

Friday, July 2.

FIRST DIVISION.

HARRISONS V. ANDERSTON FOUNDRY CO.

(Ante, p. 118.)

New Trial—Bill of Exceptions—Patent.

Circumstances in which held (1) that the defenders in a jury trial for infringement of patent were entitled to a new trial on the ground that the verdict was contrary to evidence. (2) That the defenders ought to have asked for a direction that the patent was void in law in respect that it claimed too much.

The pursuers raised this action to recover damages for alleged breach of patent by the defenders. The jury by a majority found a verdict for the former, and the defenders moved for a rule on the pursuer to show cause why a new trial should not be granted on the ground that the verdict was contrary to evidence. They also excepted to the ruling of the presiding Judge. Parties were heard on the rule and the bill of exceptions.

At advising—

LORD PRESIDENT—This case was tried before Lord Gifford and a Jury at the sittings of the First Division after last winter session. Besides the pursuer's issue of infringement, there were issues for the defenders bringing before the Jury allegations of prior publication of the invention, and of prior public use, and of inutility. The Jury found for the pursuers on all the issues. The defenders have provided a bill of exceptions, and have also obtained a rule on the pursuer to show cause why the verdict should not be set aside and a new trial granted on the ground of the verdict being against evidence. With the assent of both parties, we appointed counsel to be heard on the bill of exceptions and the rule for a new trial at the same time, and although it is necessary to pronounce a separate interlocutor on each, it will be convenient that we should give one opinion on both at once, discriminating, however, between the grounds of judgment applicable to the one and the other.

Among the various questions which have been argued before us under the bill of exceptions and the rule, taken together, that which naturally occurs as first in order is the inquiry, What is the subject-matter of the patent; wherein consists the novelty and merit of the patentee's invention?

The title of the patent, "Improvements in Looms for Weaving," is so general and vague as to afford no available information; and the same may be said of the first paragraph in the specification, p. 9, lines 14 to 18. For, though the paragraph shows that the "actuating of the set or sets of compound or multiple shuttle-boxes of looms for weaving striped, checked, and other ornamental or figured fabrics requiring two, three, or more shuttle-boxes and shuttles in each set" is the matter with which the invention is concerned, this gave no information that is not afterwards more distinctly given, viz., that the parts of the power-loom to which the invention is applicable are—(1) the shuttle-box moving and holding mechanism; and (2) the pattern mechanism.

The specification then proceeds to describe, from p. 9, line 19 to p. 20, line 27, a complete shuttle-box moving and holding mechanism, and a complete pattern mechanism; but in neither the one description nor the other is any part claimed or described as new, nor is any part disclaimed or characterised as old. On p. 17, lines 15-23, however, the patentee states that his improved shuttle-box mechanism may be used with old and unimproved pattern mechanism, and his improved pattern mechanism may be in like manner used with old and unimproved shuttle-box moving mechanism.

There being therefore no means from the introductory part of the specification, or from the detailed description to which I have referred, of discovering wherein the invention consists, or what is the novelty which the patentee claims, the reader is necessarily driven to the four different heads of the claim on pages 20 and 21, to ascertain what is the new and useful invention which the patentee undertakes and is bound to publish to the world by his specification, or, in other words, what it is that he desires to prohibit all the world but himself from using without his license.

The first head of the claim is for "The construction and arrangements of the parts of pattern mechanism and shuttle box moving and holding mechanism as herein distinguished generally, for actuating the shuttle boxes of power looms, all substantially in the new or improved manner herein described and shown in the accompanying drawings, or any mere modification thereof."

This is not very clearly expressed, but I am prepared to give the patentee the fullest indulgence, and indeed to adopt what I understand to be his own interpretation. There is no claim for a combination of pattern mechanism and shuttle-box moving mechanism, for these are claimed, "as herein distinguished," *i.e.*, distinguished from one another. There is no statement that any part or parts of either mechanism are new or that any part or parts are old or disclaimed. There is no statement that the combination of specified parts of either mechanism is new. The claim is simply for the construction of the pattern mechanism and the arrangement of the new and improved manner described in the specification and shown in the accompanying drawings, and for the construction of the shuttle-box and moving and holding mechanism and the arrangement of its parts in the new and improved manner described in the specification and shown in the accompanying drawings. Now each of these mechanisms is described in the specification and shown in the drawings as a whole, and thus the claim is in effect for the two entire machines, without even an attempt to state in what the novelty of either the one or the other consists.

