) that there might be a "false suggestion" and the Crown might have been "deceived" under the old law without the suggestion of any sharp practice by the patentee. *Morgan v Seaward*, *supra* illustrates the point, and reference is made by Lockhart J. in his reasons for judgment to more recent authorities. The "fraud" involved is more akin to equitable fraud than to deceit as understood today in the law of torts. Nor, as also is illustrated by the extract from Hindmarch, was there any refined analysis of the necessary causal connection between the false suggestion and the making of the patent grant.

Beginning, it seems, in 1785, with *R. v Arkwright, supra*, (where the inventor Sir Richard Arkwright was unsuccessful at a trial in the Court of King's Bench before Buller J. and a special jury in proceedings instituted against him for alleged technical defects in his second patent) a practice grew up whereby, even if there was no suit for infringement on foot, proceedings might be instituted by *scire facias*. The practice had fallen into disuse by 1855, but in the meantime it had been used on some twenty reported occasions. The references to the authorities are collected in *Bell I, supra* at 338-339. The proceeding by *scire facias* to repeal a patent for an invention was abolished by s. 26 of the *Patents, Designs, and Trade Marks Act 1883* (46 and 47 Vict., c. 57) and instead it was provided that revocation might be obtained on a petition. This marked the introduction of the modern revocation suit. As I have indicated, in Britain *scire facias* lingered until 1947 as a procedure for use in other classes of case.

The United States patent system commenced in 1790 and it adopted concepts drawn from the English law. That the system was so understood at the time is apparent from the discussion by Chancellor Kent in his "Commentaries on American Law", Vol. 2, Lecture XXXVI, s. III, 1827, where he refers in detail to various English decisions. The procedure for revocation for patents obtained surreptitiously or upon false suggestion, provided in s. 10 of the 1793 statute, was repealed, along with the rest of that statute, in 1836. Whilst provision then was made for examination in the United States Patent Office before grant, something never before seen in either the British or American system, provision was not made in the new system for revocation suits.

However, *scire facias*, and its analogues in the United States, had not been the only procedure whereby letters patent were revoked. Chancery itself had jurisdiction to do so upon a bill attracting the equitable jurisdiction in fraud, the fraud attending the making of the grant. It was held by North L.K. in *Attorney-General v Vernon, Brown, and Boheme* (1684) 1 Vern. 277; 23 ER 468 that a bill properly lay for the revocation in Chancery of letters patent for the grant of certain incorporeal hereditaments, the grant being allegedly obtained "by surprise, and by false particulars". The Supreme Court of the United States relied strongly upon this and other authorities to like effect in holding that the government might invoke the equitable jurisdiction of the federal courts to cancel grants bad for fraud in their procurement: *Bell I, supra*; *United States v American Bell Telephone Company* 167 US 224 (1897) (*Bell II*). But the use of *scire facias* as a relator action was not carried over into the United States equitable jurisdiction. The



position was taken that the right to be vindicated was that of the United States alone and that the contrary view would expose the patentee to harassment in successive suits by competitors.

In his dissenting judgment in *United States v Glaxo Group Ltd* 410 US 52 at 65-66 (1973), Rehnquist J. (with acknowledgment of the article by Cullen and Vickers, "Fraud In the Procurement of a Patent" 29 Geo Wash L Rev 110 (1960)), dealt with the evolution of the United States law, saying:

"In the Patent Act of 1790, Congress provided that private citizens could, upon motion alleging fraudulent procurement, prompt a district court to issue to a patentee an order to show cause why his letters patent should not be repealed (1 Stat 109). A substantially identical provision was carried over in the Patent Act of 1793 (1 Stat 318). But the Patent Act of 1836 contained no provision for such individual actions although it increased the number of statutory defenses in infringement actions (5 Stat. 117). The effect of this omission was determined by *Mowry v. Whitney*, 14 Wall 434 (1872), to be the preclusion of private actions to cancel patents, even when fraudulently procured.

