

# FEDERAL COURT OF AUSTRALIA

## Seafood Innovations Pty Ltd v Richard Bass Pty Ltd [2010] FCA 723

Citation: Seafood Innovations Pty Ltd v Richard Bass Pty Ltd  
[2010] FCA 723

Parties: **SEAFOOD INNOVATIONS PTY LTD (ABN 67 096 070 932) v RICHARD BASS PTY LTD (ACN 010 643 197) and RICHARD ROBERT BASS**

File number: QUD 422 of 2007

Judge: **SPENDER J**

Date of judgment: 12 July 2010

Catchwords: **INTELLECTUAL PROPERTY – PATENTS** – whether the respondent infringed the two innovation patents belonging to the applicant – whether the applicant’s second patent is invalid because of: a lack of an innovative step (s 18(1A)(b)(ii) of the *Patents Act 1990* (Cth)); and/or the claims of the patent are not clear and succinct and not fairly based on the matter described (s 40(3)); and/or the claims do not define the invention (s 40(2)) – whether the exportation of the devices supports an infringement action.

Legislation: *Patents Act 1990* (Cth) ss 7, 13, 18, 40, 79B, 120, 138(3)

Cases cited: *Austral Ships Pty Ltd v Stena Rederi Aktiebolag* (2005) 66 IPR 420; [2005] FCA 805 cited.  
*Delnorth Pty Ltd v Dura-Post Pty Ltd* [2008] FCA 1225 considered.  
*Dura-Post Pty Ltd v Delnorth Pty Ltd* [2009] FCAFC 81 cited.  
*Electric & Musical Industries Ltd v Lissen Ltd* [1938] 4 All ER 221; (1938) 56 RPC 23 referred to.  
*Griffin v Isaacs* (1938) 1B IPR 619; 12 ALG 169 cited.  
*H Lundbeck A/S v Alphapharm Pty Ltd* [2009] FCAFC 70 referred to.  
*Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2004) 217 CLR 274 referred to.  
*Pharmacia Italia Spa v Mayne Pharma Pty Ltd* (2005) 66 IPR 84 referred to.  
*Welch Perrin & Co Pty Ltd v Worrel* (1960) 106 CLR 588 referred to.

Date of hearing: 20, 21 & 22 October 2009

Place:	Brisbane
Division:	GENERAL DIVISION
Category:	Catchwords
Number of paragraphs:	121
Counsel for the Applicant:	Mr S Burley SC
Solicitor for the Applicant:	Bennett & Philp Lawyers
Counsel for the Respondents:	Mr J Horton
Solicitor for the Respondents:	Adamson Bernays Kyle & Jones

**IN THE FEDERAL COURT OF AUSTRALIA  
QUEENSLAND DISTRICT REGISTRY  
GENERAL DIVISION**

**QUD 422 of 2007**

**BETWEEN:               SEAFOOD INNOVATIONS PTY LTD (ABN 67 096 070 932)  
Applicant**

**AND:                     RICHARD BASS PTY LTD (ACN 010 643 197)  
First Respondent**

**RICHARD ROBERT BASS  
Second Respondent**

**JUDGE:                 SPENDER J**

**DATE OF ORDER:     12 JULY 2010**

**WHERE MADE:         BRISBANE**

**THE COURT DECLARES THAT:**

1. Innovation Patent No AU 2008100126 is invalid.

**THE COURT ORDERS THAT:**

1. The amended application pursuant to s 120 of the *Patents Act 1990* (Cth) for infringement by the respondents of Australian Innovation Patent No 2006100980 is dismissed.
2. The applicant pay the costs of the respondents of its application and of the cross-claim of the respondents, including reserved costs, but excluding any order as to costs ordered to be paid by the respondents to the applicant on any interlocutory application.

Note: Settlement and entry of orders is dealt with in Order 36 of the Federal Court Rules.  
The text of entered orders can be located using Federal Law Search on the Court's website.

**IN THE FEDERAL COURT OF AUSTRALIA  
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**QUD 422 of 2007**

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Applicant**

**AND:                RICHARD BASS PTY LTD (ACN 010 643 197)  
First Respondent**

**RICHARD ROBERT BASS  
Second Respondent**

**JUDGE:             SPENDER J**

**DATE:              12 JULY 2010**

**PLACE:             BRISBANE**

**REASONS FOR JUDGMENT**

1           This is an amended application pursuant to s 120 of the *Patents Act 1990* (Cth) (the Act) which concerns the alleged infringement by Richard Bass Pty Ltd (the first respondent) and Richard Robert Bass (the second respondent) of two innovation patents belonging to Seafood Innovations Pty Ltd (the applicant).

2           The two innovation patents, and the two alleged infringing devices, are directed towards a mechanism useful for the harvesting of fish on a commercial scale, which requires a speedy throughput of fish, in the range of two or more thousand fish per hour.

3           The first patent is entitled “fish stunning apparatus”, and is Australian Innovation Patent No 2006100980 (First Innovation Patent). It claims an earliest priority date of 3 December 2002 (Priority Date), claiming priority from AU Provisional Patent Application No 2002953070, filed 3 December 2002 (Provisional Patent Application), and was granted on 7 December 2006. It was granted a Certificate of Examination by the Commissioner of Patents on 18 January 2007 pursuant to s 101E of the Act. The eight year term of the First Innovation Patent will expire on 3 December 2011.

4           The second patent has the same title. It is Australian Innovation Patent No 2008100126 (Second Innovation Patent) and claims the same priority date of 3 December

2002, as a divisional patent from AU Australian Patent Application No 2003302671 (Australian Patent Application). The Second Innovation Patent was granted on 28 February 2008, and was granted a Certification of Examination by the Commissioner of Patents on 7 August 2008, also pursuant to s 101E of the Act. Its eight year term will also expire on 3 December 2011.

5           The parties agree that the priority dates for the two Innovation Patents are the same, namely, 3 December 2002.

6           The applicant alleges that the two innovation patents have been infringed by the manufacture, sale, use, import, export or keeping of fish killing devices known as the “MT5” and “RB6” devices manufactured by the first respondent.

7           The second respondent is the sole director and controller of the first respondent, and it is not in dispute that if the first respondent has infringed the two innovation patents, then accessorial liability attaches to the second respondent.

8           The respondents have denied infringement of Claims 1 and 5 of the First Innovation Patent, but have not challenged the validity of that innovation patent. The respondents have admitted that the MT5 and RB6 devices of the respondents infringe claims 1 to 4 of the Second Innovation Patent, but say that that patent is invalid.

9           The grounds of invalidity relied upon are lack of innovative step (s 18(1A)(b)(ii) of the Act), that the claims of the patent are not clear and succinct and are not fairly based on the matter described in the specification (s 40(3) of the Act), and that the claims do not define the invention (s 40(2) of the Act).

10          The particulars of the contentions in relation to s 40 of the Act set out in the Cross-Claim at [29] are:

Particulars

The Claims do not explain how the fish is to be acted upon by the striker and guided towards it, how the fish is to be restrained when being hit by the striker, how the striker is activated, the manner in which the striker retracts and how the fish is to be released or to be caused to exit from the device.

## CHRONOLOGY

11           The first respondent was incorporated on 1 March 2001.

12           On 3 December 2007, there was a letter of demand from the applicant's solicitors to the respondents to stop selling fish stunning machines which were claimed to infringe the First Innovation Patent.

13           It is now accepted that from 12 December 2007, the first respondent commenced making the allegedly infringing fish stunning machines, MT 5 and RB 6.

14           On 13 December 2007, Cullen & Co, patent attorneys, wrote to the applicant's former solicitors setting out the basis on which it was said that the First Innovation Patent was not infringed.

15           On 20 December 2007, these proceedings commenced by the applicant filing an Application and a Statement of Claim.

16           It is relevant to note that these proceedings were commenced prior to the grant of the Second Innovation Patent, on 28 February 2008.

17           On 9 January 2008, an application by the applicant for interlocutory relief was dismissed, on terms that the respondents keep full records of product sales.

18           The Second Innovation Patent was granted on 28 February 2008, that is, after proceedings for infringement of the First Innovation Patent had been commenced. On that day, I also made orders concerning a Notice of Motion by the applicant in relation to interlocutory procedural matters.

19           On 5 March 2008, I ordered by consent:

...

3. Pursuant to Order 29 Rule 2(a) of the Federal Court Rules, the issue of the First and Second Respondents liability to the Applicant for the injunctive relief claimed by the Applicant in this action be determined at trial before any trial to determine the quantum of any damages or claims for an account of profits or interest on either that may be payable by either of the Respondents to the Applicant.

20 On 7 August 2008, the Certificate of Examination for the Second Innovation Patent  
under s 101E of the Act was granted.

21 On 14 August 2008, there was a letter of demand from the applicant's solicitors to the  
respondents to stop selling fish stunning devices which allegedly infringed the Second  
Innovation Patent.

22 On 5 September 2008, I granted leave to the applicant to file an Amended Application  
and Amended Statement of Claim, on terms that the applicant pay the costs of the  
respondents thrown away.

23 The trial on the issues of infringement and validity of the Second Innovation Patent  
commenced on 20 October 2009.

24 On 3 December 2011, the eight-year term of the First and Second Innovation Patents  
expire.

25 The issues regarding infringement of the First Innovation Patent are within a narrow  
compass. The respondents accept that each of the MT 5 and RB 6 devices contain all the  
integers of Claims 1 and 5 of that patent, with the exception of the final integer for each of  
those claims. The issue in this respect is whether the devices possess all of the integers of  
those claims, including that final integer.

26 A second issue arises as to whether the exporting of the MT 5 and RB 6 devices are  
"capable of supporting an infringement action". That issue can be immediately addressed.

27 The respondents admit having made, used, and exported from Australia and kept for  
the purpose of doing such things, the MT 5 and RB 6 fish stunning devices.

28 The owner being granted a patent, has the exclusive right to "exploit the invention, the  
subject of the patent, or to authorise others to exploit the patent": s 13 of the Act. The term  
"exploit" is defined in the Dictionary in Schedule 1 to the Act as follows:

**Exploit**, in relation to an invention, includes:

- (a) where the invention is a product – make, hire, sell or otherwise dispose of the

product, offer to make, sell, hire or otherwise dispose of it, use or import it, or keep it for the purpose of doing any of those things; or ...

29           The definition of “exploit”, where the invention is a product, indicates that the definition is an inclusive and not exclusive definition. The power to exploit the invention by exporting products made in accordance with the invention is not specifically excluded from the definition of exploit, and the phrase “or otherwise dispose of it” is sufficiently broad to encompass the act of exporting, in my opinion.

30           In any event, the act of “making” is itself an infringement in those circumstances.

### **PRINCIPLES OF CONSTRUCTION**

31           The relevant principles of patent construction are not in dispute.

32           The specification, including the claims, is not to be read in the abstract, but instead with common sense, in the light of the common general knowledge as at the priority date; *Austral Ships Pty Ltd v Stena Rederi Aktiebolag* (2005) 66 IPR 420; [2005] FCA 805 at [71].

33           In *H Lundbeck A/S v Alphapharm Pty Ltd* [2009] FCAFC 70, Bennett J, with (whom Middleton J agreed said, at [118], after citing extensive authority:

... the end point is that the words in a claim should be read through the eyes of the skilled addressee in the context in which they appear. Words used in a specification are to be given the meaning which the person skilled in the art would attach to them, having regard to his or her own general knowledge and to what is disclosed in the body of the specification ... This applies to words used in the claims. As Emmett J observed at [53], the construction of a specification, including the claims, is ultimately a question of law for the Court.

### **SPECIFICATION**

34           The following summary from the applicant’s written submissions on infringement is not controversial:

15. Each patent is entitled “a fish stunning apparatus”. The “Field of the Invention” ... relates “in particular” to a “fish stunning apparatus including a fish stunning device, a fish guide and/or a fish delivery table”.
16. The “Background of the Invention” describes prior art means of stunning fish, including the hitting of a fish with a bat to more complex devices in which the fish are stunned with a pneumatically driven ram. The Background observes that for pneumatically driven forms, when fish are

harvested, the fish are located in a holding area and then pumped onto a table. Each fish is then grabbed by the operator and a guide is used to guide the head of the fish into the stunning device to activate a trigger to cause the ram to be extended and stun the fish. The fish is then withdrawn from the guide and passed further along the table for other operations such as bleeding.