The pursuer contends that there is a claim for a combination of old things, the combination alone being new, and that such a combination is in law a good subject-matter of a patent. No doubt a new combination of old parts to produce a new result, or produce a known result in a more useful and beneficial way, may be a good subject-matter, but only under the conditions that the combination shall be claimed as a combination, and be so described as to show intelligibly what is the novelty and what the merit of the invention, so that all the world may have the benefit of the publica-

tion, and so that every one may know what he is to avoid as patented in dealing with such mechanism. In this respect the first head of the claim clearly fails. There is no discovery or explanation of the novelty. On the contrary, the claim is simply in each case for the whole machine as shown in the drawings and described in the specification.

The patent is therefore, in my opinion, void in law, in respect of its claiming too much; for the vice under which the first head of the claim thus labours is on well-known principles of patent law sufficient to void the whole.

The defence founded on this legal objection to the patent could not have been disposed of before trial, because there is so much technical language employed in the specification that the Court could not safely apply their minds to its construction without the evidence of experts to explain that technical language, or without some knowledge of the mechanism of power-loom. But the objection that the patent is bad in law is always open at the trial as an answer to the pursuer's issue of infringement; and the Judge at the trial, if he is satisfied on the true construction of the specification that the patent is bad in law, ought to state his opinion in law to that effect to the Jury, and direct them to find a verdict for the defenders. Lord Gifford did not follow this course in the present case, and that leads me to consider, in the next place, what are the questions raised by the bill of exceptions.

The first, second, and third directions given by his Lordship are not excepted to by the defenders, and are sound on the assumption that the patent is not on the face of it void in law. Neither, on the same assumption, does there appear to me to be any serious objection to the direction challenged by the defenders' first exception.

The other exceptions taken by the defenders are entirely against the refusal of the presiding Judge to give the Jury certain directions demanded by the defenders themselves. I am of opinion that not one of the propositions which Lord Gifford was asked to adopt and state to the Jury as a direction in law was calculated to instruct the Jury or lead them to a right result. On the contrary, it appears to me that the effect of them would have been misleading. The defenders nowhere ask his Lordship to tell the Jury that the patent is void in law, and that they must find a verdict for the defenders. If they had done so, either his Lordship would have complied with their request, or, if he refused, they would have had an exception which I should have been prepared to sustain. But being of opinion that the patent is void in law, I find it impossible to sustain any of the negative exceptions, for that would be in effect deciding that at the next trial the presiding Judge ought to direct the Jury in terms of one or more of the directions which Lord Gifford refused to give. This is, of course, out of the question if I am right in holding that the only proper direction to be given is that the patent is void in law, and that on that ground there must be a verdict for the defenders. For these reasons I am for disallowing the exceptions.

But it becomes necessary also to consider the case as presented to us on the evidence under the rule for a new trial; for it is only by this means, so far as I can see, that the defenders can obtain the remedy of a new trial, which, in conse-

quence of the way in which they dealt with the law at the last trial, is the only remedy open to them.

In dealing with this branch of the case it must be assumed that the patent is not void in law on the mere construction of the specification, or, in other words, the specification must be read as if the first head of the claim was not there at all, and as if the entire claim were to be found in the 2d, 3d, and 4th heads (on p. 21) of the specification.

The second head of the claim relates to the improved shuttle-box moving and holding mechanism, the use of which by the defender constitutes the alleged infringement of the patent.

This head of the claim is not liable to any legal objection on the mere construction of the specification, which is claimed to be new and the invention of the patentees. This is a claim for "the construction and use of duplex depressors for actuating a lever connected to the shuttle box of a power loom, so as to shift and set or bring these to rest by a positive motion, taken or derived from one of its main shafts, whether the lateral acting position of the depressors is determined by simply bringing it to rest on the pattern pins in the improved manner herein distinguished, or by the 'positive' motion of the pins in turning the barrel, all substantially in the new or improved manner herein described and shown in the accompanying drawings or any mere modification thereof."