As part of the rationale in *Mowry*, the Court reasoned that the equitable suit for cancellation of a patent because it was fraudulently procured was a substitute for the writ of *scire facias* and, accordingly, it should have the same limitations. In dictum, the Court stated: 'The fraud, if one exists, has been practiced on the government, and as the party injured, it is the appropriate party to assert the remedy or seek relief.' *Id.*, at 441. When the United States later sued to set aside two patents issued to Alexander Graham Bell subsequent to several purported acts of fraud by him on the Patent Office, this Court relied heavily on the dictum in *Mowry*, *supra*, in recognizing the right of the Federal Government to sue for the cancellation of letters patent obtained by fraud:

'That the government, authorized both by the Constitution and the statutes to bring suits at law and in equity, should find it to be its duty to correct this evil, to recall these patents, to get a remedy for this fraud, is so clear that it needs no argument . . .' *United States v. Bell Telephone Co.*, 128 US 315, 370 (1888) (*Bell I*)"

The majority in the *Glaxo Group Case*, *supra*, decided that where the government presents a substantial case in antitrust litigation, it may challenge validity of patents held by the defendant, regardless of whether the defendant relies upon them in defending the action. But in private litigation, it is necessary for a defendant to set up invalidity as a defence, without the concomitant revocation suit by way of cross-claim, as well known in this country: "Walker on Patents", *supra*, S8:12. Hence, the development as a defence in infringement suits of the so-called doctrine of fraud on the Patent Office in patent procurement, which is based in equitable concepts concerning unclean hands. Inequitable conduct is said to occur when a patent applicant with a requisite mental state fails to disclose prior art or pertinent information material to the patent application; see Witt, "Inequitable Conduct and the Duty of Disclosure in Patent Procurement", (1986) Brigham Young University Law Review 149.

The content of the term "fraud" in connection with patent revocation under the old law requires attention. I have said that sharp practice was not necessary and "fraud" was used to cover cases of accident and mistake: *Bell II, supra* at 240-241. Reference also was made in the authorities in equity to the use by Sir Edward Coke of the term "false suggestion" and it was plain that the equitable jurisdiction was perceived certainly as no narrower than that involved with *scire facias*: *Bell I, supra* at 368-369.

What follows from this review of the long history of the concept of "false suggestion"? *First*, the inclusion in the present Act of a number of grounds of invalidity, including non-compliance with s. 40 (para. 100 (1) (c)), inutility (para. 100 (1) (h)), prior claiming (para. 100 (1) (f)) and lack of title in the applicant (para. 100 (1) (a)), may well leave para. 100 (1) (k) with much less work to do than was performed by the principles dealing with false suggestion in the past; that view is spelled out by Mr Blanco White in his work, *supra* at S4-703-S4-704 (5th Ed., S4-1002, S4.1003). *Secondly*, that does not mean that circumstances may not still arise where the paragraph does have work to do. *Thirdly*, I accept that learned author's proposition in those passages that the words "obtained on" convey the notion that the representation was material that the Crown was deceived in its grant, in the sense of the older authorities, but I would not accept that the patent will be bad only if it can be shown on the facts that no grant would have been made "but for" the false suggestion. I agree with Lockhart J. that it would be sufficient that this was a material inducing factor which led to the grant; much will depend upon the particular facts of the case. *Fourthly*, on an application of the kind, the subject of this appeal, I would not strike out as so clearly untenable that they could not possibly succeed, allegations as made in paras. (c) and (d) of the particulars in aid of the reliance upon para. (b) upon para. 100 (1) (k) of the Act.

It would be a most unusual case where the alleged false suggestion or representation was relied upon as having been made only in the specification, yet reliance was placed upon para. 100 (1) (k), rather than a ground of failure to observe the various requirements of s. 40. But the present is not such a case. Reliance is placed upon s. 40. The false suggestion or representation is said to have been made *inter alia* in correspondence with the Commissioner of Patents, in particular in a reply dated 27 May 1975 to an examiner's report. It is also said to have been made in an appeal brief filed by or on behalf of Dart with the United States Patent Office on 9 March 1971, apparently in relation to the basic application.