17. The Background describes a problem with this process being that fish are pumped onto the table in waves, often creating a backlog of fish. The operator using the pneumatic stunning apparatus experiences difficulties when the fish must be removed as the backlog often hinders or prevents removal from the guide. Further, as there is a passageway that must be provided to allow the fish to be passed further along the table, fish that have not been stunned can be passed through this passageway...
18. The "Object of the Invention" is to overcome or alleviate the above disadvantages or provide the consumer with a useful or commercial choice; ...
19. It is apparent from the description that the invention is directed towards a mechanism useful for the harvesting of fish on a commercial scale. The evidence indicates that commercial harvesting requires speedy throughput of fish – in the range of two or more thousand fish per hour.
20. The Patent then provides a "Summary of the Invention" ... which includes the consistory clauses, a "Brief Description of the Drawings"... which provides descriptions of embodiments "by way of example only" followed by a "Detailed Description of the Preferred Embodiment"... The preferred embodiment depicts a device that, inter alia, uses the force of gravity in conjunction with other elements to effect a unidirectional flow through of a fish from the entrance of the device to the exist in an automated procedure.

## **INFRINGEMENT**

35            Claims 1 and 5 of the First Innovation Patent are set out below, with integer numbers added for convenience:

36            Claim 1 of Patent 1 is:

1.        A fish stunning apparatus comprising:
2.        a fish stunning device including a striker; said striker including a cylinder and a piston, said piston movable between a retracted position and an extended position;
3.        a fish guide having an entrance and an exit; said fish guide guiding a fish below the striker so that the piston contacts said fish when the piston is in the extended position;

4. a trigger to cause the piston to be moved from the retracted position to the extended position when the fish is passed through the fish guide;
5. wherein the fish guide includes a floor being pivotally movable between a first position and a second position, the floor moving from the first position to the second position to allow a fish to pass unidirectionally from the entrance to the exit.

37 Claim 5 of Patent 1 is:

1. A fish guide for guiding fish below a stunning device; said fish guide comprising:
  2. an entrance for allowing fish to pass into the device;
  3. an exit to allow fish to pass from the device;
  4. a floor being pivotally movable between a first position and a second position;
  5. wherein the floor is pivotally movable between the first position and the second position, the floor moving from the first position to the second position to allow a fish to pass unidirectionally from the entrance to the exit.

38 The issue is whether the MT 5 device, which is exhibit 4 in these proceedings, and the RB 6 device, which is exhibit 5 in these proceedings, fall within Claim 1 of the First Innovation Patent, in that, in addition to the other integers of that claim the presence of which is not in dispute, they contain the final integer:

5. wherein the fish guide includes a floor being pivotally movable between a first position and a second position, the floor moving from the first position to the second position to allow a fish to pass unidirectionally from the entrance to the exit.

39 Important words in integer 5 are “wherein” and “to allow”.

40 This integer, the respondents say, is not found in the two impugned devices, because, in each of those devices, the movement of the floor or chin plate from the first to the second position does not enable the fish to move unidirectionally through the device to the exit: that movement happens only if the movement of the chin plate occurs in conjunction with the movement of the two or four cheek plates in the two devices and the top plate.

41 In both the MT 5 and RB 6 devices of the respondent, the fish are allowed to exit the device by four components moving in unison:

- (i) the trigger plate moves up and back;
- (ii) the cheek plates (there are two in the MT 5 and four in the RB 6) fold back against the sides of the device;
- (iii) the chin plate folds down.

42 On the devices of the respondent, those components only ever move in unison.

43 There are four experts in this proceeding who report on matters relating to patent infringement. The applicant's experts are Dr Gilmore and Mr Smart. The respondents' first expert is its patent attorney, Dr Finney. Their second expert is Dr Jenkins. All experts have considerable qualifications.

44 Both Dr Gilmore and Dr Jenkins are mechanical engineers. Neither can be regarded as possessing the relevant knowledge in the field at the relevant priority dates. Dr Finney does not hold any engineering qualifications, nor does he claim to be a person skilled in the art in respect of fish harvesting devices. He does claim some knowledge in relation to mechanical devices.

45 Mr Smart is a aqua-culture consultant with tertiary qualifications, and I accept him as a person skilled in the art.

46 Both Dr Gilmore and Dr Jenkins departed in their oral evidence from much of what they concluded in their joint report. Neither is an expert in the field of fish stunning. Their evidence can be of assistance in the Court forming a view about the prior art, but is no substitute for that assessment. The joint report of mechanical engineers was, in large measure, superseded by their oral evidence.

47 Mr Shipway, who has extensive experience with the RB 6 device and also the applicant's SI5 device, which is made in accordance with the invention disclosed in the First Innovation Patent, in his affidavit of 12 March 2009, said, at [39]:

Once a fish is stunned in the stunning chamber then all four of those aspects of the

RB6 machine (the trigger plate, the side plates and that lower section) move in unison. They all have to move simultaneously to allow the fish to pass out of the stunning chamber (and so out of the RB 6) on to the next stage of the processing line. (Emphasis added).

48 Mr Smart, at [5.4] of his report annexed to his affidavit filed 17 March 2009 says:

... in my experience, the bottom part of the MT5 and RB6 that supports the fish is a pivotally moveable “chin plate” which supports the ventral surface (bottom) of the fish in place, in a stationary position so that a precise blow to the brain can be effected by the captive bolt. This chin plate then drops down to allow passage of the fish through the machine, in addition with other parts of the machine moving out of the way (stunning cylinder moves upwards and the side guides move outwards).

49 Dr Jenkins, in his report dated 17 December 2008, dealing with the MT 5 device, says at page 3:

Once the head of the fish is constrained between the chin plate and the head plate (and the two converging side plates) the trigger plate is activated by contact with the front of the fish’s head. This activates the pneumatically powered plunger which stuns the fish. An automatic timing system then causes the various surfaces of the guide passageway to retract, allowing the fish to continue to pass down the slope to the exit. The four elements, which are mechanically linked and move synchronously, are the two side walls, the head plate and the chin plate. When these elements are retracted, the passage available for the fish to pass through appears as shown in Figure 3.

50 He later expresses the view:

... having the chin plate in the raised position would not in itself prevent passage of a fish through the device, provided that the other three components were in their retracted positions.

51 Dr Jenkins goes on to express the view that:

... lowering of the chin plates to the floor of the passageway is not necessary to allow the passage of the fish to the exit of the device, on the assumption that the sides and head plate are retracted, but the chin plate is held in the raised position.

52 However, on this scenario, there appears to be no means by which the fish is arrested, so as to activate the trigger plate by contact with the front of the fish’s head which activates the pneumatically powered plunger which stuns the fish.

53 This raises the crucial issue of whether “the floor moving from the first position to the second position to allow a fish to pass unidirectionally from the entrance to the exit” describes a requirement that is necessary, or whether it is simply a sufficient requirement.

54 The method of the exiting of the fish after it has been stunned in the two devices of the respondent involves the retraction of all of the various surfaces of the guide passageway to allow the fish to continue toward the exit. The question is whether this is a different exiting mechanism from that claimed in integer 5 of Claim 1 of the applicant’s patent, which in terms says that it is the movement of the pivoting floor from the first position to the second position, which allows the fish, after stunning, to pass towards the exit.

55 It is true that the second respondent in cross-examination agreed that the MT 5 device and also the RB 6 device accords with the description taken from the patent application for the MT 5 patent:

... In the raised position the plate supports the chin the fish while, in the lower position, the plate rests flat against the floor of the channel, allowing the fish to be carried on through the channel.

56 Mr Bass, however, is deaf. I am not at all sure that he was alive to the nuance of his answer. Mr Burley in cross-examination put that passage to Mr Bass and said:

And that’s an accurate description of what the chin plate in the RB6 device does?---  
At the time of the writing of this, that was correct.

Yes. And you – this patent application was prepared, as was the MT5 patent application before the proceedings had commenced; that’s right, isn’t it?---Will you say that again, please?

Both this patent application - - - ?---Yes.

- - - and the patent application for the MT5 device - - - ?---Yes.

- - - were prepared with your assistance before the commencement of these legal proceedings?---They were.

57 However, Mr Bass in his affidavit of 7 January 2008 at [54], said:

If only the chin plate moved, then the fish would not be able to exit. That is because there is not enough room for a fish to pass between the trigger plate, the cheek plates and the ceiling of the chamber even if the chin plate were to fold down to be flush with the floor. It must be remembered that this device is most often used with fish between 2 and 6 kilograms. They are too large to fit through the small space created by the chin plate folding down.

58 Dr Gilmore, the mechanical engineer expert called by the applicant, at page 12 of his report dated 4 June 2008, said:

In the MT 5 device, movement downwards of the floor portion (chin plate) is a physically necessary requirement to allow a fish to pass unidirectionally ...

59 Mr Smart, at page 15 of his report dated 16 March 2009, confirmed the “necessary” requirement of dropping the chin plate in both the MT 5 and RB 6 machines, saying that “the operative angle to which both the MT 5 and RB 6 machines would be set to allow fish to exit without lowering the chin plate would be extreme and beyond normal operating parameters”.

60 Mr Shipway expressed the view that if the chin plate did not drop down, the stunned fish would not pass through the machine under gravity.

61 A contention for the applicant is that the chin plate in the impugned devices operates in the manner required in integer 5 of the First Innovation Patent, namely:

It is a floor that pivots to allow the fish to pass through the apparatus.

62 The applicant contends at [44] of its closing submissions on infringement that:

Infringement is not avoided by adding something to all of the features of what has been claimed, even if the result is an improvement on what is taught in the patent, or by producing something that is claimed in a different way to the way described in the patent, or by modifying a patented product to make it a little worse and the adding something to rectify the deficiency: *C Bodkin Patent Law in Australia*, 2008, Lawbook Co [9130] ...

63 The applicant contends that after the fish is stopped and stunned, the continuation of the fish along its flow is allowed to happen by the lowering of the pivoting floor. In other words, the gravitational force on the fish will not take effect unless the pivoting floor is lowered.

64 The respondents say that, on the impugned devices, the continuation of the fish along its flow will not occur unless also, in addition to the chin plate, the trigger and the cheek plates also function to retract in conjunction with each other.

65 In short the applicant says that the respondents have taken the substance of the invention as claimed, taking each of the integers, including the pivoting floor which operates to enable the fish, through the action of gravity, to proceed to the exit of the fish guide. The applicant says, at [45] of its closing submissions on infringement:

A defendant may not take the substance of an invention unless the wording of the claims makes it clear that the relevant area has been deliberately left outside the claim; *Minnesota Mining and Manufacturing Co v Beiersdorf (Australia) Ltd* (1979) 144 CLR 253 at 286.

66 Dixon CJ, Kitto and Windeyer JJ said in *Welch Perrin & Co Pty Ltd v Worrel* (1960) 106 CLR 588 at 610:

Courts have often insisted that it is not legitimate to narrow or expand the boundaries of monopoly as fixed by the words of a claim by adding to those words glosses drawn from other parts of the specification.

67 Mr Burley for the applicant submitted:

... [A]n invention like every other invention may be pirated by a theft in a disguised or mutilated form and it would in every case be a question of fact whether the alleged piracy of the same in substance and effect were as a substantially new or different combination. In our respectful submission the addition of something which further inhibits the flow of the fish only to be permitted to carry on its way once the ramp is lowered doesn't take it outside of being a combination which takes the substance and effect of the invention.

68 Mr Horton submitted for the respondents:

... the old principle still holds good: what is not claimed is disclaimed. In the end, this is the definition of the monopoly. And if confirmation of that were needed the word "wherein" in line 11 of the claims has about it an emphatic quality that within the apparatus as described in the preceding integers the movement is taking place.

69 I accept the evidence of the second respondent, and also Mr Smart, that if only the chin plate were down the fish would not go through.

70 The applicant says that without the movement of the chin plate, the fish would not pass to the exit of the fish guide as intended.

71 The applicant says, on its proper construction, integer 5, as claimed in Claim 1, is **not** to be interpreted as requiring the movement of the floor, **by itself** and without other events, to

allow the fish to be carried on through the channel: the integer 5 is satisfied that movement of the floor is **necessary** to allow the fish to be carried on through the channel.

72           The applicant says that the interpretation for which the respondents contend requires the movement of the floor from the first to the second position **by itself** to allow the fish to be carried on through the channel. It is said that the additional words “by itself”, suggests an impermissible gloss on the words of integer 5.

73           The respondents say that the movement of the floor, by itself and without regard to the connected movements of the cheek plates and the top plates, does not allow the fish unidirectionally to be carried on through the channel. It is therefore not correct to say that, in the MT 5 and RB 6 devices, the movement of the floor allows the unidirectional movement of the fish down the channel. Integer 5 imposes that requirement, and therefore the MT 5 and RB 6 devices do not infringe the First Innovation Patent.

74           In the written submissions of the applicant on Infringement, the applicant submits that the pivoting of the chin plate is plainly to “allow a fish to pass unidirectionally from the entrance to the exit.”