This claim comprehends—(1) the use of duplex depressors—or, as they are called elsewhere in the specification, pressers—for of course it would not substantially alter the machine to turn it upside down, seeing that the motion of these pressers is positive and not depending at all on gravitation; (2) the pressers also must act together, or, as the witnesses well express it, in partnership; (3) they are used for actuating a lever connected with the shuttle-box of a power-loom; (4) the effect of their joint action is to "shift and set,"—that is to say, when one of the pressers has pressed one arm of the lever so as to shift the shuttle-box connected with it, the other presser, in the moment that the shifting motion is complete, meets the other arm of the lever and stops it, so as to make the shuttle-box in its new position properly steady; (5) this joint action of the pressers in shifting and setting is produced by two separate motions, one a positive motion derived from one of the main shafts, and the other a motion derived from the pattern mechanism.

Is this, then, a novel mechanism for the purpose of shifting and setting the shuttle-box of a power-loom? The answer, on the evidence, I think, must be that none of the parts of what is described in this second head of the claim is new, nor is the combination of them new.

It appears to me that the specification of Hirst & Hollingsworth's patent, filed 11th September 1861 seven years before the date of the pursuer's patent, discloses and describes substantially the same thing that is here claimed. They have got duplex pressers acting upwards instead of downwards (an immaterial variation for the reason already stated)—acting in partnership for actuating the lever connected with the shuttle-box—acting so as to shift and set (the only difference being that instead of steps on the pressers there are studs on the lever), their joint action being produced by two sepa-

rate motions, one a positive motion derived from one of the main shafts, and the other derived from the pattern mechanism. It would be idle in giving judgment on a question of this kind to examine the precise words of Hirst & Hollingsworth's specification. The nature of their invention is best seen in the model No. 64, which demonstrates to my mind the substantial identity of the two machines. Upon the evidence bearing on this patent of Hirst & Hollingsworth I think the Jury ought to have returned a verdict for the defenders on their first issue, and their verdict, in so far as it finds for the pursuer on that issue, is against the whole weight of the evidence.

Again, in the year 1863 Thomas Knowles and others obtained a patent for certain "improvements in looms for weaving," the specification of which is said to contain a description of an invention which is an anticipation of the pursuer's. This I am not prepared to affirm, though the two inventions or alleged inventions come very near one another. But this Thomas Knowles is proved to have manufactured and sold 100 machines according to the model No. 66 of process, some years before the date of the pursuer's patent. Now this model No. 66 is said to differ materially from the description in Knowles' specification. But if machines made according to model 66 were made and sold before the date of the pursuer's patent, and are substantially identical in principle and construction with the pursuer's machine, as described in the second head of the claim, then that will be in law prior use of the patent invention sufficient to invalidate the Crown grant. The fact of the manufacture and sale and use of machines conform to model 66 being clearly proved, the only remaining question is whether they are substantially identical with the pursuer's shuttle-box moving and holding mechanism.

The skilled witnesses for the defenders are all clear in the affirmative, and even some of the witnesses for the pursuers are generally unable to resist the same conclusion. Mr Collier, the leading expert examined by the pursuer, while anxious to show that model 66 differs in essential particulars from Knowles' specification, admits that "the model is in accordance with the pursuer's patent." And again he says, "In a machine the model would be an infringement of the pursuer's patent;" and again, "This model, No. 66, is within the principle of the pursuer's patent." Independently of this evidence, a comparison of the model 66 with the pursuer's machine 59 is quite enough to enable the Court to pronounce that the two are substantially identical.

This is then, in my opinion, clear evidence of prior use of the patent invention, and the consequence must be that the verdict of the Jury, in so far as it finds for the pursuer on the defenders' 2d issue, is against the evidence.

It is a matter of course that if the verdict of the Jury ought to have been for the defenders on the defenders' 1st and 2d issues (the issues of prior published invention and prior use), then the verdict ought to have been for the defenders on the pursuer's issue of infringement also, for there can be no infringement of patent right when the patent is invalid for want of novelty.

The result is that the rule for a new trial must be made absolute.

LORD DEAS concurred.

LORD ARDMILLAN—In this very complicated and important case we have before us a bill of exceptions, and we have also a motion for a new trial on the ground that the verdict for the pursuer was against evidence. The verdict was by a majority of the Jury, and it cannot be questioned that the evidence on which they pronounced their verdict was, as regards the facts, and more especially as regards the skilled testimony, conflicting. In judging of the evidence we must bear in mind the legal principles applicable to the facts.