In a proceeding of the present character I would not exclude consideration of the United States material from the issues at the trial. There is an argument open that the Australian Patent was relevantly "obtained on" the suggestion or representation in that material.

The content of the alleged representation is that the invention claimed was an advance over the prior art by reason of the requirement of corrugations to lend resiliency to the article in question; the element of falsity is the failure to include corrugations as an essential integer of the claims to the complete specification and the failure to inform the Commissioner that in so doing Dart was resiling from the advance asserted over the prior art.

I would allow allegations to that effect to go to trial as raising an issue of invalidity under para. 100 (1) (k). It is not appropriate to express any view as to the appropriateness in such a case of an amendment under s. 86. The term of the Patent in suit has expired and the issue is one only of pecuniary remedy for past conduct.

### **Conclusions**

The relevant parts of the order of the Supreme Court against which the appeal is brought are:

- "1. Sub-paragraphs 5 (c) and (d) and paragraphs 6 and 7 of the Defendant's Further Amended Defence filed on 27 June 1989 are struck out.
2. Further and Better Particulars are given of sub-paragraph 5 (b) of the Defendant's Further Amended Defence."

The Supreme Court also ordered (order 4) that Prestige pay Dart's costs.

By its Notice of Appeal, Prestige sought the following orders:

- "1. That the order of Mr Justice King of the Supreme Court of Victoria that paragraphs 6, 7, 5 (c) and 5 (d) of the Defendant's Further Amended Defence dated 27 June 1989 be struck out be set aside.
2. That the order of Mr Justice King of the Supreme Court of Victoria that further particulars be given of sub-paragraph 5 (b) of the Defendant's Further Amended Defence dated 27 June 1989 be set aside.
3. An order that the Respondent pay the Appellant's costs of this appeal."

Although no reference is made to it, an inference arises that Prestige is seeking to have the order as to costs in the Supreme Court set aside and that Dart pay the costs of Prestige in the Supreme Court.

A major part of the hearing of the appeal was directed to the "file wrapper estoppel" defence sought to be raised by para. 6 of the Further Amended Defence. Prestige fails on this issue and it failed on the same issue in the Supreme Court. On the appeal, submissions were directed to the substance of the issues sought to be raised by paras. (c) and (d) of the particulars appended to para. 5. During the hearing of the appeal, the Court drew attention to the unsatisfactory form in which para. 5 and the particulars were drawn.

In all the circumstances, Prestige, having succeeded on the issue of the substance of the defence sought to be raised by paras. (b), (c) and (d) of the particulars to para. 5 of the Further Amended Defence, should be given the opportunity to frame the defence in proper form. It failed in establishing para. 6 and, as I have indicated, Prestige did not attempt to support para. 7 of the Further Amended Defence. Accordingly, orders 1 and 2 of the orders of the Supreme Court should be set aside and in lieu thereof it should be ordered that paras. 5, 6 and 7 of the Further Amended Defence be struck out but that Prestige have leave to file and serve within 28 days an amended defence raising the issues sought to be raised by para. 5 of the Further Amended Defence and by paras. (a), (b), (c) and (d) of the particulars to para. 5 of the Further Amended Defence.

Each of the parties has succeeded on one of the two substantive issues raised by Prestige and has failed on the other. Normally, if a defence is struck out but time is granted to file an amended defence, the opposing party is entitled to its costs including any costs thrown away. In all the circumstances, order 4 of the orders of the Supreme Court should be set aside and in lieu thereof there should be no order for the costs of the summons before the Supreme Court. Prestige should pay one half of Dart's costs of the appeal including the application for leave to appeal, and one half of the costs thrown away.