75           However, the question is not what is the purpose of the chin plate, the question is whether the pivoting of the chin plate allows the fish to pass unidirectionally from the entrance to the exit.

76           I accept, on the whole of the evidence, that the lowering of the chin plate is necessary to allow the fish to pass unidirectionally from the entrance to the exit.

77           On the whole of the evidence, however, I also accept that the lowering of the chin plate is not sufficient to allow the fish to pass unidirectionally from the entrance to the exit.

78           The applicant submits that the requirement in integer 5 of “the floor moving from the first position to the second position to allow a fish to pass unidirectionally from the entrance to the exit” specifies “a pivotally movable floor” and the result is “to allow a fish to pass unidirectionally from the entrance to the exit”.

79           The applicant contends that “allow” in that sense is permissive and means to aid, assist, or afford.

80           According to the Shorter Oxford Dictionary, “allow” in its transitive sense, means “to concede, permit (an action, etc)”; and in the Macquarie Dictionary, relevantly, “allow” means “to permit”.

81           In my opinion, in integer 5 Claim 1 of the First Innovation Patent, the movement of the floor from the first position to the second position is not said to “aid” or “assist” a fish to pass unidirectionally from entrance to exit, but is used in the sense of “permitting” a fish to pass unidirectionally from entrance to exit.

82           Lord Russell of Killowen in *Electric & Musical Industries Ltd v Lissen Ltd* [1938] 4 All ER 221 at 224; (1938) 56 RPC 23 at 39, said:

The function of the claims is to define clearly and with precision the monopoly claimed, so that others may know the exact boundaries of the area within which they will be trespassers.

83           In my opinion, integer 5 of Claim 1 claims a monopoly in which the movement of the floor from the first position to the second position allows, that is to say, permits, a fish to pass unidirectionally from entrance to exit within the device.

84           In my opinion, neither of the two devices MT 5 and RB 6 trespass on the boundary marked out in the invention claimed in Claim 1 of the First Innovation Patent.

85           In my judgment, integer 5 is directed at a fish guide in which the movement of the floor from the first position to the second position permits the fish to move unidirectionally from the front to the exit of the guide. That movement, in the impugned devices, does not permit the fish to flow unidirectionally from the front to the exit of the device. The joint operation of the cheek plates and the top plate, as well as the chin plate, is necessary to allow or permit the fish to move unidirectionally from the front to the exit.

86           That connection of movement of those parts is not of the same substance or effect as the movement of a pivoting floor from first to second position, allowing or permitting the fish to move unidirectionally from the front to the exit of the device. Claims 1 and 5 of the First

Innovation Patent teach that after the fish is stunned, the movement of the floor to the second position allows fish to move towards the exit. The movement of the floor acts like a gate, door or flap, operating to allow the fish to move towards the exit. In the respondents' devices, after the fish is stunned, the passageway constituted by the chin plate, the two or four cheek plates, and the top plate, expands, sphincter like, to allow the fish to move towards the exit.

87           In the impugned devices, lowering of the chin plate, as a matter of language, does not allow or permit the fish to pass from the front to the exit of the device. The mechanism in the impugned devices for achieving that unidirectional flow of fish is a substantially new or different mechanism.

88           For these reasons, the claims for infringement of the First Innovation Patent fail.

89           For completeness, the respondents contended the "chin plate" in its devices was not a "floor". It was submitted that both of the respondents' devices possessed a floor which is quite separate from the chin plate, which "operates more as a flap".

90           I do not regard this as a material difference. The chin plate sits on the bottom surface in the MT 5 device, and within the floor of the RB 6 device.

## **INVALIDITY**

91           It is, in my opinion, a highly relevant circumstance that the Second Innovation Patent was granted on 28 February 2008, after proceedings against the respondents for infringement of the First Innovation Patent had been commenced.

92           I confess that the timing of the application for the Second Innovation Patent is a matter which in my view bears on the question of the validity of the claims in that patent, being consistent with a view that the applicant sought by that application to cover possible weaknesses in its original infringement claim against the respondents.

93           The grant of the Second Innovation Patent occurred under s 79B of the Act:

### **79B    Divisional applications prior to grant of patent**

- (1) If a complete patent application for a patent is made (but has not lapsed or been refused or withdrawn), the applicant may, in accordance with the regulations, make a further complete application for a patent for an invention:
- (a) disclosed in the specification filed in respect of the first-mentioned application; and
  - (b) where the first-mentioned application is for a standard patent and at least 3 months have elapsed since the publication of a notice of acceptance of the relevant patent request and specification in the *Official Journal* – falling within the scope of the claims of the accepted application.

94 Section 79B therefore permits a further application for a patent for an invention to be made, after an application for a patent is made.

95 A “patent for an invention” includes an innovation patent – *Patents Act* Schedule 1.

96 As Crennan J observed in *Pharmacia Italia Spa v Mayne Pharma Pty Ltd* (2005) 66 IPR 84, at [29]:

The claims in a complete specification define the invention: s 40(2)(b) of the Patents Act. They mark out the monopoly operating to disclaim what is not specifically and definitely claimed: *Walker v Alemite Corp* (1933) 49 CLR 643 at 656. This is to ensure that the public and specifically a manufacturer will not have difficulty being satisfied that a claim is not infringed: *General Tire & Rubber Co v Firestone Tyre & Rubber Co Ltd (No 1)* (1971) 119 CLR 121 at 167; [1972] RPC 457 at 515. There are no special rules for the interpretation of patent specifications: *Décor Corporation Pty Ltd v Dart Industries Inc* (1988) 13 IPR 385 at 391 (per Lockhart J). The approach to be taken is discussed by the High Court in *Kimberley-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1; 177 ALR 460; 50 IPR 513; [2001] HCA 8 at [24]:

It is well settled that the complete specification is not to be read in the abstract; here it is to be construed in the light of the common general knowledge and the art before ... the priority date; the court is to place itself “in the position of some person acquainted with the surrounding circumstances as to the state of [the] art and manufacture at the time”.

97 Here, the terms of the First and Second Innovation Patents and, for that matter, the parent provisional application, are precisely the same as are the accompanying diagrams, save that the claims of each are different.

98 The grounds for revocation of a patent are set out in s 138(3) of the Act:

**138 Revocation of patents in other circumstances**

(3) ... the court may, by order, revoke the patent, either wholly or so far as it relates to a claim, on one or more of the following grounds, but on no other ground:

...

(b) that the invention is not a patentable invention;

...

(f) that the specification does not comply with subsection 40(2) or (3).

99 Section 40(2) and (3) of the Act relevantly provides:

(2) A complete specification must:

(a) describe the invention fully, including the best method known to the applicant of performing the invention; and

(b) where it relates to an application for a standard patent – end with a claim or claims defining the invention ...

(3) The claim or claims must be clear and succinct and fairly based on the matter described in the specification.

...

100 The patentability is determined by the criteria in s 18 of the Act:

### **18 Patentable inventions**

*Patentable inventions for the purposes of an innovation patent*

(1A) Subject to subsections (2) and (3), an invention is a patentable invention for the purposes of an innovation patent if the invention, so far as claimed in any claim:

(a) ...

(b) when compared with the prior art base as it existed before the priority date of that claim:

(i) is novel; and

(ii) involves an innovative step ...

101 As Lord Russell observed in *Electric & Musical Industries Ltd v Lissen Ltd* at 39:

A patentee who describes an invention in the body of a specification obtains no monopoly unless it is claimed in the claims.

### **LACK OF INNOVATIVE STEP**

102 Claims 1 to 4 of the Second Innovation Patent are as follows.

1. A fish stunning apparatus comprising:

a fish stunning device including a striker; said striker including a cylinder and a piston; said piston movable between a retracted position and an extended position;

a fish guide having a front entrance and a rear exit; said fish guide guiding a fish below the striker so that the piston contacts said fish when the piston is in the extended position;

a trigger to cause the piston to be moved from the retracted position to the extended position when the fish is passed through the fish guide;

wherein a fish moves unidirectionally from the front entrance through the guide to the rear exit and the height of the striker is adjustable with respect to the fish guide.

2. The fish stunning device of claim 1 wherein the trigger is activated to allow the fish to move through the guide.

3. The fish stunning apparatus of claim 1 wherein the fish guide includes a floor being pivotally moveable between a first position and a second position.

4. The fish stunning device of claim 3 wherein the trigger is operatively connected to the floor to move the floor from the first position to the second position.

103 Section 7(4) provides that “innovative step”, in relation to an innovation patent, means the following:

**Innovative step**

(4) For the purposes of this Act, an invention is to be taken to involve an innovative step when compared with the prior art base unless the invention would, to a person skilled in the relevant art, in the light of the common general knowledge as it existed in the patent area before the priority date of the relevant claim, only vary from the kinds of information set out in subsection (5) in ways that make no substantial contribution to the working of the invention.

(5) For the purposes of subsection (4), the information is of the following kinds:

(a) prior art information made publicly available in a single document or through doing a single act;

(b) prior art information made publicly available in 2 or more related documents, or through doing 2 or more related acts, if the relationship between the documents or acts is such that a person skilled in the relevant art would treat them as a single source of that information.

(6) For the purposes of subsection (4), each kind of information set out in subsection (5) must be considered separately.

104           The cross claim alleges that the Second Innovation Patent “does not involve an innovative step when compared with the prior art base as it existed before the priority date”. It is claimed that there is no inventive step having regard to the prior art WO 98/44805 [Hitchens]; US 6183356 [Middleton]; WO 1999/046997 [Walker] and US 6001011 [Johnson], and because those changes make no substantial contribution to the working of the invention having regard to the prior art information identified.

105           In determining the issue of innovative step, the Full Court in *Dura-Post Pty Ltd v Delnorth Pty Ltd* [2009] FCAFC 81 said, at [54], that, inter alia, the Court is obliged to ask, in accordance with s 7(4) whether the invention, so far as is claimed in any claim, only varies from the kinds of information in s 7(5) in ways that make no substantial contribution to the working of the invention. The Full Court said, at [79], that the test of innovative step involves a “modified novelty test”, which is derived from *Griffin v Isaacs* (1938) 1B IPR 619; (1938) 12 ALG 169. The modified novelty test involves a number of steps in a factual inquiry described by the judge at first instance, Gyles J, in *Delnorth Pty Ltd v Dura-Post Pty Ltd* [2008] FCA 1225. The approach of Gyles J was upheld by the Full Court.

106           Gyles J said, at [52]-[54], [61]:

52           There is no need to search for some particular advance in the art to be described as an innovative step which governs the consideration of each claim. The first step is to compare the invention as claimed in each claim with the prior art base and determine the difference or differences. The next step is to look at those differences through the eyes of a person skilled in the relevant art in the light of common general knowledge as it existed in Australia before the priority date of the relevant claim and ask whether the invention as claimed only varies from the kinds of information set out in s 7(5) in ways that make no substantial contribution to the working of the invention. It may be that there is a feature of each claim which differs from the prior art base and that could be described as the main difference in each case but that need not be so. Section 7(4), in effect, deems a difference between the invention as claimed and the prior art base as an innovative step unless the conclusion which is set out can be reached. If there is no difference between the claimed invention and the prior art base then, of course, the claimed invention is not novel.

53           The phrase “no substantial contribution to the working of the invention” involves quite a different kind of judgment from that involved in determining whether there is an inventive step. Obviousness does not come into the issue. The idea behind it seems to be that a claim which avoids a finding of no novelty because of an integer which makes no substantial contribution to the working of the claimed invention should not receive protection but that, where the point of differentiation does contribute to the working of the invention, then it is entitled to protection, whether or not (even if), it is

obvious. Indeed, the proper consideration of s 7(4) is liable to be impeded by traditional thinking about obviousness.

54 There is a question as to the proper construction of “substantial” in this context. In some situations it may mean “great” or “weighty”; elsewhere it may mean “more than insubstantial” or “of substance” (for example, there is debate in the fields of both trade practices and copyright).

...

61 In my view the provenance of the phrase “make no substantial contribution to the working of the invention” indicates that “substantial” in this context means “real” or “of substance” as contrasted with distinctions without a real difference. That confirms my impression from construction of the words of the section itself.

107 On the claimed lack of innovative step, I accept the evidence of Mr Smart in his report, which is annexed to his affidavit. In section 7 of that report, he reviews each of the cited prior art documents, and identifies the differences between the inventions disclosed in each prior art document and that which is disclosed in the Second Innovation Patent. Having identified the differences, consistent with the test in *Dura-Post Pty Ltd v Delnorth Pty Ltd*, he then considers whether those differences found in the claims of the Second Innovation Patent make a substantial contribution to the working of the invention. He concludes that this is so.