The patent founded on by the pursuer is supported on its specification without any amendment. There have been no disclaimers, and it must be construed as it stands. The construction of the specification, as distinguished from its sufficiency when construed, is for the Court. We must read and construe it fairly, not with severity of criticism against the claimant—quite the contrary—but with firm enforcement of the requirements of clear and honest disclosure.

So construing this specification, I cannot read the first claim (on page 20) as a claim for the invention of a combination only. There might be such a claim, but we have it not here. It is possible to claim as an invention an entirely new combination of parts not in themselves new; and in such a case, the improvement by new combination being clearly explained, the want of novelty in some of the parts, or even in all the parts, will not make void the patent, since it is only taken for new combination. But in such a case, where the combination alone is claimed, it is, in my opinion, the duty of the claimant to state plainly in his specification that he does claim no more than the combination as his invention. He must make it manifest that he claims as new—as original, as the subject of his patent—a combination only, so as to exclude and disclaim the parts—the materials or elements of the combination. I do not mean that the word "only" or "exclusively" must be used; there are no *voces signatae* which must be always employed. But the plain meaning and scope of the claim must be clearly brought out. This is well explained by Lord President Colonsay in the case of *Morton v. Middleton*, 20th March 1863, and is recognised as law in several other decisions. The specification before us I have found it impossible on fair construction so to read as to arrive at any other conclusion than that there is here no claim for the invention of a new combination exclusive of novelty in the parts combined. In arriving at this conclusion I use no subtlety or severity of criticism. I take the words in their plain meaning. It is the duty of the claimant to bring out clearly the nature of his improvement and the limits of his alleged invention; and, reading this specification with reference to that plain duty resting on the claimant, I am convinced that this is not a claim for a combination only—in other words, that the parts or materials of combination are not disclaimed or excluded from the claim of invention. The machine is claimed in whole as a new invention. No part is excepted from the claim of the specification, and the particular nature of the improvement said to be new is not explained.

If this be the true reading of the specification, then I am of opinion that, in the event of its being admitted or ascertained that the parts or materials of combination are not new, the patent is not valid. There is no disclaimer. No

distinction is taken between the new and the old parts of the machine. No one part is, in this claim, set forth as novel, while others are old. If, therefore, this is not a claim for combination only, it must be a claim for the invention or new application of all the parts constituting in combination the machine claimed.

In point of law, I think it is well settled, both in England and in Scotland, that where, in a claim not limited to combination only, there is no distinction stated discriminating between the parts of the machine claimed as new and the parts of the machine recognised as old, then the patent is void if any substantial part of that machine is old and is not excepted or disclaimed. It is not necessary for me to refer again to the authorities on the subject, which are most instructive and satisfactory. Your Lordship has already explained them, and the decision of Lord Chancellor Westbury in the case of *Foxwell v. Bostock*, in 1864, is, in my opinion, conclusive on this part of the cases. (Reads from vol. iv. De Gex, p. 311.) In Scotland the case of *Templeton*, though the circumstances are different, is, as regards the principle of construction and of decision, to the same effect.

Taking this view of the specification and of the first claim, I am of opinion that the patent founded on by the pursuers cannot be enforced.

But the motion for new trial is before us, and I am further of opinion, in regard to the second claim, that the verdict of the Jury on the first and second issues for the defenders, on which the verdict is for the pursuers of the action, is contrary to the evidence.

I think that on this evidence the pursuers were not the true inventors. The invention was anticipated and made public by the specification and patent of Messrs Hirst & Hollingsworth in 1861. It appears to me that a careful comparison of the two machines—viz., the pursuers' machine constructed from their specification, and the machine constructed from the specification of Hirst & Hollingsworth—must be made, and I think the comparison leads to the result—at least it has led me to the result—that they are truly the same—the same in the very particulars which are set forth as giving originality.

I do not think that any sufficient grounds for distinguishing between them have been supported either by evidence or by argument. Everything set forth in the second claim in the pursuers' specification is to be found in the machine constructed from the specification of Hirst & Hollingsworth. It is, however, said that the invention of Hirst & Hollingsworth was not used, probably in consequence of other machines of superior manufacture having been brought into the market or into competition. But the specification explains the invention of Hirst & Hollingsworth, and, when followed by letters-patent, was a proclamation of the invention; and we are not now considering a plea of prior public use, but of anticipation and publication. I think it impossible to dispute that the specification by Hirst & Hollingsworth afforded the information required for constructing the machine, which is the very counterpart of that which is claimed by the pursuers as their original invention. We have thus on the evidence before us proof of anticipation and prior publication, which ought to have satisfied the jury, and that is quite sufficient to sustain the objection taken to the enforcement of the pursuers' patent. In nega-

ting the first issue for the defenders, I am accordingly of opinion that the verdict of the Jury is contrary to evidence.

In like manner, I concur with your Lordship in the chair in holding that the machine patented by Knowles in 1862 is also so entirely identical with the pursuers' machine that, if publicly used, that prior public use is a fatal objection to the validity of the pursuers' patent.

I do not think that on the evidence before us there is any reasonable doubt that Knowles' patent machine is in substance and in action the same as the pursuers. I think it possesses all the peculiar properties and forces and applications of power which are set forth in the pursuers' specification, and which we see in the pursuers' patent machine.

I have read all the evidence with great care, and have come to the conclusion that in Knowles' machine, as in No. 66, we have "duplex pressors or depressors" for actuating a lever connected to the shuttle-box of a power-loom, so as to shift and set them by a positive motion taken from one of the main shafts. We have the steps under the government of the pattern mechanism, and we have the position of the depressors determined by bringing them to rest on the pattern pin. In these particulars the invention and the machine of Knowles, machine No. 66, corresponds almost exactly with that of the pursuers—any varieties which appear being merely modifications or equivalents. The invention is really the same; the machine is substantially the same.

Now there is no doubt that Knowles' machine was publicly used. It was sold for use, and put to use, and that is enough; for it is quite settled law that public use does not mean use by the public, but means use in public, as distinguished from use in secrecy. It is open use, not hidden use.

On this second issue for the defenders I also think that the verdict of the Jury for the pursuers of the action is contrary to evidence.

I need not enter on the question of proof of infringement on which, if it stood alone, there might be difficulty. If the patent is invalid, and if the pursuers are not the true inventors, and if there has been prior use, that is sufficient.

Although I have expressed my opinion that the patent of the pursuers is exposed to fatal objection in consequence of defective and misleading specification, yet I agree with your Lordships that the particular exceptions here taken to the directions of the Judge who tried the cause do not satisfactorily bring out the nature of this objection. None of the exceptions correctly or adequately present the point of law on which the invalidity of the patent rests. It is therefore sufficient for us, having indicated our opinion on the patent for the guidance of the parties, to set aside this verdict as contrary to evidence.

LORD MURE concurred.

The Court pronounced the following interlocutors:—

"The Lords having heard the counsel for the parties on the rule granted to show cause why the verdict should not be set aside and a new trial granted, Make the rule absolute, set aside the verdict, and grant a new trial, reserving the expenses of the trial."

"The Lords having heard counsel for the parties on the Bill of Exceptions for the defender, Disallow the Exceptions and find no expenses due in the discussion thereon."

Counsel for Pursuer—Dean of Faculty (Clark) Q.C., Asher and Mackintosh. Agents—Hamilton, Kinnear & Beaton, W.S.

Counsel for Defenders—Solicitor-General (Watson), Balfour and R. V. Campbell. Agents—Davidson & Syme, W.S.

Tuesday, July 6.

SECOND DIVISION.

APPEAL—JACKSON (MACKENZIE'S TR.)
 v. JOHN M'IVER.

Bankruptcy—Onerous Holder—Ranking—Blank Stamp—Loan—Security—Bona Fide Holder—Personal Obligation—Cautioner.

A lent to B £300, taking in security B's promissory note for that amount, and also a blank bill stamp endorsed by four persons. B became bankrupt, and A having thereafter filled up the blank stamp for £2000, claimed to be the onerous holder, and to rank on B's estate for the amount of £2000. *Held* that A having lent B £300 had received the blank stamp in security only for that amount, and that consequently he was only entitled to rank as a creditor for £300.