#### **CLAIMS OF INVALIDITY BASED ON S 40(2) AND S 40(3) OF THE ACT**

108 It is pleaded that the claims of the Second Patent are not clear and succinct and are not fairly based on the matter described in the specification (s 40(3) of the Act) and the claims do not define the invention (s 40(2) of the Act).

109 The applicant submits that it is readily apparent from the body of the specification what is the nature and manner of operation of the fish stunning device, upon which the claims are fairly based within the meaning of the “liberal test” enunciated in *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2004) 217 CLR 274 at 300; [68]-[69]:

*The approach required by s 40(3)*

68 *Erroneous principles.* The comparison which s 40(3) calls for is not analogous to that between a claim and an alleged anticipation or infringement. It is wrong to employ “an over meticulous verbal analysis”. It is wrong to seek to isolate in the body of the specification “essential integers” or “essential features” of an alleged invention and to ask whether they correspond with the essential integers of the claim in question.

69 “*Real and reasonably clear disclosure*”. Section 40(3) requires, in Fullagar

J's words, "a real and reasonably clear disclosure". But those words, when used in connection with s 40(3), do not limit disclosures to preferred embodiments.

The circumstance that something is a requirement for the best method of performing an invention does not make it necessarily a requirement for all claims; likewise, the circumstance that material is part of the description of the invention does not mean that it must be included as an integer of each claim. Rather, the question is whether there is a real and reasonably clear disclosure in the body of the specification of what is then claimed, so that the alleged invention as claimed is broadly, that is to say in a general sense, described in the body of the specification.

Fullagar J's phrase serves the function of compelling attention to the construction of the specification as a whole, putting aside particular parts which, although in isolation they might appear to point against the "real" disclosure, are in truth only loose or stray remarks.  
(Footnotes omitted).

110 Dr Jenkins, in his evidence, appeared to accept that the invention as claimed in the Second Innovation Patent was embodied and described in the body of the specification. I do not agree.

111 However, the evidence of Dr Jenkins in his report, although the evidence is mislabelled under the heading "Innovative Step", concluded:

... the second patent omits details of the central functioning of the device, that is, whether and how the fish is restrained and located for the stunning operation, and how subsequently released. The first patent gives significant information with respect to the moveable floor and its function. The second patent is notably silent on such matters.

112 And later, in that report, Dr Jenkins said:

The claims of the second patent do not give any detail of how a fish is to be guided to the position where it is to be stunned, nor any details of whether it is essential that the fish be stopped and held stationary for stunning.

113 Claim 1 of the Second Innovation Patent is a fish stunning device of a combination which operates with the striker and trigger in cooperation with the fish guide, wherein "said fish guide guiding a fish below the striker so that the piston contacts said fish when the piston is in the extended position; a trigger to cause the piston to be moved from the retracted position to the extended position when the fish is passing through the fish guide."

114 In my opinion, Claim 1 of the Second Innovation Patent is descriptive of the passage  
of the fish through the device, but not informative as to the means by which that passage is  
achieved, bearing in mind that the device of its nature must stop the fish and stun it.

115 The claims neglect to articulate any means of achieving a front entrance and rear exit.  
In doing so, it omits what must be necessary elements of the invention, including how the fish  
is held while being stunned, and how it is caused to exit the device.

116 The claims do not define the invention, because they do not disclose elements of the  
invention that are necessary to make it work, principally how it is that the striker operates on  
the fish so as to stun it (that is, how the fish is stopped, held, and then released). The  
invention is an apparatus “wherein” (that is, in which) the fish moves from the entrance to the  
exit, yet how the fish so moves (that is, how it is held for stunning and then released) is not  
revealed. That is the critical point which the patent must address, but is silent on this point.

117 I suspect that this omission in the Second Innovation Patent was deliberate, so as to  
overcome perceived difficulties associated with perhaps the stopping, and certainly the  
exiting, mechanisms in the Claims 1 and 5 of the First Innovation Patent. Whether this is so  
or not is irrelevant. The validity of the claims of the Second Innovation Patent have to be  
assessed as I have indicated above, without any comparison with the claims of the First  
Innovation Patent.

118 For the above reasons, in my judgment the Second Innovation Patent is invalid.

119 I will order that the amended application pursuant to s 120 of the *Patents Act 1990*  
(Cth) for infringement by the respondents of Australian Innovation Patent No 2006100980 be  
dismissed.

120 I will declare that Innovation Patent No AU 2008100126 is invalid.

121 I will order that the applicant pay the costs of the respondents of its application and of  
the cross-claim of the respondents, including reserved costs, but excluding any order as to  
costs ordered to be paid by the respondents to the applicant on any interlocutory application.

I certify that the preceding one hundred and twenty-one (121) numbered paragraphs are a true copy of the Reasons for Judgment herein of the Honourable Justice Spender.

Associate:

Dated: 12 July 2010

# FEDERAL COURT OF AUSTRALIA

## Seafood Innovations Pty Ltd v Richard Bass Pty Ltd [2011] FCAFC 83

Citation: Seafood Innovations Pty Ltd v Richard Bass Pty Ltd [2011] FCAFC 83

Appeal from: Seafood Innovations Pty Ltd v Richard Bass Pty Ltd [2010] FCA 723

Parties: **SEAFOOD INNOVATIONS PTY LTD ABN 67 096 070 932 v RICHARD BASS PTY LTD ACN 010 643 197 and RICHARD ROBERT BASS**

File number: QUD 291 of 2010

Judges: **DOWSETT, BENNETT AND GREENWOOD JJ**

Date of judgment: 30 June 2011

Catchwords: **PATENTS** – innovation patents – infringement – particular function in patented invention performed by one component of invention – whether infringement where allegedly infringing device contains additional components necessary to perform same function

**PATENTS** – innovation patents – validity – fair basis – requirement that claims define invention – embodiment of invention in specification not claimed

Legislation: *Patents Act 1990* (Cth) ss 40(2)(c), 40(3)

Cases cited: *Arbitron v Telecontrol Aktiengesellschaft and Anor* (2010) 86 IPR 110 cited  
*Bitech Engineering v Garth Living Pty Ltd and Anor* (2010) 86 IPR 468 cited  
*Commonwealth Industrial Gases Ltd v M.W.A. Holdings Pty Ltd* (1970) 180 CLR 160 cited  
*Fresenius Medical Care Australia Pty Ltd v Gambro Pty Ltd* (2005) 67 IPR 230 cited  
*H Lundbeck A/S v Alphapharm Pty Ltd* (2009) 177 FCR 151 applied  
*Interlego AG v Toltoys Pty Ltd* (1973) 130 CLR 461 cited  
*Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 cited  
*Kirin-Amgen Inc v Hoechst Marion Roussel Ltd* (2004) 64 IPR 444 applied  
*Lockwood Security Products Pty Ltd v Doric Products Pty Ltd (No 1)* (2004) 217 CLR 274 applied

*Rodi & Wienerberger A.G. v Henry Showell Ltd* [1969]  
R.P.C. 367 cited  
*Sachtler GmbH & Co KG v RE Miller Pty Ltd* (2005)  
221 ALR 373 referred to  
*Shave v H.V. McKay Massey Harris Pty Ltd* (1935) 52  
CLR 701 cited  
*Welch Perrin & Co Pty Ltd v Worrel* (1960) 106 CLR 588  
applied

Date of hearing: 2 March 2011

Place: Brisbane

Division: GENERAL DIVISION

Category: Catchwords

Number of paragraphs: 86

Counsel for the Appellant: Mr S Burley SC and Mr A Fox

Solicitor for the Appellant: Bennett & Philp

Counsel for the Respondents: Mr G Thompson SC and Mr M Johnston

Solicitor for the Respondents: Adamson Bernays Kyle & Jones

**IN THE FEDERAL COURT OF AUSTRALIA  
QUEENSLAND DISTRICT REGISTRY  
GENERAL DIVISION**

**QUD 291 of 2010**

**ON APPEAL FROM THE FEDERAL COURT OF AUSTRALIA**

**BETWEEN:               SEAFOOD INNOVATIONS PTY LTD ABN 67 096 070 932  
                                  Appellant**

**AND:                     RICHARD BASS PTY LTD ACN 010 643 197  
                                  First Respondent**

**RICHARD ROBERT BASS  
Second Respondent**

**JUDGES:               DOWSETT, BENNETT AND GREENWOOD JJ**

**DATE OF ORDER:     30 JUNE 2011**

**WHERE MADE:        BRISBANE**

**THE COURT ORDERS THAT:**

1. the appeal be allowed;
2. the orders and declarations of the primary judge made on 12 July 2010 in proceeding QUD 422 of 2007 be set aside;
3. the first and second respondents whether by themselves, the directors or officers of the first respondent, or by the servants of the agents of either respondent or otherwise howsoever, during the term of Australian Innovation Patent No 2006100980 or Australian Innovation Patent No 2008100126 (**the first and second innovation patents respectively**) be restrained from:
  - 3.1 making, selling or otherwise disposing of, offering to make, sell or otherwise dispose of, using, importing or exporting into or from Australia or keeping for the purpose of doing any of those things, fish stunning devices manufactured, marketed and sold by the first respondent under the model names of “MT5” and “RB6” or any like machine (**the infringing fish stunning machines**);
  - 3.2 selling or offering for sale or otherwise disposing of to any person any of the infringing fish stunning machines;

- 3.3 infringing claims 1 and 5 of the first innovation patent or claims 1, 2, 3 and 4 of the second innovation patent by either doing any of the things described in paragraph 3(a) or doing any of those things in relation to any fish stunning machine otherwise infringing the first or second innovation patent;
4. the first and second respondents themselves, and by the first respondent's directors and officers, and by the first and second respondents' respective servants or agents or otherwise howsoever, be restrained from authorising or procuring or acting in a common design with any other person or entity to infringe either the first or second innovation patent by doing any of the acts described in paragraph 3;
5. the first and second respondents deliver up on oath to the appellant or its nominated agent for destruction under the supervision of the appellant or its nominated agent all infringing fish stunning machines and any components thereof in the possession, custody or control of either of the first or second respondents, the exploitation of which by the first or second respondents would be an infringement of these orders;
6. the matter be referred to a Judge of the Court to determine the question of damages;
7. the respondent pay the appellant's costs of and incidental to this appeal; and
8. the respondent pay the appellant's costs of the hearing below.

Note: Settlement and entry of orders is dealt with in Order 36 of the Federal Court Rules. The text of entered orders can be located using Federal Law Search on the Court's website.

**IN THE FEDERAL COURT OF AUSTRALIA  
QUEENSLAND DISTRICT REGISTRY  
GENERAL DIVISION**

**QUD 291 of 2010**

**ON APPEAL FROM THE FEDERAL COURT OF AUSTRALIA**

**BETWEEN:               SEAFOOD INNOVATIONS PTY LTD ABN 67 096 070 932  
Appellant**

**AND:                     RICHARD BASS PTY LTD ACN 010 643 197  
First Respondent**

**RICHARD ROBERT BASS  
Second Respondent**

**JUDGES:               DOWSETT, BENNETT AND GREENWOOD JJ**

**DATE:                   30 JUNE 2011**

**PLACE:                 BRISBANE**

**REASONS FOR JUDGMENT**

**DOWSETT J:**

- 1 I concur in the orders proposed by Bennett J and generally agree with her Honour's reasons.  
I also generally agree with the reasons given by Greenwood J.

I certify that the preceding one (1) numbered paragraph is a true copy of the Reasons for Judgment herein of the Honourable Justice Dowsett.

Associate:

Dated:     30 June 2011

**IN THE FEDERAL COURT OF AUSTRALIA  
QUEENSLAND DISTRICT REGISTRY  
GENERAL DIVISION**

**QUD 291 of 2010**

**ON APPEAL FROM THE FEDERAL COURT OF AUSTRALIA**

**BETWEEN:               SEAFOOD INNOVATIONS PTY LTD ABN 67 096 070 932  
                                  Appellant**

**AND:                     RICHARD BASS PTY LTD ACN 010 643 197  
                                  First Respondent**

**RICHARD ROBERT BASS  
                                  Second Respondent**

**JUDGES:               DOWSETT, BENNETT AND GREENWOOD JJ**

**DATE:                   30 JUNE 2011**

**PLACE:                 BRISBANE**

**REASONS FOR JUDGMENT**

**BENNETT J:**

- 2     The appeal concerns two innovation patents belonging to the appellant (**Seafood Innovations**), each entitled “A fish stunning apparatus”. The issues in the appeal concern the alleged infringement of the claims of Australian Innovation Patent No 2006100980 (**the first innovation patent**) by the apparatuses of the respondents (together **Bass**) and whether Australian Innovation Patent No 2008100126 (**the second innovation patent**) is invalid for failure to comply with ss 40(2)(c) and 40(3) of the *Patents Act 1990* (Cth) (**the Act**). The bodies of the specifications of both the first innovation patent and the second innovation patent (**the innovation patents**) are relevantly the same. The claims are different. Both of the innovation patents claim a priority date of 3 December 2002. There is no contention that either of those priority dates should be deferred.
  
- 3     The primary judge found that Bass’ apparatuses (**the Bass devices**) do not infringe the claims of the first innovation patent and that the claims of the second innovation patent are invalid as they do not define the invention (s 40(2)(c) of the Act). His Honour found that the claims fail to define the invention because they do not disclose elements of the invention that are necessary to make it work. His Honour also, apparently, considered that the claims are not

clear and succinct (s 40(3) of the Act) but made no finding under s 40(3). His Honour did not make an explicit finding as to whether, as claimed by Bass, the claims are not fairly based on the specification (s 40(3) of the Act). Bass has filed a Notice of Contention seeking to affirm the decision of the primary judge for lack of fair basis. Seafood Innovations says that the claims of the first innovation patent are infringed and the second innovation patent is valid.

### **THE SPECIFICATION OF THE INNOVATION PATENTS**

4 The field of the invention is described as relating to a fish stunning apparatus, in particular to a fish stunning apparatus including a fish stunning device, a fish guide and/or a fish delivery table.

5 In the background of the invention, reference is made to the stunning of fish by commercial operated fisheries utilising a stunning device, usually by using a pneumatically driven ram. An example of a fish stunning device using a pneumatically driven ram is disclosed by reference to a particular international patent application. The process is described as one in which the fish are grabbed by an operator and stunned using a pneumatically driven stunning device that is mounted to a table. A guide is used to guide the head of the fish into the stunning device to activate a trigger to cause a pneumatic ram to be extended and stun the fish. The fish is then withdrawn from the guide and passed further along the table for other operations, such as bleeding.

6 The specification describes the problem when a large number of fish are pumped onto the table in waves. The operation creates a backlog of fish and a difficulty arises when a fish that has been pushed in a forward manner through the guide for stunning must be removed. It is said that the backlog often hinders, or sometimes prevents, the removal of the fish. Further, the specification says that as there is a passageway that must be provided to allow fish to be passed further along the table, fish that have not been stunned can be passed through this passageway, which is undesirable. It is stated that it is an object of the invention to overcome or alleviate those disadvantages, or to provide the consumer with a useful or commercial choice.

7 As a summary of the invention, a fish stunning apparatus is described as comprising the following integers:

- a fish stunning device;

- a fish guide; and
- a trigger;

wherein a fish is moved unidirectionally from the entrance through the guide to the exit.

8 The integer in issue for both of the innovation patents is the fish guide. The fish stunning apparatus, as broadly described, contains the fish guide ‘*having an entrance and an exit; said fish guide guiding a fish below the striker so that the piston contacts said fish when the piston is in the extended position*’.

9 This is followed by a description of what the various integers may include. The only further description of the fish guide is:

*A fish guide for guiding fish below a stunning device; said fish guide comprising:*

*an entrance for allowing fish to pass into the device;  
an exit to allow fish to pass from the device;  
a floor being pivotally movable between a first position and a second position;*

*wherein the floor moves from the first position to the second position to allow a fish to pass from the entrance to the exit.*

10 There is then a brief description of the various drawings of the apparatus, all of which include the fish guide with the pivotally moveable floor. The specification then states that the fish stunning apparatus provides the advantage of quick and efficient stunning of fish with minimal operator input and minimal stoppages.

11 The specification states that the invention is not to be confined by the described embodiments.

## **THE INFRINGEMENT OF THE FIRST INNOVATION PATENT**

### **The claims**

12 The appeal based on the claims of the first innovation patent centres upon the construction of claim 1 which is as follows:

*A fish stunning apparatus comprising:*

*a fish stunning device including a striker; said striker including a cylinder and a piston, said piston movable between a retracted position and an extended position;*

*a fish guide having an entrance and an exit; said fish guide guiding a fish below the*

*striker so that the piston contacts said fish when the piston is in the extended position;*

*a trigger to cause the piston to be moved from the retracted position to the extended position when the fish is passed through the fish guide;*

*wherein the fish guide includes a floor being pivotally movable between a first position and a second position, the floor moving from the first position to the second position to allow a fish to pass unidirectionally from the entrance to the exit (**integer 5**).*

13 The appellant also alleges infringement of claim 5, which states:

*A fish guide for guiding fish below a stunning device; said fish guide comprising:*

*an entrance for allowing fish to pass into the device;*

*an exit to allow fish to pass from the device;*

*a floor being pivotally movable between a first position and a second position;*

*wherein the floor is pivotally moveable between the first position and the second position, the floor moving from the first position to the second position to allow a fish to pass unidirectionally from the entrance to the exit.*

14 The fish stunning device and the trigger as claimed in claim 1 are the same as described in the broadest description of the invention. Claim 1 adds further characteristics that are also described in the specification as an embodiment of the invention. The fish guide of claim 1 is narrower than the broadest description of the invention. Two aspects of that limitation are relevant in the appeal. The first is that the fish guide **includes** a pivotally moveable floor. Claim 1 is not limited to a fish guide that consists only of such a floor. The second is that the claim specifies the floor as being pivotally moveable between the first and second position **to allow** a fish to pass unidirectionally from the entrance to the exit.

### **The Bass devices**

15 It is not in dispute that, apart from integer 5, the remaining integers of claim 1 are present in the Bass devices. The Bass devices include a pivotally moveable floor which moves from the first position to the second position, described as a chin plate. However, they also includes two other devices, a cheek plate and a top plate. It is those three devices acting together as a sphincter that allow a fish to pass unidirectionally from the entrance to the exit of the fish guide. Bass contends that, as it is not the floor alone that allows the fish to pass, the Bass devices do not infringe claim 1.

16 The question that arises is whether Claim 1 should be construed such that it is **only** the pivotally moveable floor of the fish guide moving from the first position to the second position that permits, allows or makes possible the passing of the fish unidirectionally from the entrance to the exit of the fish guide.

### **The decision of the primary judge**

17 It is not in dispute that, as the primary judge found in relation to the Bass devices:

- If only the chin plate were down, the fish would not pass through (at [69]).
- The lowering of the chin plate is necessary to allow the fish to pass unidirectionally from the entrance to the exit (at [76]).
- The lowering of the chin plate is not sufficient to allow the fish to pass unidirectionally from the entrance to the exit (at [77]).
- The movement of the chin plate from the first position to the second position does not, alone, permit the fish to flow unidirectionally from the front to the exit of the device. It is the joint operation of the cheek plates and the top plate, as well as the chin plate, that is necessary to allow or permit the fish to move unidirectionally from the front to the exit (at [85]).

18 The primary judge accepted that “allow” means “to permit” (at [81]). The primary judge was of the view that the lowering of the chin plate or floor, as a matter of language, does not allow or permit the fish to pass from the front to the exit of the device. His Honour concluded that the mechanism in the Bass devices for achieving a unidirectional flow of fish is a substantially new or different mechanism to that of the first innovation patent (at [87]). As a result, his Honour found that the Bass devices did not infringe claims 1 and 5 of the first innovation patent (at [88]).

### **Consideration**

19 There is no reason why the words “to allow” in integer 5 of Claim 1 should be given anything other than their ordinary and plain meaning. The Macquarie Dictionary (rev 3rd ed, Macquarie, 2003) defines “allow”, *inter alia*, in terms of ‘*permit; make possible*’.

20 Bass submits that the use of the word “allow” is exhaustive of what permits the fish to move and that the only feature identified in the claims is the pivotally moveable floor. Bass emphasises that no other component of the invention is identified in the claims or in the

specification as requiring any movement “to allow” the passage of the fish. Bass submits that the claims should be construed as referring to the method of propulsion and not to the removal of an impediment. Bass points out that in the Bass devices, the lowering of the floor is of itself insufficient to allow the fish to pass and that “allow” should be understood in the sense of “make possible or permit”.

21 I do not construe integer 5 of claim 1 in such a restrictive fashion. Claim 1 does not so limit the fish guide. It states that the fish guide “includes” the pivotally moveable floor. As the primary judge found, without the movement of the chin plate, the fish in the Bass devices cannot pass, irrespective of the movement of the cheek plates and the top plate. That is, the movement of the floor is necessary to allow the fish to move through.

22 As a matter of common sense and by reference to the diagrams of the specification, the floor may be necessary to achieve the passage of the fish but the mere existence of the floor may not be sufficient for that purpose. For example, if the entire apparatus were tilted backwards, the opening of the floor from the first position to the second position would not necessarily result in the fish moving from the entrance to the exit of the fish guide. A construction that imports a requirement that the floor must be the **only** means by which the fish are permitted to pass introduces an impermissible gloss on the claim (*Welch Perrin & Co Pty Ltd v Worrel* (1960) 106 CLR 588 at 610; *H Lundbeck A/S v Alphapharm Pty Ltd* (2009) 177 FCR 151 at [120]).

23 The fact that additional integers must also be operated in the Bass devices to permit the passage of the fish does not avoid infringement any more than the addition of a further flap downstream of the pivotally moveable floor which needed to be raised could, by adding a further reason why the fish were unable to pass to the exit of the guide, be said to do so. Indeed, when the example of a further flap as an impediment to the movement of the fish was put to counsel for Bass, he contended that such an arrangement would avoid infringement of claim 1. I do not accept this to be the case. Both this example and Bass’ contention show that the construction Bass advances is contrary to a proper construction of the claim. The claim does not refer to an unimpeded mechanism but rather one that is permissive. The claim does not require that the passage of the fish is allowed only by movement of the floor. No such word is included in the claim, nor does the claim say that it is the movement of the floor of itself or by itself that allows the fish to pass.

24 In this case, the fact that the Bass devices utilise additional integers to create the means whereby the fish can pass does not avoid infringement. The claim requires the floor to move in order for that to happen. That is what happens in the Bass devices.

25 There was some evidence before the primary judge as to how the skilled addressee of the first innovation patent would understand the meaning of “allow”. The second respondent, Mr Bass, was questioned about the operation of the Bass devices, for which a patent had been granted. That patent, in describing the chin plate (the pivotal floor), said: *‘To allow passage of the fish past the set point after firing of the gun, the plate can pivot between raised and lowered positions’*. In the raised position, the plate supports the chin of the fish, while in the lower position the plate rests flat against the floor of the channel, allowing the fish to be carried on through the channel. It is stated that *‘to allow passage of the fish, the plate can pivot between the raised and lowered positions’*. This is not, of course, determinative nor does it constitute an admission of infringement. However, this use of language by a skilled addressee supports, or at least is not inconsistent with, the construction I have found. It recognises that the movement of the floor in the Bass devices is integral to allowing the fish to pass.

26 As was discussed in *Sachtler GmbH & Co KG v RE Miller Pty Ltd* (2005) 221 ALR 373 at [54] a common sense construction should be adopted. There was evidence from a skilled addressee that the Bass devices and the apparatus of the claims of the first innovation patent operate in the same way and that there is no practical difference in terms of the purpose of the apparatus in this context. It is irrelevant to a determination of infringement that Mr Bass’ own patent used the word “allow” in the context of the description of the Bass devices. This evidence is of relevance as to the construction of that word within the claim of the skilled addressee.

27 It follows that, contrary to the opinion of the primary judge, the Bass devices infringe claims 1 and 5 of the first innovation patent.

### **THE VALIDITY OF THE SECOND INNOVATION PATENT**

28 Bass’ attack on the validity of the second innovation patent is based upon the characterisation of the invention. Section 40(2)(c) of the Act requires that a complete specification of an innovation patent must end with at least one and no more than 5 claims defining the invention. Section 40(3) of the Act requires that the claims must be fairly based on the matter

described in the specification. Bass submits that the claims of that patent do not define the invention and are not fairly based upon the invention described in the specification relevantly common to the innovation patents.

29 There is no dispute that the Bass devices infringe the claims of the second innovation patent.

30 It should also be noted that there was no allegation of a lack of fair basis of claim 1 of the first innovation patent.