This case came up by appeal from a deliverance of the Sheriff Substitute of Inverness-shire on a claim by John M'Iver, Douglas Row, Inverness, against the deliverance of the trustee on the bankrupt estate of Alexander Mackenzie, sole partner of the firm of Mackenzie Brothers, drapers, High Street there, rejecting M'Iver's claim to be ranked on the estate under and to the amount of a promissory note for £2000, bearing to be granted by Donald Mackay, manufacturer, Inverness, in favour of Munro & Co., Turnbull & Co., William Mackenzie, and the bankrupt. M'Iver explained that he had got the promissory from Mackay merely in security for a loan of £300 which he granted to Mackay, and which Mackay had failed to pay; and he restricted his claim under the note to that amount, but contended that he was entitled to rank on James Mackenzie's estate—Mackenzie being a cautioner under the promissory note for Mackay—to the full amount of the sum upon the paper. A reference of the matter in dispute was made to M'Iver's oath in the Sheriff Court, and under that reference the Sheriff-Substitute (BLAIR) pronounced the following deliverance:—

"*Inverness, 10th May 1875.*—The Sheriff-Substitute. . . . Finds that the oath is negative of the reference: Finds further, in point of fact, that the bill in question was given to the appellant in satisfaction, not of a prior debt nor in preference to other creditors of the bankrupt, but of an instant cash payment, and as a *novum debitum* arising within sixty days before bankruptcy: Finds in law that the Act 1696, c. 5, does not apply to the present case: Therefore recalls the deliverance appealed against, and remits to the respondent, the said Thomas Jackson, as trustee on the sequestrated estate of the bankrupt Alexander Mac-

kenzie, draper, High Street, Inverness, to admit the appellant's claim, and to rank him upon the said sequestrated estate in terms of his claim, and decerns.

"*Note.*—The Sheriff-Substitute refers to the note to his interlocutor, of this date, in the appeal at the instance of the present appellant against the trustee on the sequestrated estate of William Mackenzie, draper, Inverness, for the grounds of his present judgment."

[The following is the note above referred to:—

"*Note.*—The bill in question was given by a man named Mackay to the appellant on the 11th May 1874, and it cannot be disputed that at about that date the Mackenzies delivered the bill, signed in blank, to Mackay as a negotiable instrument. The Mackenzies were then carrying on their business as drapers, and were in a position to grant bills. They may have felt somewhat embarrassed, but it does not seem to be disputed that it was supposed that they could carry on for some time longer. Their estates, however, were sequestrated on 23rd June 1874, and the respondent was appointed trustee on their estates.

"Having received the bill-stamp blank subscribed, the appellant afterwards, on the 22nd or 23rd day of June 1874, made the bill in the form in which it now appears.

"What is now claimed by the appellant is to be ranked as a common creditor upon the bankrupt's estate. He is not claiming a preference directly or indirectly over all or any of the other creditors.

"The question originally was, whether or not the evidence upon which his claim is founded was sufficient, but at the debate the respondent stated that he challenged the claim on the ground that the bill founded on, being an acknowledgment of debt granted within sixty days of bankruptcy, was null under the Act 1696, c. 5.

"1. In regard to the sufficiency of evidence to support the claim.—The oath of the appellant leaves no room for reasonable doubt that the bill was given for a valuable consideration by Mackay, the holder of it, to and received by the appellant, and that the appellant is now its true onerous holder. It is no objection that the signature of the bankrupt was on a blank bill-stamp. An acceptance written on the paper before the bill is made and delivered by the acceptor will charge the acceptor to the extent warranted by the stamp. There is nothing upon the bill to diminish the validity of the appellant's claim. There is no evidence of fraud in the whole transaction to take it away. 'Fraud to establish the claim must be pregnant, and must be brought home to the party who takes benefit by the bill. There was here no fraud. And no delay in filling up the bill can affect the question if the bankrupt was truly and fairly made chargeable in the bill.' The Sheriff-Substitute thinks he was, and that he cannot plead freedom from liability on any of the grounds which he has stated. See *Lyon v. Butter*, 7th December 1841, 4 D. 178.

"2. Does an acknowledgment of debt granted within sixty days of bankruptcy fall under the operation of the Act 1696, c. 5?—The Sheriff-Substitute does not think that it does. The true and only legal effect of the annulling clause of that Act is, that every person who shall take from another a grant or conveyance in security or satisfaction of a *prior debt* shall be bound, when that other party becomes bankrupt, if within sixty days,