### **The claims**

31 The claims of the second innovation patent are:

1. *A fish stunning apparatus comprising:*

*a fish stunning device including a striker; said striker including a cylinder and a piston; said piston movable between a retracted position and an extended position;*

*a fish guide having a front entrance and a rear exit; said fish guide guiding a fish below the striker so that the piston contacts said fish when the piston is in the extended position;*

*a trigger to cause the piston to be moved from the retracted position to the extended position when the fish is passed through the fish guide;*

*wherein a fish moves unidirectionally from the front entrance through the guide to the rear exit and the height of the striker is adjustable with respect to the fish guide.*

2. *The fish stunning device of claim 1 wherein the trigger is activated to allow the fish to move through the guide.*

3. *The fish stunning apparatus of claim 1 wherein the fish guide includes a floor being pivotally moveable between a first position and a second position.*

4. *The fish stunning device of claim 3 wherein the trigger is operatively connected to the floor to move the floor from the first position to the second position.*

### **The decision of the primary judge**

32 The primary judge held that the claims of the second innovation patent do not define the invention ‘because they do not disclose elements of the invention that are necessary to make it work, principally how it is that the striker operates on the fish so as to stun it (that is, how the fish is stopped, held, and then released). The invention is an apparatus “wherein” (that is, in which) the fish moves from the entrance to the exit, yet how the fish so moves (that is,

*how it is held for stunning and then released) is not revealed. That is the critical point which the [second innovation patent] must address, but is silent on this point' (at [116]). His Honour also said at [115] that the 'claims neglect to articulate any means of achieving a front entrance and rear exit' and in doing so, the claims omit 'what must be necessary elements of the invention, including how the fish is held while being stunned, and how it is caused to exit the device'. For these reasons, his Honour found that the second innovation patent was invalid (at [118]).*

33 The primary judge seems to have considered the claims of the second innovation patent by reference to the claims of the first innovation patent. That is not relevant either to the ground of failure to define the claim or to an alleged lack of fair basis.

### **Consideration**

34 It can be seen that claim 1 is not limited to an apparatus that includes the pivotally moveable floor. The apparatus of claim 1 mirrors the broadest description of the invention, except for a limitation that the height of the striker is adjustable with respect to the fish guide. Bass does not suggest that that limitation is or renders claim 1 invalid. The substance of the attack on claim 1 is that it does not include a limitation that the fish guide comprises the pivotally moveable floor.

### ***Fair basis***

35 Claim 1 is, of course, no broader than the broadest consistory clause but that is not in itself sufficient for fair basis. The first question is whether the claim is fairly based on the description of the invention or, as put by Bass, whether claim 1 '*travels beyond*' the invention as described. The parties accept that the principles to be applied are found in *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd (No 1)* (2004) 217 CLR 274, in which the High Court set out the approach to be taken in assessing compliance with the fair basis requirement in s 40(3) of the Act. Their Honours made it clear that s 40(3) does not raise questions that properly arise under s 18 of the Act. That is, a consideration of s 40(3) does not import a consideration of novelty or innovative step. The key to an understanding of the application of s 40(3) is an understanding of the invention described in the specification. It is necessary to examine the body of the specification in order to see what it describes as the invention. In doing so, it is wrong to employ an '*over meticulous verbal analysis*' or to seek to isolate in the body of the specification "essential integers" or "essential features" of an

alleged invention and to ask whether they correspond with the essential integers of the claim in question. The requirement for a real and reasonable clear disclosure does not limit those disclosures to a preferred embodiment.

36 It is therefore necessary to ascertain how the invention is described in the common specification of the innovation patents. The issue that arises is whether the invention as described in the specification necessarily includes a fish guide which “comprises” (in the sense of consists of) a floor being pivotally moveable between the first and second position. Bass contends that the apparatus must include the pivotally moveable floor. Bass submits that the embodiment specifying the pivotally moveable floor on page 3 of the specification is an elaboration of the one invention described in the specification. Bass points out that the pivotally moveable floor is the only description of the fish guide in the specification and that this description does not state that the fish guide includes the floor, but that it “comprises” (in the sense of consists of) the floor. Bass says that that makes the pivotally moveable floor an essential integer of the invention which must, therefore, be included in the claims. On the other hand, Seafood Innovations says that the description of such a fish guide is but one embodiment of the apparatus broadly described, without any such limitation.

37 The invention as described in the body of the specification purports to solve the problem of moving the fish from the table through the device, unidirectionally. The broadest description of the apparatus of the invention (at page 2 of the specification) is the one that comprises (in the sense of consists of):

- a fish stunning device;
- a fish guide having an entrance and an exit; and
- a trigger;

in which the apparatus enables the fish to move unidirectionally from the entrance to the apparatus, through the fish guide, to the exit.

38 As I read the specification, the specific fish guide described, which includes the floor that is pivotally moveable, is one embodiment of that apparatus. As described, that embodiment gives instruction to the reader of a means of constructing a fish guide of the apparatus, which is the invention. The broadest consistency clause is consistent with the solution to the difficulty identified in the background of the invention.

39 While it is the case that an innovation patent can only describe a single invention, which in the second innovation patent is an apparatus whereby fish are moved unidirectionally through that apparatus, this does not mean that variations within an apparatus are impermissible. The specification quite clearly describes an apparatus consisting of defined integers. There may, however, be variation within those integers. A reading of the whole of the specification does not support Bass' contention that specifically described possible embodiments limit the broader embodiment of the apparatus. Bass' analysis seeks to isolate essential integers from the body of the specification in understanding the described invention. This is contrary to the approach identified by the High Court in *Lockwood (No 1)*. As is apparent from *Lockwood (No 1)*, a narrow embodiment of a broad claim does not render the claim invalid for lack of fair basis. A claimed invention within the scope of the broadest description of the invention in the specification is fairly based.

40 Although the claims are in what could be described as general terms, this appeal does not concern questions of novelty or innovative step. The only requirement of the fish guide in claim 1 of the second innovation patent is that it have an entrance and an exit and that it guides the fish below the striker so that the piston contacts the fish when the piston is in the extended position. That apparatus, according to the specification, will overcome the identified "difficulty" of the removal of the fish backwards from a stunning apparatus which is hindered by, and sometimes prevented by, the backlog of fish located on the table. As the High Court said in *Lockwood (No 1)* in relation to the broad claims in that particular patent at [38], '*nothing in the body of the specification suggests that the description of the invention to be found in the consistency clause is wider than the invention actually was*'.

41 Bass submits that Seafood Innovations is not entitled to claim a monopoly for all fish stunning devices in which a fish moves unidirectionally from the front entrance to the rear exit, irrespective of the technical method for achieving that result. However, there is no requirement that the means of achieving that result must be included in the claims, although there is a requirement for sufficient description of the invention, including the best method, in the specification (s 40(2)(a) of the Act). That is not in issue in the appeal. Bass' submission really involves an attack on the innovative step of the claimed invention and whether or not it is a patentable invention. That might form a basis for an attack on validity for failure to comply with s 18 of the Act but, as emphasised by the High Court in *Lockwood (No 1)*, the inquiry under s 40(3) is a totally different one. The invention consists, in its broadest

embodiment, of the three integers set out at [6] above. These integers are included in claim 1. There is no missing essential integer in claim 1. There is no lack of fair basis.

42 Claim 1 (and the dependent claims) of the second innovation patent do not fail to comply with s 40(3) of the Act.

***Claims defining the invention***

43 Bass submits that, as the primary judge found, the claims of the second innovation patent do not define the invention as is required by s 40(2)(c) of the Act because they fail to disclose the critical and essential aspects of the invention, including how the *'fish moves unidirectionally from the front entrance through the guide to the rear exit'*.

44 The claims are indeed required to define the invention pursuant to s 40(2)(c) of the Act. However, pursuant to s 40(2)(a) of the Act, it is the whole of the specification including the claims that must describe the invention fully, including the best method known to the applicant of performing the invention. There was no pleading of insufficiency of description of the invention of the second innovation patent. There is no dispute that the body of the specification gives sufficient instruction to a person of ordinary skill to work the invention. There is no complaint that the whole of the specification fails to describe the best method of performing the invention. The claims are not required to provide instructions as to how to make the apparatus work. The claims are required to define the invention so as to make clear the monopoly claimed by the patentee. To the extent that Bass submits that the claims claim a narrower embodiment of the invention than that set out in the broadest consistory clause, that is not a basis for invalidity as a failure to define an invention under s 40(2)(c) or as for a lack of fair basis.

45 The monopoly is as set out in the claims. The fact that the claims (in contrast to the specification) do not give instructions for use of the apparatus is not a basis for invalidity for failure to define the invention for the purposes of s 40(2) of the Act. I do not accept Bass' contention that the claims of the second innovation patent fail to define the invention.

46 Claim 1 (and the dependent claims) of the second innovation patent comply with s 40(2)(c) of the Act.

**CONCLUSION**

- 47 The primary judge's decision, that the Bass devices do not infringe claims 1 and 5 of the first innovation patent and that the second innovation patent is invalid, should be set aside.
- 48 The Bass devices infringe claims 1 and 5 of the first innovation patent and claims 1, 2, 3 and 4 of the second innovation patent.
- 49 The matter should be referred to a Judge of the Court to determine damages for infringement. The parties should meet to attempt to agree on the quantum of damages or an account of profits. If an agreement cannot be reached, quantum should be determined at a hearing before a single judge of the Court.

I certify that the preceding forty-eight (48) numbered paragraphs are a true copy of the Reasons for Judgment herein of the Honourable Justice Bennett.

Associate:

Dated: 30 June 2011

**IN THE FEDERAL COURT OF AUSTRALIA  
QUEENSLAND DISTRICT REGISTRY  
GENERAL DIVISION**

**QUD 291 of 2010**

**ON APPEAL FROM THE FEDERAL COURT OF AUSTRALIA**

**BETWEEN:               SEAFOOD INNOVATIONS PTY LTD ABN 67 096 070 932  
Appellant**

**AND:                    RICHARD BASS PTY LTD ACN 010 643 197  
First Respondent**

**RICHARD ROBERT BASS  
Second Respondent**

**JUDGES:               DOWSETT, BENNETT AND GREENWOOD JJ**

**DATE:                  30 JUNE 2011**

**PLACE:                 BRISBANE**

**REASONS FOR JUDGMENT**

**GREENWOOD J:**

50     In this appeal I have had the benefit of reading the reasons for judgment of Justice Bennett. I agree with the orders her Honour proposes and I generally agree with her Honour’s reasons subject to the following observations. In making these observations, I adopt the references in her Honour’s reasons in framing the issues alive on this appeal.

**INFRINGEMENT OF INNOVATION PATENT 2006 100980 (THE “FIRST INNOVATION PATENT”)**

51     The complete specification for the First Innovation Patent recites that the field of the invention relates to a fish stunning apparatus. In particular, the invention relates to “a fish stunning *apparatus* including a *fish stunning device*, a *fish guide* and/or a *fish delivery table*” [emphasis added].

52     In the explanation of the background to the invention, the specification notes that it has been found that by stunning fish, the quality of the flesh is increased. An explanation for that result is mentioned. The most basic method of stunning fish is by striking the fish with a bat. More complex devices use a pneumatically driven ram to stun fish. In most fisheries operated on a commercial footing, more complex pneumatic rams are used as they are more

efficient and less physically demanding on an operator. The specification notes that an example of such a device is disclosed in International Patent Application No. WO 01/97621. The sequence of steps engaged by so using such a pneumatically driven stunning device is described in this way at p 1, lns 18-24 of the specification:

When fish are harvested, they are located in a holding area and then pumped onto a table. The fish are grabbed by an operator and stunned usually using a pneumatically driven stunning device that is mounted to the table. A guide is used to guide the head of the fish into the stunning device to activate a trigger to cause the pneumatic ram to be extended and stun the fish. The fish is then withdrawn from the guide and passed along the table for other operations such as bleeding.

53 However, there is a problem with such a process identified at p 1, lns 25-31 in this way:

A problem with this process is that often the fish are pumped onto the table in waves. A large number of fish are often located on the table at one time creating a backlog of fish. An operator that uses the fish stunning apparatus shown in WO 01/97621 must *push the fish forwardly through the guide* in order to stun the fish. The difficulty arises when the fish must be *removed* as the backlog often *hinders* or sometimes *prevents the removal* of the fish.

[emphasis added]

54 Another problem is identified at p 1, lns 31-32 and p 2, ln 1 in these terms:

Further, as there is a passageway that must be provided to allow fish to be passed further along the table, fish that have not been stunned can be passed through this passageway which is undesirable.

55 The specification recites that an object of the invention is to “overcome or alleviate the above disadvantages or provide the consumer with a useful or commercial choice”.

56 At p 2, lns 7-18, the specification recites a summary of the invention in these terms:

#### SUMMARY OF THE INVENTION

A fish stunning apparatus comprising:

a fish stunning device including a striker; said striker including a cylinder and a piston, said piston moveable between a retracted position and an extended position;

a fish guide having an entrance and an exit; said fish guide guiding a fish below the striker so that the piston contacts said fish when the piston is in the extended position;

a trigger to cause the piston to be moved from the retracted position to the extended position when the fish is passed through the fish guide;

wherein a fish is moved unidirectionally from the entrance through the guide to the exit.

57 According to this summary description, the invention is a fish stunning *apparatus* made up of a *fish stunning device* which includes a striker, a cylinder and a retractable piston; a *fish guide* which has an entrance and an exit and which guides a fish to a position below the striker so that the piston, in the extended position, strikes the fish; a *trigger* to cause the piston to be moved to the extended position when a fish is passed through the fish guide; where, in such an apparatus, a fish is moved in one direction only from the entrance to the guide through the guide to the exit.

58 At p 2, lns 19 and 20, the specification addresses the first integer, the fish stunning device, and describes one embodiment of mounting the device to a fish guide using a mount.

59 At p 2, lns 21-32 and p 3, lns 1-5, the specification describes features that *may* be included or comprised in the second integer, a striker, or the components of a striker, thus identifying possible embodiments of the invention.

60 The specification describes the third integer, the fish guide, at p 3, lns 6-13 in these terms:

A fish guide for guiding fish below a stunning device; said fish guide comprising:

an entrance for allowing fish to pass into the device;

an exit to allow fish to pass from the device;

a floor being pivotally movable between an [a] first position and a second position;

wherein the floor moves from the first position to the second position to allow a fish to pass from the entrance to the exit.

61 According to this summary description of the fish guide integer of the apparatus, the fish guide is comprised of an entrance *for allowing* fish to pass into the device; an exit *to allow* fish to pass from the device; a floor that moves upon a pivot from position 1 to position 2; where the floor moves from position 1 to position 2 *to allow* a fish to pass from the entrance to the exit of the guide.

62 The specification at p 3, lns 14-21 describes the features that *may* be included in a fish guide.

63 At p 3, lns 22-31 the specification describes the features of a table for distributing fish for stunning.

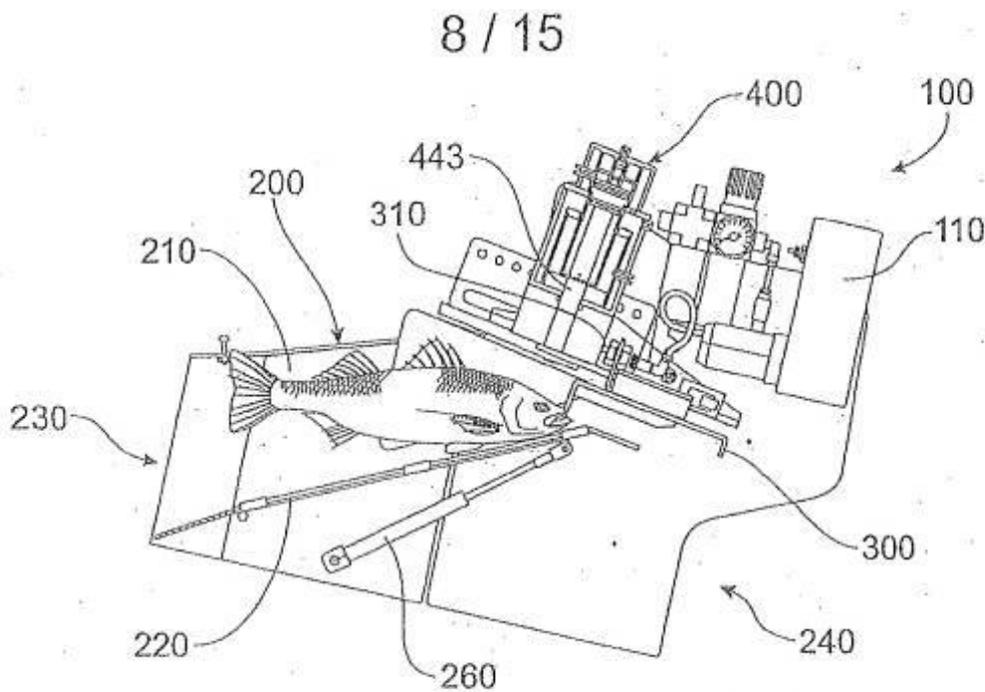
64 At p 8, lns 26-33 and p 9, lns 1-7, the specification contains a description by reference to figures 4A to 4D of the operation of the fish stunning apparatus. The description is in these terms:

The fish stunning apparatus 100 operates by a fish being placed through the entrance 230 of the guide 200. Once the fish is placed within the entrance 230, the trigger 300 is depressed and the striker 400 is activated.

The piston 443, located within the cylinder 442, moves to the extended position hitting the fish on the head, stunning the fish. After the fish has been stunned, the floor 220 moves downwardly *causing* the fish to pass through the exit 240 at the back of the guide 200. There is a slight delay between the piston 443 being fully extended and the floor 220 pivoting downwardly to ensure that the piston 443 stuns the fish.

The floor 220 is then moved back to its original position to allow for another fish to pass through the entrance 220 into the guide 200.

65 Figures 4A to 4D are set out below.



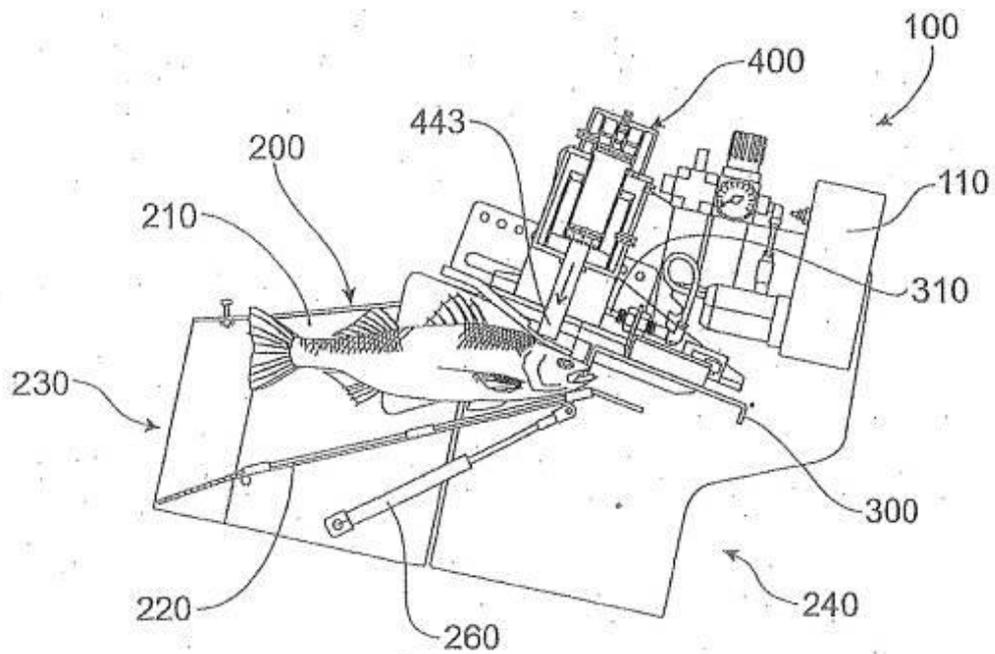


FIG. 4B

9 / 15

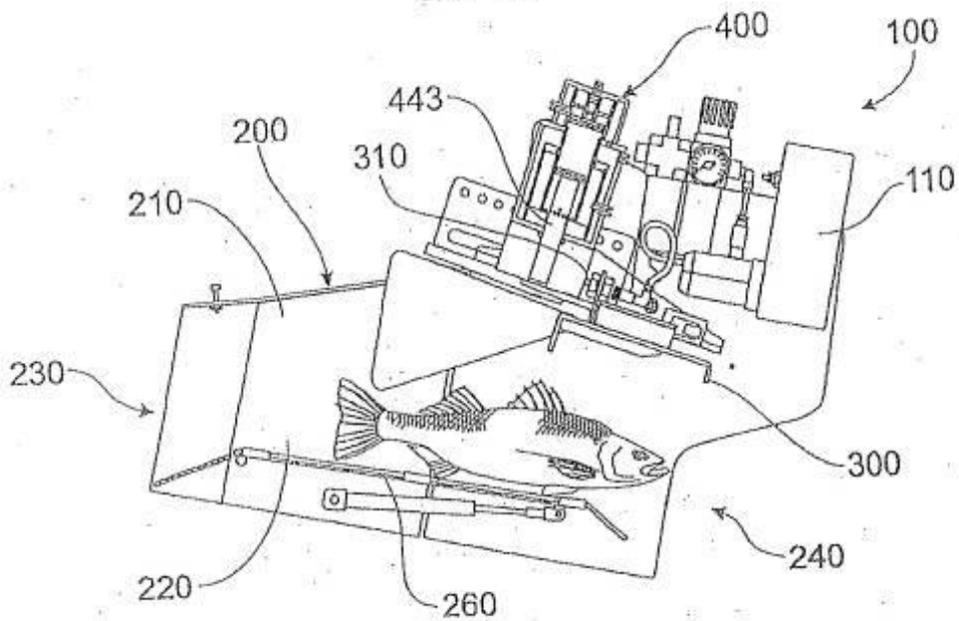


FIG. 4C

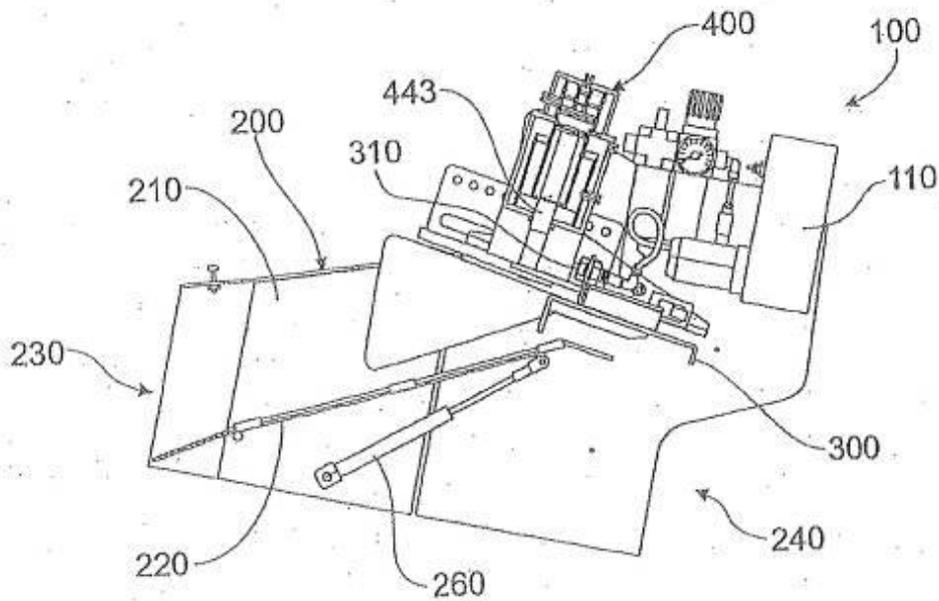


FIG. 4D

66 The summary of the invention describes integers of the invention in a disaggregated way by describing some of the integers at p 2, lns 7-18, followed by possible embodiments of the fish stunning device and striker integers, and then describes other essential elements of the fish guide integer at p 3, lns 6-13 followed by a possible embodiment of aspects of the fish guide. Although the summary of the invention at p 2, lns 7-18 does not describe the fish guide integer as comprising a pivotally movable floor moving from position 1 to position 2 to allow a fish to pass from the entrance to the exit, the description of the fish guide integer at p 3, lns 6-13 is a further description of essential components of that integer and thus an integer of the invention as *described* in the specification.

67 Claims 1 and 5 *define* an invention in these terms:

1. A fish stunning apparatus comprising:
  - a fish stunning device including a striker; said striker including a cylinder and a piston, said piston movable between a retracted position and an extended position;
  - a fish guide having an entrance and exit; said fish guide guiding a fish below the striker so that the piston contacts said fish when the piston is in the extended position;
  - a trigger to cause the piston to be moved from the retracted position to the extended position when the fish is passed through the fish guide;

wherein the fish guide includes a floor being pivotally movable between a first position and a second position, the floor moving from the first position to the second position to allow a fish to pass unidirectionally from the entrance to the exit.

5. A fish guide for guiding fish below a stunning device; said fish guide comprising:

an entrance for allowing fish to pass into the device;

an exit to allow fish to pass from the device;

a floor being pivotally movable between a first position and a second position;

wherein the floor is pivotally movable between the first position and the second position, the floor moving from the first position to the second position to allow a fish to pass unidirectionally from the entrance to the exit.

68 It follows that the notional addressee (see [78] and [79] of these reasons) would understand claim 1 as defining an invention comprised of the integers described in the specification at p 2, lns 7-18 and p 3, lns 6-13 and to that extent, in the context of the construction question, there is no discontinuity in my view between the description of the integers in the specification and the claims defining the monopoly. A patent specification must, of course, include a detailed description of the invention and the best method known to the inventor of performing that invention. It follows that the specification will usually contain a detailed description of at least one *embodiment* of the invention. Provided a claim is fairly based upon matters disclosed in the specification, a claim may define the invention as having fewer integers than those present in a particular embodiment. Equally, the claim may define an invention as having more features than those present in a particular embodiment. It always remains open to the patentee in defining the boundary of the monopoly to frame a claim in a way which introduces defined *limitations* into a claim. The claim, as framed, must be fairly based on matters disclosed in the specification.

69 The matters described in the specification at p 2, lns 7-18 and p 3, lns 6-13 are not mere embodiments of the invention. They reflect a description of integers adopted in the claims defining the invention.

70 As a matter of construction, an integer of claim 1 that *must* be present in any apparatus that infringes claim 1 of the First Innovation Patent, is a fish guide that incorporates a floor pivotally movable from position 1 to position 2, the floor moving to the second position to allow a fish to pass in one direction only from the entrance to the exit (integer 5, see [36] of

the primary judgment). The respondents concede that the fish killing devices described as MT5 (Exhibit 4) and RB6 (Exhibit 5) manufactured and sold by Richard Bass Pty Ltd (“Bass”) incorporate a pivotally movable chin plate which moves from a first position to a second position. However, the point of departure from integer 5 of claim 1 is said to be that the pivotal movement of the floor in the Bass devices does not move to the second position “to allow the fish to pass unidirectionally from the entrance to the exit” because in both of the Bass devices a fish is “allowed” to exit the devices by four components moving in unison, not by the lowering of the chin plate to position 2.

71 The primary judge identifies at [41] the four components acting in unison as these: two cheek plates in MT5 and four cheek plates in RB6 which enclose the sides or cheeks of the fish and which fold back against the sides of the fish guide; a trigger plate which moves up and back from a descended position; and a chin plate or floor plate which folds down from position 1 to position 2.

72 The respondents say that all of these components must move in unison to allow a fish to exit their devices. The primary judge at [69] accepted “the evidence of the second respondent [Richard Bass] and also Mr Smart, that if *only* the chin plate were down the fish would not go through” although “on the whole of the evidence ... the lowering of the chin plate is *necessary* to allow the fish to pass unidirectionally from the entrance to the exit” [emphasis added]: [76]. On the facts, the primary judge found at [77] that “on the whole of the evidence, however, I also accept that the lowering of the chin plate is *not sufficient* to allow the fish to pass unidirectionally from the entrance to the exit” [emphasis added].

73 Having made those findings, the primary judge’s analytical conclusions are set out in these paragraphs:

80 According to the Shorter Oxford Dictionary, “allow” in its transitive sense, means “to concede, permit (an action, etc)”; and in the Macquarie Dictionary, relevantly, “allow” means “to permit”.

81 In my opinion, in integer 5 of claim 1 of the First Innovation Patent, the movement of the floor from the first position to the second position is not said to “aid” or “assist” a fish to pass unidirectionally from entrance to exit, but is used in the sense of “permitting” a fish to pass unidirectionally from entrance to exit.

...

83 In my opinion, integer 5 of claim 1 claims a monopoly in which the

movement of the floor from the first position to the second position allows, that is to say, permits, a fish to pass unidirectionally from entrance to exit within the device.

...

85 In my judgment, integer 5 is directed at a fish guide in which the movement of the floor from the first position to the second position permits the fish to move unidirectionally from the front to the exit of the guide. That movement, in the impugned devices, does not permit the fish to flow unidirectionally from the front to the exit of the device. The joint operation of the cheek plates and the top plate, as well as the chin plate, is necessary to allow or permit the fish to move unidirectionally from the front to the exit.

86 The connection or movement of those parts is not of the same substance or effect as the movement of a pivoting floor from first to second position, allowing or permitting the fish to move unidirectionally from the front to the exit of the device. Claims 1 and 5 of the First Innovation Patent teach that after the fish is stunned, the movement of the floor to the second position allows fish to move towards the exit. The movement of the floor acts like a gate, door or flap, operating to allow the fish to move towards the exit. In the respondents' devices, after the fish is stunned, the passageway constituted by the chin plate, the two or four cheek plates, and the top plate, expands, sphincter like, to allow the fish to move towards the exit.

87 In the impugned devices, lowering of the chin plate, as a matter of language, does not allow or permit the fish to pass from the front to the exit of the device. The mechanism in the impugned devices for achieving that unidirectional flow of fish is a substantially new or different mechanism.

74 The primary judge accepted that the lowering of the chin plate (or bottom surfaces which the primary judge found to be, relevantly, a floor [89] and [90]) from a first position to a second position in Exhibits 4 and 5 is necessary to allow a fish to pass unidirectionally from the entrance to the exit of those devices. However, the introduction of the additional components constraining the fish within the devices and, more importantly, the joint functional operation of those additional components in unison with the pivotal movement of the chin plate operate "to allow or permit" the unidirectional movement of the fish to the exit. The primary judge concluded that integer 5 is not present in the impugned devices because the pivotal downward movement of the chin plate does not *permit* the fish to flow unidirectionally from the front to the exit of the device. That follows because the other components prevent the fish from so flowing unless all components are released in unison.

75 The respondents support the conclusions of the primary judge and contend that no error is demonstrated.

- 76 The contention of the respondents is not that integer 5 is present within the impugned devices but that the presence and operational function of the additional components renders the impugned devices non-infringing devices. The contention is that because the pivotal downward movement of the chin plate does not permit the fish to flow unidirectionally from the front to the exit of the devices, integer 5 is not satisfied and that result arises because each of the four components must act in unison “to allow” a fish to move unidirectionally from the front to the exit of the devices. The respondents say that, on this construction, the alleged infringing devices differ materially from an essential feature of the appellant’s claim and thus there can be no infringement: *Rodi & Wienenberger A.G. v Henry Showell Ltd* [1969] R.P.C. 367; *Shave v H.V. McKay Massey Harris Pty Ltd* (1935) 52 CLR 701; *Commonwealth Industrial Gases Ltd v M.W.A. Holdings Pty Ltd* (1970) 180 CLR 160 at 168.
- 77 If integer 5 is present within the impugned devices, the introduction into the devices by the respondents of other components will not render the devices non-infringing devices. At that point, there is no material differentiation *in* an essential integer of the claim but an *adoption* of the essential integer plus the addition of other features: see the discussion in *Fresenius Medical Care Australia Pty Ltd v Gambro Pty Ltd* (2005) 67 IPR 230 at [70] and [74]; *Bitech Engineering v Garth Living Pty Ltd and Anor* (2010) 86 IPR 468 at [30] and *Arbitron v Telecontrol Aktiengesellschaft and Anor* (2010) 86 IPR 110 at [257]. The question is whether the integer is present within the impugned devices, that is, does the pivotal movement of the chin plate from a first position to a second position so move to allow a fish to pass unidirectionally from the entrance to the exit?
- 78 The answer to that question turns on the meaning to be attributed to “to allow” in the context of the specification which serves the purpose of both describing and demarcating the invention and is addressed to a person skilled in the relevant art reading the specification with common general knowledge of the art, that is, the notional addressee. As Lord Hoffmann observed in *Kirin-Amgen Inc v Hoechst Marion Roussel Ltd* (2004) 64 IPR 444 at [32] the task of objective construction of a patent is not, “as is sometimes said ‘the meaning of the words the author used’, but rather what the notional addressee would have understood the *author* to mean by using those words” (Lord Hoffman’s emphasis) and also at [32]:

[t]he meaning of words is a matter of convention, governed by rules, which can be found in dictionaries and grammars. What the author would have been understood to mean by using those words is not simply a matter of rules. It is highly sensitive to the context of and background to the particular utterance.

- 79 What lies at the heart of purposive construction is the notion that the skilled addressee reads the specification on the assumption that its purpose in describing and demarcating the invention is to convey, in context, a practical idea of that which the patentee has had for a new product or process: *Kirin-Amgen Inc v Hoechst Marion Roussel Ltd*, Lord Hoffmann at [33]. However, the principles to be applied in determining the construction of the claims are those established by *Welch Perrin & Co Pty Ltd v Worrel* (1961) 106 CLR 588 at 610; *H Lundbeck A/S & Anor v Alphapharm Pty Ltd & Anor* (2009) 177 FCR 151 at [118] – [120]; *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 at [15] (as to infringement questions); *Interlego AG v Toltoys Pty Ltd* (1973) 130 CLR 461 at 479; and *Sachtler GMBH and Co KG v RE Miller Pty Ltd* (2005) 65 IPR 605. In the end, the principled approach to construction is to read the words of the claim through the eyes of the skilled addressee equipped with the common general knowledge in the art so as to determine, in an objective sense, what the notional addressee would have understood the author to mean by selecting and using the words of the claim recognising that it is necessary to read the specification as a whole even where there is no apparent ambiguity in the language of the claims. The specification should be approached in its entirety. This is particularly so in circumstances where difficulties of construction (reflected in the controversy before the Court) arise even though the words of the claim were intended to be given their ordinary meaning. The meaning to be attributed to the words may vary depending upon the context in which they are used having regard to the sense in which the notional addressee would have understood the author to have used those words. It must be remembered of course, that once a proper contextual approach has been adopted to construction, it is the claim that must be construed and it is not permissible to qualify the plain and unambiguous meaning of the words of the claim by reference to the body of the specification. More often however, the question will be one of construing the language of the claim in circumstances where there is some degree of ambiguity as to meaning even though it is apparent that the words of the claim were intended to be given their ordinary meaning. Every utterance ultimately has a context: see *Interlego AG v Toltoys* (supra) at 478.
- 80 Part of the context and background to integer 5 of the invention is the author's recognition in the specification of the problem that in prior art apparatuses an operator had to push the fish forwardly through the guide and often backlogs arose which hindered or prevented the

removal of the fish from the fish stunning apparatus. Part of the solution to that “difficulty” is a pivotally movable floor which moves from position 1 to position 2 to allow a fish to pass (through the apparatus) unidirectionally from entrance to exit.

81 The author’s choice of the words in integer 5 of “to allow” to describe the relationship between the movement of the floor from position 1 to position 2 and the transition of a fish to the exit point after stunning does not engage any question of construction of technical terms of art. The description in the specification of the fish stunning apparatus noted at [67] of these reasons demonstrates that the pivotally movable floor in the first position supports the head of the fish adjacent to the striker which moves to the extended position hitting the fish and stunning it. After the fish has been stunned the floor moves to the second position and gravity takes the stunned fish to the exit point. The floor then returns to the first position.

82 In that sense, the downward movement of the floor to the second position permits the fish to move to the exit point because the floor then presents no resistance to the natural forces that cause the fish to move to the exit point.

83 Whatever else may move in unison or otherwise in the impugned devices, without the movement of the chin plate to the second position, a fish cannot move to the exit point of the devices. It seems to me that “to allow” is used in the permissive sense of not preventing the transitional movement of the stunned fish to the exit point. This construction of “to allow” in the context of the specification is consistent with one of the meanings attributed to the transitive verb “allow” in both the Shorter Oxford Dictionary and the Oxford English Dictionary (Second Edition, 1989; Supplemented by the Online Revision of March 2011). The reference to “to allow” in integer 5 does not suggest a foreclosure of the scope of the invention to one where the *sole* mechanism or means by which a fish is *allowed* to pass unidirectionally from the entrance to the exit is the downward movement of the floor plate to position 2. The claim is not to be construed as introducing such a *limitation*.

84 A fish might pass unidirectionally through a device by reason of a combination of features. If one of those features involves the movement of the floor from position 1 to position 2 such that no resistance is then presented to the gravitational movement of the fish to the exit point of the device, integer 5 of claim 1 is satisfied. So too is claim 5. This construction is consistent with the well known observations, as a matter of principle, of Dixon CJ, Kitto and

Windeyer JJ in *Welch Perrin & Co Pty Ltd v Worrel* (1961) 106 CLR 588 at 609-611 and particularly at 610.

85 Since the impugned devices contain integer 5 and no contention is raised as to the presence of the other integers, the Bass devices infringe claims 1 and 5 of the First Innovation Patent.

86 As to the remaining questions raised on the appeal, I agree with the reasons for judgment of Bennett J and the orders her Honour proposes.

I certify that the preceding thirty-seven (37) numbered paragraphs are a true copy of the Reasons for Judgment herein of the Honourable Justice Greenwood.

Associate:

Dated: 30 June 2011